

# Polis Analysis

Intergenerational Unfairness  
in the United Kingdom

December 2025

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## About Polis Analysis

Polis Analysis is a provider of high-quality analysis of global politics with teams based in the heart of political capitals, including London, Brussels, Berlin, Paris, Rome, Washington D.C., and Hong Kong. Our next-generation team of experts brings a fresh and innovative approach to political analysis, delivered in an impartial, fact-based, and accessible way.

The political media space is a crowded field. However, media coverage of international politics is increasingly polarised and partisan in recounting stories. Even those consultancies that provide rigorous analysis instead of sensationalist media coverage deliver it to the exclusive preserve of big corporations and wealthy clients. At Polis Analysis, we do things differently. Our next-generation team is uniquely placed to offer a new way of covering global politics. We don't simply recount political stories; we analyse them to explain their significance to your life.

## Acknowledgements

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# Executive Summary

By Edward Stoppard

In recent years, inequality has become a staple of popular politics in the UK, ranging from race and gender to increasing discussions surrounding wealth. However, there is another form of inequality, just as pernicious as any other, but one that nevertheless garners significantly less coverage than any of its counterparts: intergenerational unfairness. In summary, intergenerational unfairness refers to the unequal treatment or distribution of benefits and burdens between generations, which often leaves younger generations worse off than their predecessors. For this report, Polis Analysis focused on four areas: Housing, Work, Taxation, and Public Spending.

The British housing crisis, driven by decades of lacklustre building and surging demand, has made homeownership increasingly unattainable for younger generations. In 2022-23, only 39% of 25–34-year-olds now own homes, compared to 59% in 2000, while rising rents trap many in costly, insecure tenures. This situation has deepened intergenerational divides, delayed financial independence for the young, and fuelled political disengagement. Although initiatives, such as the Renters' Rights Bill, aim to improve security and standards, meaningful progress will require a sustained increase in housing supply and fairer access to affordable, stable housing to restore opportunity across generations.

UK unemployment, meanwhile, has reached its highest level in four years, with job vacancies falling sharply and competition for work intensifying. Economic stagnation, high borrowing costs, and rising hiring expenses have hit the youngest the hardest, with youth unemployment standing at 14.3%, more than triple the national average. Graduates also face shrinking opportunities as AI and automation have begun to replace entry-level roles, limiting progression and skill development. Young men are also increasingly excluded from education and work as traditional industries decline. Youth unemployment is so pervasive that it now shapes culture and identity online, reflecting growing frustration with the job market. Without action, these trends risk entrenching inequality and fuelling long-term political discontent.

Concerning taxation, the UK's tax system, spanning over 23,000 pages of legislation, increasingly reflects intergenerational unfairness. Younger workers bear higher effective tax burdens through income tax, National Insurance, and fiscal drag, while older workers benefit from exemptions and fixed incomes shielded from rising rates. At the same time, wealth and property are lightly taxed relative to their earnings, allowing older generations to retain growing assets while younger people struggle to accumulate

savings. Outdated council tax valuations and lenient capital gains rules further entrench these disparities. Meanwhile, escalating student debt has created a “graduate tax” on younger earners, leaving them with less disposable income and deepening the UK’s intergenerational divide.

Finally, public spending has revealed the government’s uneven spending priorities across the generations. On one hand, an ageing population and the triple lock on pensions have driven state pension costs to record highs, to the benefit of the old, but at the cost of placing growing fiscal pressure on a shrinking working-age population. On the other hand, youth-focused services have faced deep, prolonged underfunding, which has weakened opportunities and outcomes for younger generations. This divergence sustains short-term political convenience but deepens long-term inequality, forcing younger taxpayers to fund expanding benefits for older citizens while their own prospects deteriorate.

The evidence across taxation, housing, employment, and public spending clearly points to a widening intergenerational divide in the UK. Current policy choices too often favour the immediate interests of older generations while simultaneously undermining the long-term prospects of the young. Unless addressed through structural reform, this imbalance will continue to erode social cohesion and economic stability. Levelling the playing field between generations is not only a question of fairness but a prerequisite for ensuring a resilient and prosperous future for all.

# Housing

By Tom Heyes

The UK faces a housing crisis. A failure of housebuilding to keep pace with growing demand has fuelled a sharp increase in both house prices and rents over the last two decades, making finding a place to live an often difficult, and even competitive, process. This has led the Resolution Foundation, a UK public policy think-tank, to describe the UK's housing stock as “offering the worst value for money of any advanced economy”.<sup>1</sup> While successive governments have pledged action on the issue, the rate of housebuilding has remained below even the lowest estimates of what is required to keep pace with demand year-on-year.<sup>2</sup> The consequences of this mismatch in supply and demand are uneven: regions, income groups, and generations experience the effects differently. This section of the report examines how the UK's crisis of housing affordability and availability has disproportionately impacted younger adults and exacerbated generational inequalities.

## Ownership

As house prices have risen, an increasing generational disparity in homeownership has emerged. Millennials and Gen Xers are significantly less likely to own a home compared to Baby Boomers at the same age. According to the Institute of Fiscal Studies (IFS), in 2022-23, 39% of 25 to 34-year-olds were homeowners, a 20% drop compared to 2000 levels.<sup>3</sup> This decline has primarily been caused by an increase in property prices that has significantly outpaced largely stagnant wage growth. IFS data shows that while UK property prices rose by an average of 173% since 1997, and by 253% in London, real incomes of 25- to 34-year-olds rose by only 19% during the same period.<sup>4</sup>

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<sup>1</sup> Resolution Foundation, (2024), Britain's housing stock offers worst value for money..., Available at: <https://www.resolutionfoundation.org/press-releases/britains-housing-stock-offers-worst-value-for-money-of-any-advanced-economy/>

<sup>2</sup> Barton, C, et al., (2023), Tackling the under-supply of housing in England, House of Commons Library, Available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-7671/#:~:text=According%20to%20one%20estimate%20commissioned,of%20solutions%20across%20policy%20areas.>

<sup>3</sup> Cribb, J, (2024), Homeownership for young adults has recovered to its 2010 level, Institute for Fiscal Studies, Available at: <https://ifs.org.uk/articles/homeownership-young-adults-has-recovered-its-2010-level>

<sup>4</sup> Brader, C, (2024), Housing needs of young people, House of Lords Library, Available at: <https://lordslibrary.parliament.uk/housing-needs-of-young-people/>

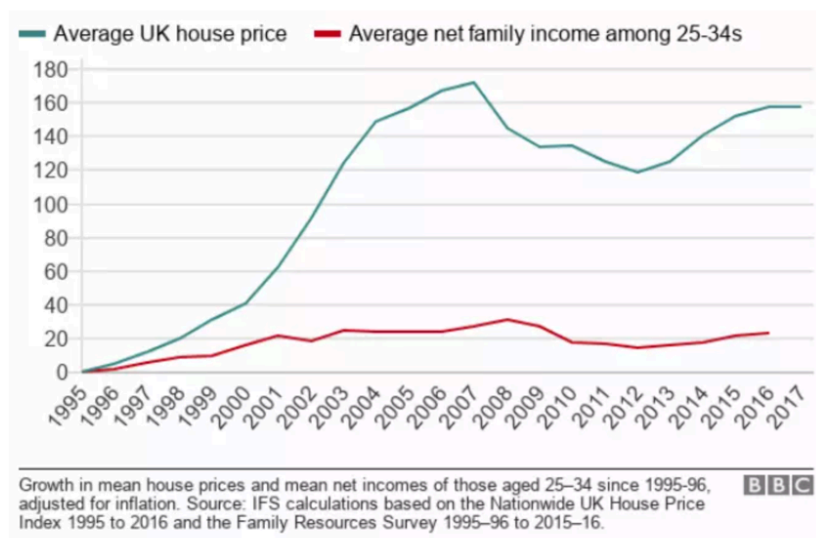


Fig 1. Cribb, J, (2018), 'How housing has divided the young', Institute for Fiscal Studies, Available at: <https://ifs.org.uk/articles/how-housing-has-divided-young>

Older cohorts, by contrast, are more likely to own by virtue of accumulating property over time. Among those 75-79, the homeownership rate increased by 48% between 1986 and 2021.<sup>5</sup> While not the cause of declining homeownership among young people, it does widen the gap between young and old, fuelling a sense of intergenerational unfairness.

### Intergenerational Impact

The impact of rising property prices can be observed in the proportion of 25- to 34-year-olds living with their parents, which rose from 20 to 28% on average across the country since 2006-07 but substantially more in regions with the highest and fastest-increasing property prices.<sup>6</sup> While this can be a sensible financial decision, in many cases it reflects limited housing options. A shift towards living at home for longer due to financial necessity could also disadvantage young adults who live outside the urban centres and regions where economic opportunities in the UK are particularly focused, as well as constraining economic growth.

The greater challenges facing young adults today in getting on the housing ladder compared to their parents' generation are emblematic of a wider inter-generational fall

<sup>5</sup> Broome, M, et al., (2023), An intergenerational audit for the UK: 2023, Resolution Foundation, Available at:

<https://www.resolutionfoundation.org/app/uploads/2023/11/An-intergenerational-audit-for-the-UK-2023.pdf>

<sup>6</sup> Atkinson, I, (2025), Share of 25- to 34- year-olds living with parents up over a third since the mid 2000s, Available at: <https://ifs.org.uk/news/share-25-34-year-olds-living-parents-over-third-mid-2000s>

in living standards.<sup>7</sup> Homeownership is still seen by most as a key marker of stability and success, with 81% of Gen Z and 93% of Millennials saying that they would like to buy a home if possible.<sup>8</sup> The sense that this expected milestone is far out of reach for many is likely to have social and political consequences, including increased political apathy and/ or polarisation.

## Renting

As homeownership has become increasingly unattainable for young adults, they stay in the rental market for longer. Data from the 2017 Resolution Foundation report reveals that 40% of 30-year-olds live in privately rented housing compared to 10% 50 years earlier.<sup>9</sup> Renters, on average, however, spend over a third of their income on rent, a significantly greater proportion than what homeowners spend on mortgage repayments.<sup>10</sup> This can create a vicious circle in which the cost of renting impedes people's ability to save the money required for a deposit, trapping them in the rental market even if they could afford the costs of mortgage repayments, as well as limiting their capacity to accumulate wealth for later life.<sup>11</sup> Renters are doubly disadvantaged by the fact that the gap in proportional housing costs between renters and mortgage holders has significantly widened.

## Intergenerational Impact

Renting can leave tenants in a precarious position, unsure of how long they can stay in a property, and often with limited recourse regarding quality issues, faults, and inflated charges.<sup>12</sup> Large numbers of young adults living in what is generally the most insecure and lowest quality form of tenure is likely to contribute to a feeling of inter-generational

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<sup>7</sup> Corlett, A, Judge, L, (2017), Home Affront - Housing across the generations, Resolution Foundation, Available at: <https://www.resolutionfoundation.org/app/uploads/2017/09/Home-Affront.pdf>

<sup>8</sup> National Centre for Social Research, (2024), Society Watch 2024, Available at: <https://natcen.ac.uk/news/society-watch-2024-generation-zs-attitudes-housing-social-care-law-and-order>

<sup>9</sup> Corlett, A, Judge, L, (2017), Home Affront - Housing across the generations, Resolution Foundation, Available at: <https://www.resolutionfoundation.org/app/uploads/2017/09/Home-Affront.pdf>

<sup>10</sup> DePaul, Generation rent: young people and the housing crisis, Available at: <https://www.depaul.org.uk/blog/generation-rent-young-people-and-the-housing-crisis/#:~:text=The%20UK%20is%20ensnared%20in.things%20into%20our%20own%20hands>.

<sup>11</sup> Broome, M, et al., (2023), An intergenerational audit for the UK: 2023), Resolution Foundation, Available at: <https://www.resolutionfoundation.org/app/uploads/2023/11/An-intergenerational-audit-for-the-UK-2023.pdf>

<sup>12</sup> Resolution Foundation, (2023), one-in-six young people live in poor quality housing, and it is worsening their physical and mental health, Available at: <https://www.resolutionfoundation.org/press-releases/one-in-six-young-people-live-in-poor-quality-housing-and-it-is-worsening-their-physical-and-mental-health/#:~:text=Any-,One%2Din%2Dsix%20young%20people%20live%20in%20poor%20quality%20housing,an%20increasing%20number%20of%20homeowners>.

unfairness.<sup>13</sup> Beyond the social and well-being effects, these issues also risk causing renters to be less engaged in civil society and activities such as voting, as they are more likely to be focused on immediate problems or not live in an area for a very long time. This means that their concerns and interests are more likely to be overlooked in policy-making.

## Political Consequences

While the factors underpinning falls in voter turnout are multifaceted, the particularly rapid decline in voter turnout among young adults seen since 1997 may, in part, be the result of the issues regarding housing discussed above. The failure of successive governments to address the housing crisis could be interpreted as evidence that politicians, and therefore voters, are ineffective and contributing to growing political apathy among young people. In the 2019 UK general election, only 47% of 18-25-year-olds voted, compared to 61% for the general adult population. The result of this, combined with the fact that the UK has an ageing population, is that the over-56 age group accounted for more than three times the number of votes cast by 18-35-year-olds. Given this fact, it is perhaps unsurprising that many young adults feel policy regarding housing, and in other areas, is not designed with them first in mind.

It is striking that in 2019, almost 70% of homeownership millennials voted compared to just 41% of non-homeowning millennials.<sup>14</sup> While a large proportion of this difference is likely driven by economic disparities, with poorer people being less likely to vote, the obstacles to voting created by insecure tenures and other housing pressures may also contribute. The fall in young voter turnout could have long-term implications, as data shows that the people who do not vote when they are young are less likely to vote in the future.

Young people's dissatisfaction is not only evident in growing political detachment but also in increasing polarisation. An Ipsos poll from August 2025 finds that 33% of 16-34 year-olds would be "fairly or very likely" to vote for Jeremy Corbyn and Zahra Sultana's new left-wing party, compared to 20% of the general adult population, rising to 52% if this party ran with the Greens.<sup>15</sup> At the same time, while Reform's leadership in the polls

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<sup>13</sup> Corlett, A, Judge, L, (2017), Home Affront - Housing across the generations, Resolution Foundation, Available at: <https://www.resolutionfoundation.org/app/uploads/2017/09/Home-Affront.pdf>

<sup>14</sup> Resolution Foundation, (2024), Britain's deepening turnout divide, Available at: <https://www.resolutionfoundation.org/press-releases/britains-deepening-turnout-divide-less-well-off-millennials-are-increasingly-unlikely-to-vote-compared-to-their-better-off-counterparts/>

<sup>15</sup> Ipsos, 2024, One in five Britons would consider voting for new left-wing party, Ipsos, Available at: <https://www.ipsos.com/en-uk/one-five-britons-would-consider-voting-new-left-wing-party-rising-one-three-young-people-and-labour>

hasn't been driven by young voters, support among this cohort has grown substantially.<sup>16</sup> While the factors behind support for new parties are various, including the Gaza conflict and concerns regarding climate change, immigration, and economic inequality, a common thread is often exasperation with a “political system” that appears to many as unable or unwilling to address declining living standards, public service pressures, and housing affordability.

## Hope for the future?

Increasing housing supply is likely to offer much of the long-term solution to the challenges faced by renters and prospective buyers. In addition, the current UK government's proposed Renters' Rights bill aims to address several leading factors contributing to tenant dissatisfaction and insecurity in the private rental market. In abolishing “no-fault” evictions, the bill provides greater security and stability to tenants by removing the threat of being forced to vacate a property at short notice. Measures such as introducing a Private Rented Sector Landlord Ombudsman and applying the Decent Homes Standard are intended to make it easier for tenants to raise complaints and to improve the quality and safety of rental properties.<sup>17</sup>

Some also contend that inter-generational wealth transfers may offer at least part of the solution to the challenges that many young adults face in getting on the housing ladder. Rising property values have increased the asset wealth held by older generations, such that inheritances are set to double over the next 20 years. Moreover, purchasing housing is the most common use of and motivation for intergenerational gifts.<sup>18</sup> However, the average age to receive a parental inheritance, as a result of increasing life expectancy and family formation occurring later, is in the 60s, suggesting that inheritance does not offer a solution to getting on the housing ladder for most young people. Furthermore, positioning inheritances as an important part of the solution risks entrenching economic and regional inequalities. This size and even the prospect of receiving an inheritance reflect the unequal distribution of parental wealth. Those who receive inheritances are

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<sup>16</sup> Snowdon, H, 2025, Polling: is Reform really winning over young people, Politics UK, Available at: <https://politicsuk.com/polling-is-reform-really-winning-over-young-people/>

<sup>17</sup> Ministry of Housing, Communities & Local Government, 2025, Guide to the Renters' Rights Bill, UK Government, Available at: <https://www.gov.uk/government/publications/guide-to-the-renters-rights-bill/guide-to-the-renters-rights-bill#background>

<sup>18</sup> Leslie, J, Shah, K, 2022, Intergenerational rapport fair?, Resolution Foundation, Available at: <https://www.resolutionfoundation.org/app/uploads/2022/02/Intergenerational-rapport-fair.pdf>

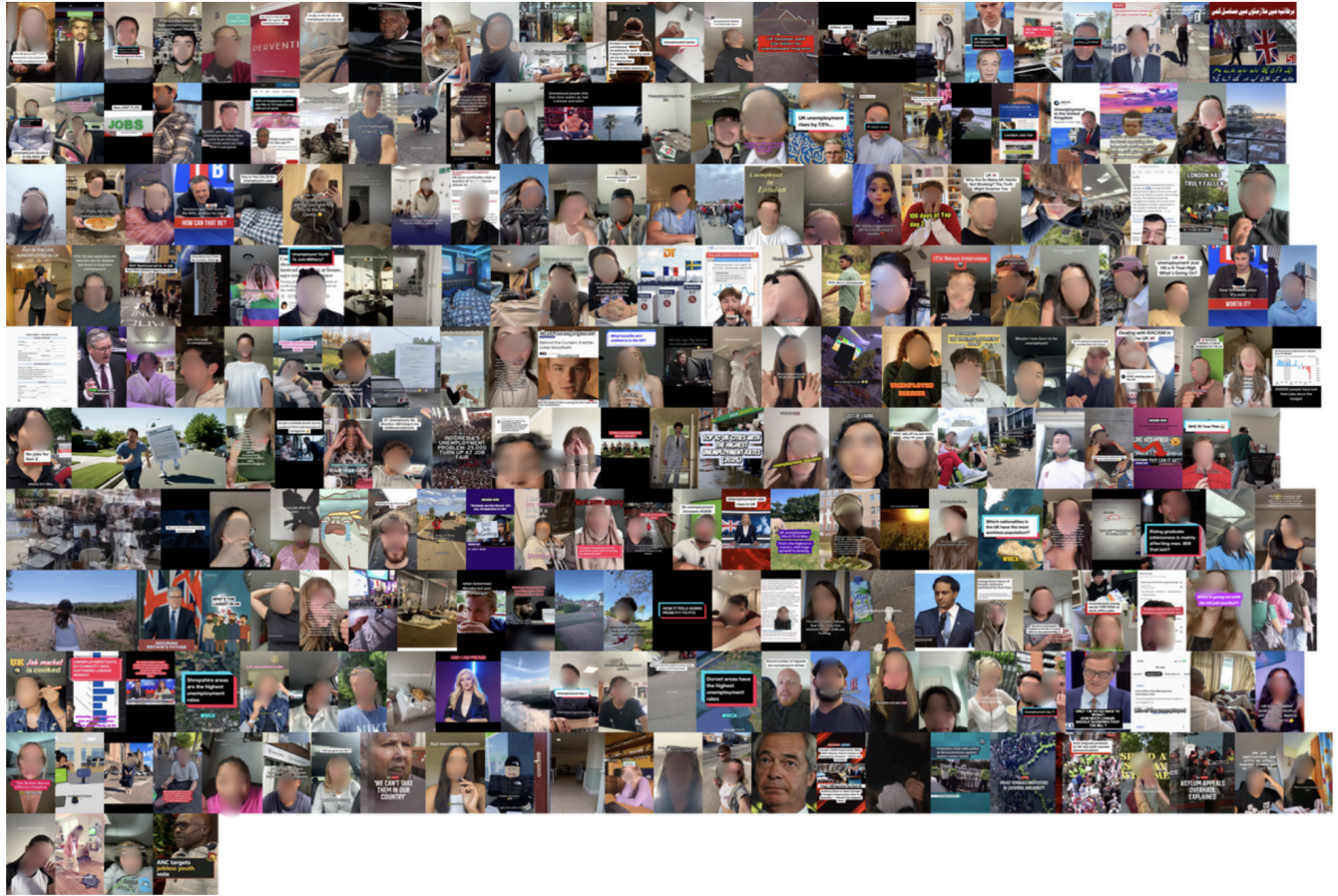
also more likely to be more educated and higher earners, resulting in the reinforcement of intra-generational wealth inequalities.<sup>19</sup>

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<sup>19</sup> Bourquin, P, et al., 2020, Inheritances and inequalities within generations, IFS, available at: <https://ifs.org.uk/publications/inheritances-and-inequality-within-generations#:~:text=This%20suggests%20that%2C%20on%20average,at%20age%2064%20on%20average>.

# Job Opportunities and Unemployment

By Hannah Hamilton



*Image wall of the TikTok videos using the hashtag #unemployment in the UK*

Unemployment in the UK has risen to its highest level in four years, while the number of job vacancies continues to fall. Between March and May this year, vacancies fell by 150,000, a decline of nearly 16.9%, leaving fewer opportunities for those out of work than before the coronavirus pandemic.<sup>20</sup>

For work-seekers, competition is more intense. As of June 2025, there are now 2.2 unemployed people for every available position, up from 1.9 at the start of the year.<sup>21</sup>

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<sup>20</sup>ONS, 2025, Vacancies and jobs in the UK: June 2025, ONS, available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/june2025>

<sup>21</sup>ONS, 2025, Vacancies and jobs in the UK: June 2025, ONS, available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/june2025>

This statistic exemplifies how the ability to access work is simultaneously shrinking as more people search for jobs.

The tightening of the labour market has unfolded against a backdrop of slowing economic growth, stubbornly high borrowing costs, and a subdued investment climate.<sup>22</sup> Interest rates, held at elevated levels in an effort to contain inflation, have increased the cost of credit for businesses, discouraging expansion and, in some cases, prompting hiring freezes.<sup>23</sup> Public spending restraint has also played a role, with budgetary pressures limiting recruitment in parts of the public sector. Such can be seen in the Ministry of Defence, which announced a hiring freeze at the beginning of October.<sup>24</sup>

Global conditions have compounded these domestic challenges. Donald Trump has imposed high baseline tariffs on the US's trade partners, creating uncertainty in the markets. Meanwhile, shifts in consumer behaviour, influenced by higher living costs, mean people are spending less on the high street. This has led to reduced business earnings and, in turn, less hiring.

These economic shocks have been coupled with policy shifts that have made it more expensive to employ people. In the 2024 Autumn Budget, Chancellor Rachel Reeves increased the rate of employer National Insurance Contributions from 13.8% to 15% and lowered the annual earnings threshold at which they are paid from £9,100 to £5,000 per employee.<sup>25</sup> At the same time, the National Living Wage rose to £12.21 per hour, with the minimum wage for 18 to 20-year-olds increasing to £10.00 per hour.<sup>26</sup> Together, these measures have raised the cost of hiring, particularly for roles at the lower end of the pay scale.

The impact has been particularly severe for young people. Following uncertainty and rising hiring costs, companies tend to hesitate before taking on inexperienced workers, who are often perceived as an unquantifiable risk. This is reflected in the rise in the

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<sup>22</sup> IMF, 2025, World Economic Outlook, April 2025, IFM, available at:

<https://www.imf.org/-/media/Files/Publications/WEO/2025/April/English/ch1.ashxm>

<sup>23</sup> IMF, 2025, World Economic Outlook, April 2025, IFM, available at:

<https://www.imf.org/-/media/Files/Publications/WEO/2025/April/English/ch1.ashx>

<sup>24</sup> Markson, T, 2025, MoD perm sec announces recruitment freeze, Civil Service World, available at:

<https://www.civilserviceworld.com/professions/article/mod-perm-sec-announces-recruitment-freeze>

<sup>25</sup> HM Treasury, 2024, Autumn Budget 2024, Gov.uk, available at:

<https://www.gov.uk/government/publications/autumn-budget-2024/autumn-budget-2024-html>

<sup>26</sup> HM Treasury, 2024, Autumn Budget 2024, Gov.uk, available at:

<https://www.gov.uk/government/publications/autumn-budget-2024/autumn-budget-2024-html>

unemployment rate among young people; between February and April 2025, unemployment for those aged 16 to 24 stood at 14.3%, which is triple the national average of 4.7%.<sup>27</sup> Within the same age group, 923,000 young people were not in education, employment, or training (NEET) in January to March 2025, representing 12.5% of the group.<sup>28</sup> While NEET levels are multifaceted and not solely determined by these two policies, these figures nevertheless show a cohort struggling to secure any foothold in the economy, let alone the ability to progress within it.

Where education has traditionally been the pathway to employment, recent statistics show that university graduates face a deteriorating market despite rising educational attainment. Graduate job postings fell by 33% between 2024 and 2025, and now account for a smaller share of all vacancies than at any point since 2018.<sup>29</sup> At the same time, the number of university leavers exceeded one million in 2023/24, up from 828,000 in 2018/19.<sup>30</sup> Despite these rising numbers, only 67.9% of graduates in 2024 were in high-skilled work. Around 30% of graduates, meanwhile, were either in non-graduate roles or out of work altogether.<sup>31</sup>

Part of the conversation concerns the notion that artificial intelligence (AI) is replacing graduate and other high-skilled jobs, as AI can perform many of these roles at lower cost to companies; this assessment stems from factors that are both real and perceived. The Telegraph has reported that the “big four” accountancy firms, PwC, EY, KPMG, and Deloitte, have cut hundreds of jobs.<sup>32</sup> Anecdotal reports also point to fewer graduate hires as firms turn to AI to take on the “grunt work” that entry-level graduates would once have done. A recent episode on the podcast Diary of the CEO, one of the world's leading experts in AI, Geoffrey Hinton, stated that AI taking jobs is “more probable

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<sup>27</sup>Powell, A, et al., 2025, Youth unemployment statistics, House of Commons Library, available at: <https://www.rsmuk.com/content/dam/media/documents/sn05871/sn05871.pdf>

<sup>28</sup>ONS, 2025, Young people not in education, employment or training (NEET), UK: May 2025, ONS, available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/may2025>.

<sup>29</sup>Almeida, L, 2025, UK graduates facing worst job market since 2018 amid rise of AI, says Indeed, The Guardian, available at: <https://www.theguardian.com/money/2025/jun/25/uk-university-graduates-toughest-job-market-rise-of-ai>

<sup>30</sup>Worstell, T, 2025, Close the universities - well, most of them at least, Adam Smith Institute, available at: <https://www.adamsmith.org/blog/close-the-universities-well-most-of-them-at-least>

<sup>31</sup> Department of Education, 2025, Graduate labour market statistics, Gov.uk, available at: <https://explore-education-statistics.service.gov.uk/find-statistics/graduate-labour-markets/2024>

<sup>32</sup> Goss, L, 2025, City giants replace graduate jobs with AI, The Telegraph, available at: <https://www.telegraph.co.uk/business/2025/06/22/city-giants-replace-graduate-jobs-with-ai/>

than not,” advising young people to consider trades like plumbing.<sup>33</sup> While the exact numbers and types of jobs replaced and created by AI remain unclear, the anxiety is real and will no doubt shape public perceptions.

There is another consequence worth considering: if fewer people enter entry-level roles, there will, in time, be the question of whether institutional knowledge is lost. Traditionally, workers have started in junior positions, often doing the routine or “grunt” work that AI is now said to be replacing, and progressed upwards, gaining insight into how the organisation functions along the way. This hands-on experience equips people with the skills and context needed to take on more senior roles. Without it, individuals may find their ability to progress and increase their earnings diminished. For companies, the risk is a shortage of employees with the depth of practical knowledge and experience with its work culture that comes from years of working through the ranks. The long-term consequences of such a gap have yet to be felt, but they could affect both career mobility and organisational capability.

Another part of this story is the gender dynamic within youth unemployment. Young men in the UK are now more likely than young women to be NEET,<sup>34</sup> but historically this was not always the case. In earlier decades, women were more likely to be NEET due to their role in unpaid domestic labour. However, since the pandemic, the number of NEET males aged 16 to 24 has increased by 40%, compared to just 7% for females.<sup>35</sup>

The current gap reflects long-term trends in education and employment. Boys underperform relative to girls at every level of the UK’s education system and are less likely to complete higher education.<sup>36</sup> At the same time, sectors with rising employment, such as care, education, retail, and administrative work, tend to have higher levels of female participation. As automation reshapes the manufacturing, construction, and

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<sup>33</sup> The Diary of a CEO, 2025, Godfather of AI: They Keep Silencing Me But I’m Trying to Warn Them!, YouTube, available at: <https://youtu.be/giT0ytynSgg?si=vPxK9z2DUN50NVSw&t=5185>

<sup>34</sup> ONS, 2025, Young people not in education, employment or training (NEET), UK: February 2025, ONS, available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/february2025>

<sup>35</sup> The Centre for Social Justice, 2025, Lost Boys: State of the Nation, CSJ, available at: [https://www.centreforsocialjustice.org.uk/wp-content/uploads/2025/03/CSJ-The\\_Lost\\_Boys.pdf](https://www.centreforsocialjustice.org.uk/wp-content/uploads/2025/03/CSJ-The_Lost_Boys.pdf)

<sup>36</sup> N, Hillman, 2025, Boys will be boys: The educational underachievement of boys and young men, HEPI, available at: <https://www.hepi.ac.uk/wp-content/uploads/2025/03/Boys-will-be-boys-The-educational-underachievement-of-boys-and-young-men.pdf>

logistics sectors, where many young men have traditionally found work, traditional blue-collar workers are increasingly displaced. AI and autonomous technologies are projected to produce net job losses in these areas over the next two decades, while growth shifts to higher-skilled sectors like healthcare and IT.<sup>37</sup>

These pressures are not only recorded in statistics and policy debates but are also discussed openly by young people in online spaces, particularly on TikTok. The social media platform's user base in the UK is disproportionately young compared to the population: over 83% of UK users are under 35, with 18–24 year olds being the largest group. Here, unemployment is reframed through humour, vulnerability, and political debate, providing a cultural lens on the same economic crisis. For this report, we analysed the top 240 TikTok videos tagged with #unemployment in the UK and conducted a Gephi network analysis of their associated hashtags. Gephi is an open-source platform that allows users to visualise, explore, and analyse networks or relationships between entities (like people, organizations, websites, or concepts). To access the data, please use the link below:

[https://drive.google.com/file/d/1WUxJXMckjEQF\\_8wkouJzyfHyM5dkfMnb/view?usp=share\\_link](https://drive.google.com/file/d/1WUxJXMckjEQF_8wkouJzyfHyM5dkfMnb/view?usp=share_link)

This analysis shows that one of the largest community clusters frames unemployment at the intersection of politics and identity. Hashtags such as *immigrants*, *first generation*, *Muslims*, and *British* appear in close proximity, signalling that unemployment is frequently articulated through narratives of national belonging and exclusion. Within the same network, smaller sub-clusters highlight explicitly political dimensions, with hashtags including *Reform UK*, *immigration crisis*, and *deportation plans* drawing unemployment into broader ideological debates. Taken together, these patterns suggest that one important way unemployment is narrated on TikTok is through the intersection of identity and politics, extending well beyond its treatment as a purely technical labour market issue.

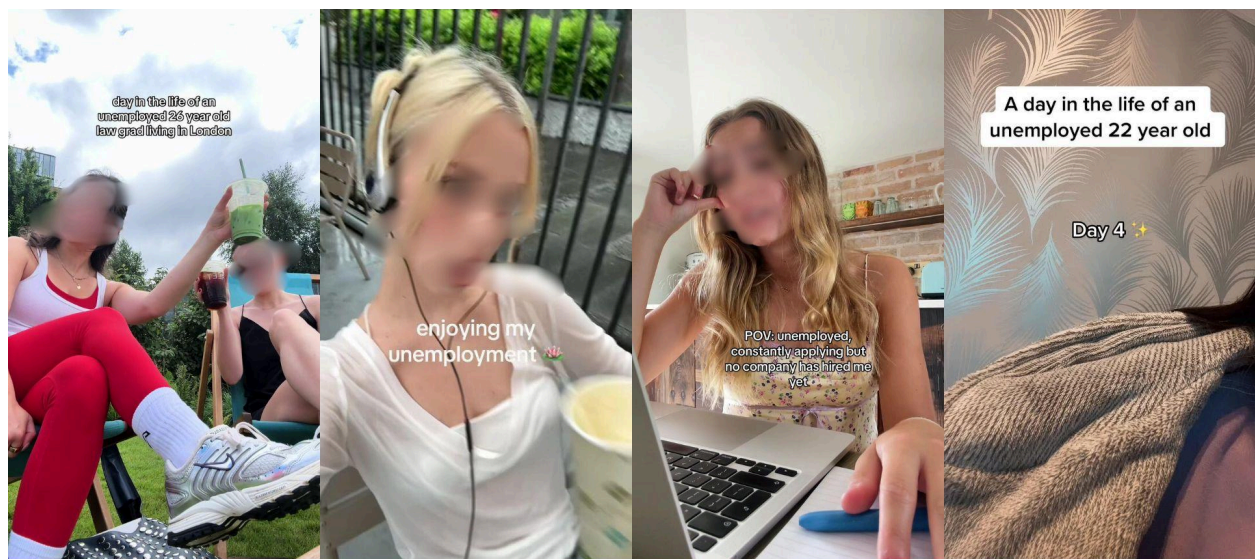
This pattern resonates with wider scholarship that links economic distress to the rise of populism and xenophobia, particularly among young men. Researchers have shown that

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<sup>37</sup>PwC, 2021, The Potential Impact of Artificial Intelligence on UK Employment and the Demand for Skills, Gov.uk, available at: <https://assets.publishing.service.gov.uk/media/615d9a1ad3bf7f55fa92694a/impact-of-ai-on-jobs.pdf>

economic exclusion can ripple outward into identity politics and cultural self-understanding, particularly in online spaces where group boundaries are constantly negotiated. Economic displacement contributes to the economic marginalisation of young men, making it harder for them to form independent adult lives and start families, even as society moves toward more egalitarian gender roles. Yet the lingering perception, fueled online by manosphere influencers, that men should still be the provider is potent: a YouGov poll in May 2023 found that 27% of men aged 18–29 had a favorable view of Andrew Tate, and a February 2024 survey found that 21% of young men (aged 16–29) agreed he articulated real threats to male identity.<sup>38</sup> Research continues to show us that economic exclusion can ripple into identity politics and cultural self-understanding, especially in online spaces, reinforcing traditional masculinity at a time when role expectations are evolving.<sup>39</sup>

Generational distinctions are also visible, as hashtags like *graduates*, *Gen Z*, *seniors*, and *tech layoffs* draw attention to how different groups experience economic insecurity. Another community within the hashtag network narrates unemployment through personal experience and practical navigation. Hashtags such as *job hunting*, *career advice*, and *LinkedIn* point to there being a focus on strategies for coping with unemployment and looking for work.



<sup>38</sup>Smith, M, 2023, One in six boys aged 6-15 have a positive view of Andrew Tate, YouGov, available at: <https://yougov.co.uk/society/articles/47419-one-in-six-boys-aged-6-15-have-a-positive-view-of-andrew-tate>

<sup>39</sup> Adam, A, et al., 2025, Regional unemployment, welfare state and the rise of populism in European Union regions, Taylor & Francis Online, available at: <https://www.tandfonline.com/doi/full/10.1080/00343404.2025.2500398>

*Thumbnails of Tiktok videos in the day of life format. In the videos, creators narrate their day of being unemployed.*

This connects directly to the most dominant video formats in the sample: point-of-view clips and “day in my life” diaries. These formats place emphasis on individual stories and everyday experiences, making personal accounts central to how unemployment appears on TikTok. Within these videos, there are a couple of deviations. Some involve portraying unemployed life as something good or enjoyable, while others show vulnerable expressions of despair and depression in the face of the crisis. Across this range, personal experience is the key determinant in how unemployment is presented, varying in tone but consistently centred on lived reality. These formats are highly recognisable within TikTok culture and allow users to embed their experiences into familiar storytelling patterns.

Memes are also common within the formats of videos in our dataset. One recurring example involves references to the “random unemployed friend on Wednesday afternoon,” which frames unemployment as something casual, relatable, and widely recognisable. The content of these videos often plays on the idea of an unemployed friend travelling or going on adventures, free from the daily pressures and monotony of work life, a theme frequently discussed on social media by those reflecting on their jobs and work/life balance.



*Thumbnails of Tiktok videos of the “unemployed friend”*

Doctors also feature within both the content of the videos and the associated hashtags. As a profession typically elevated in society as a stable and respectable career, their presence in unemployment-related content holds an additional connotation. These videos link personal unemployment anxieties to the wider crisis facing the NHS and the UK government.

The rise in unemployment in the UK is more than a short-term challenge; it carries serious risks for the future. Young people, already struggling to find their first step into work, may face long-term setbacks in pay, skills, and career progress. Over time, this loss will not only hurt individuals but also weaken the country's growth. Beyond the economy, unemployment is increasingly shaping culture and politics. As frustrations grow, there is a danger that exclusion from work will fuel division, resentment, and the appeal of populist movements.

# Taxation

By Anthony Scott and Edward Stoppard

Taxation in the United Kingdom is a complex matter, involving income taxes, National Insurance, Value Added Tax (VAT), corporation tax, and numerous other taxes. The UK's current tax code is so large that combined legislation currently stretches over 23,500 pages in the 2024/25 fiscal year.<sup>40</sup> Despite all that legal complexity, however, British taxation has a disproportionate impact on various groups across society. For this report, this section will analyse the impact the current tax policy has on intergenerational unfairness in the UK, from levies on work, to wealth, education, and housing.

## Income Tax and National Insurance

Income Tax and National Insurance Contributions (NICs) are taxes on the income or earnings of an individual. They are the bedrock of UK tax policy, with these two components alone accounting for 55.3% of HMRC's total revenue in the 2024-25 fiscal year.<sup>41</sup> As effectively taxes on work, it would be expected that the two would have an inherent degree of intergenerational imbalance, with most receipts collected from people of working age, while those who are older are increasingly less likely to pay as they approach or reach retirement. However, the intergenerational unfairness at play extends beyond that.

Pensioners, for example, are not liable to pay any NICs at all upon reaching state pension age, unless they are self-employed and pay Class 4 National Insurance, in which case they will cease to pay NICs altogether from the start of the next fiscal year.<sup>42</sup> While this is not usually an issue, given the likelihood people will retire upon reaching the current state pension age, which is currently 66, it can lead to unfair outcomes.<sup>43</sup> Using the MoneySavingExpert tax calculator for the 2025-26 fiscal year, a 68-year-old earning

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<sup>40</sup> ICAEW, 2025, Measuring the changing length of UK tax legislation, ICAEW, available at: <https://www.icaew.com/library/research-guides/length-of-uk-tax-legislation>

<sup>41</sup> HMRC, 2025, HMRC tax receipts and National Insurance contributions for the UK, Gov.uk, available at: [https://assets.publishing.service.gov.uk/media/689ecbc12e8cc8ec5b3572b2/NS\\_Table.ods](https://assets.publishing.service.gov.uk/media/689ecbc12e8cc8ec5b3572b2/NS_Table.ods)

<sup>42</sup> UK Gov, 2025, National Insurance and tax after State Pension age, Gov.uk, available at: <https://www.gov.uk/tax-national-insurance-after-state-pension-age>

<sup>43</sup> Department for Work & Pensions, 2025, Third State Pension age review: independent report call for evidence, Gov.uk, available at: <https://www.gov.uk/government/calls-for-evidence/third-state-pension-age-review-independent-report-call-for-evidence/third-state-pension-age-review-independent-report-call-for-evidence>

£50,000 per year, for example, would pay £2,994 less in tax than a 28-year-old on the same salary due to their NICs exemption. Current National Insurance policy, therefore, leaves younger workers with significantly less disposable income when compared to those who choose to work beyond retirement age.

Here's how we worked this out...			
	Year	Month	Week
Gross Wage	£50,000	£4,167	£962
National Insurance	£0	£0	£0
Pension	£0	£0	£0
Pension HMRC	£0	£0	£0
Student Loan	£0	£0	£0
Take Home Pay	£42,514	£3,543	£818
Tax Free Allowance	£12,570	£1,048	£242
Tax Paid	£7,486	£624	£144
Taxable Wage	£37,430	£3,119	£720

Here's how we worked this out...			
	Year	Month	Week
Gross Wage	£50,000	£4,167	£962
National Insurance	£2,994	£250	£58
Pension	£0	£0	£0
Pension HMRC	£0	£0	£0
Student Loan	£0	£0	£0
Take Home Pay	£39,520	£3,293	£760
Tax Free Allowance	£12,570	£1,048	£242
Tax Paid	£7,486	£624	£144
Taxable Wage	£37,430	£3,119	£720

Left: Tax payable by pensioner earning £50,000 per year. Right: Tax payable by a non-pensioner earning £50,000 per year

Taxes on earnings have also become increasingly regressive as a result of another phenomenon: fiscal drag, a process by which the government's tax revenue rises without implementing any changes to tax rates. Fiscal drag usually occurs through inflation and wage growth, which – if tax thresholds remain fixed – gradually push people into higher tax brackets over time. In the UK, fiscal drag was countered by the Rooker-Wise Amendment of 1977, which stated:

*“In the year 1978-79 and subsequent years, the personal reliefs allowed in this section shall be changed by not less than the same percentage as the increase in the retail price index for the previous calendar year.”<sup>44</sup>*

The provision effectively prevented fiscal drag for decades until Rishi Sunak's March 2021 Budget, which raised the Personal Allowance (the amount of money you are allowed to earn before paying taxes) and the higher rate of tax to £12,570 and £50,270 before freezing them until April 2026.<sup>45</sup> These thresholds were then frozen until 2028 by

<sup>44</sup> UK Gov, 1977, Finance Act 1977, legislation.gov.uk, available at:

<https://www.legislation.gov.uk/ukpga/1977/36/enacted>

<sup>45</sup> HM Treasury, 2021, Budget 2021, gov.uk, available at:

[https://assets.publishing.service.gov.uk/media/60411da7e90e077dcdd752ce/BUDGET\\_2021\\_-\\_web.pdf](https://assets.publishing.service.gov.uk/media/60411da7e90e077dcdd752ce/BUDGET_2021_-_web.pdf)

Jeremy Hunt in the Autumn Statement of 2022, following the fallout of Prime Minister Liz Truss's mini-budget.<sup>46</sup>

As wages continue to rise with inflation, the tax threshold freeze has meant that many people, above all, younger workers, have been pushed into higher tax brackets. The overall effect is that millions of younger people pay more income tax, which has reduced their disposable income and general ability to spend. A report from the Institute for Fiscal Studies highlights that in 1991-92, only 3.5% of UK adults paid the 40% higher rate of income tax. By 2022-23, this has risen to 11%, with the think tank predicting rates to reach 14% by 2027-28. Older generations, however, particularly those in retirement, typically living on fixed incomes such as pensions and annuities, or simply drawing from savings, are significantly less likely to be affected by fiscal drag while receiving the benefits the extra revenue raises, principally in the form of the state pension, health spending, and social care.

## Wealth

There is also a strong argument that the government's overreliance on taxing income as opposed to wealth, exacerbates the generational imbalance. Usually, younger workers rely more on their earned income, while older generations can preserve and build their fortunes through assets, whether that be in property, equities, commodities, or cash. This is substantiated by the fact that the typical wealth of someone in the UK in their 60s is £390,000 in 2024, compared to £59,000 for somebody in their 30s.<sup>47</sup>

Not only is the intergenerational disparity in wealth significant, but it is also widening. Analysis of HMRC data by the Intergenerational Foundation (IF) suggests that the median wealth of those aged 65 and older tripled compared to the 25 to 44 age bracket between 2010 and 2020. Meanwhile, IF studies indicated that the growth in wealth among the old has come at the expense of the young, with the total share of wealth held by those 65 and older rising from 32.5% in 2007 to 45% by 2016, while the share held by UK citizens between 18 and 44 fell by 28% to 15.5% over the same period.<sup>48</sup>

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<sup>46</sup>HM Treasury, 2022, Autumn Statement 2022, gov.uk, available at:

<https://www.gov.uk/government/publications/autumn-statement-2022-documents/autumn-statement-2022-html>

<sup>47</sup>Resolution Foundation, 2024, Rising interest rates have shrunk the wealth gaps between typical young and older households by £86,000, Resolution Foundation, available at:

<https://www.resolutionfoundation.org/press-releases/rising-interest-rates-have-shrunk-the-wealth-gaps-between-typical-young-and-older-households-by-86000/>

<sup>48</sup>Haglund, A, 2024, Tax wealth to help the young: The intergenerational fairness case for a wealth tax, Intergenerational Foundation, available at:

<https://www.if.org.uk/wp-content/uploads/2024/01/Tax-wealth-to-help-the-young-the-intergenerational-fairness-case-for-a-wealth-tax.pdf>

The older generation's accumulation and retention of wealth relative to their younger counterparts has been accentuated through the government's policies regarding capital gains and inheritance taxes. Private Residence Relief from Capital Gains Tax, for example, disproportionately benefits older generations with higher home-ownership rates. Rates for Capital Gains Tax also remain consistently lower than income tax. Where a basic rate taxpayer and a higher rate taxpayer will pay 20% and 40% in income tax, respectively, their Capital Gains Tax for residential property and other "chargeable assets" is 18% for the former and 24% for the latter. When combined with a regressive income tax system, thanks to fiscal drag, the combined effect is that the government's tax policies allow older people to maintain and even grow their fortunes by charging less for their assets while preventing younger workers from doing the same by taxing the income they require to develop their financial portfolios.

## Housing and Council Tax

Council Tax also tends to favour older generations compared to the young, primarily because it is calculated using outdated property valuations from 1991, which no longer reflect the value of housing in the UK. As the value of homes has increased, it has meant that the owners of ever more expensive homes pay ever proportionally less in council tax than those in cheaper properties, as emphasised by MP for Hartlepool Jonathan Brash, in March 2025, who rightly claimed that "someone can live in a multimillion-pound property in London and still pay less council tax than someone in a terraced house in Hartlepool".<sup>49</sup> A Council Tax Band D property in Blackpool, for example, will pay an average of £2,392.21 in 2025-26, while a Band D property in Kensington and Chelsea £1,591.59 in comparison, despite the average value of a property in the latter being £1,362,000 in July 2025 compared to £130,000 in the former.<sup>50</sup><sup>51</sup><sup>52</sup>

Apart from perpetuating other forms of social and economic inequality, this regressive system results in intergenerational inequality as the principal owners of more expensive property are overwhelmingly older. Households with residents 65 years and older, for example, were 4.4 times more likely to own their own homes in England, and 3.7 times

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<sup>49</sup>Hansard, 2025, Council Tax Reform, House of Commons, available at:

<https://hansard.parliament.uk/commons/2025-03-19/debates/40D30CB1-BE48-4AB4-B544-AB98654ECE4F/CouncilTaxReform#contribution-B8B9F798-A106-428F-A3AB-F3C01A00B454>

<sup>50</sup>Ahmed, J, 2025, Council tax map: Find out the average bill in your area as 90% see maximum increase, The Independent, available at:

<https://www.independent.co.uk/news/uk/home-news/council-tax-increase-2025-map-b2718637.html>

<sup>51</sup> ONS, 2025, Housing prices in Kensington and Chelsea, ONS, available at:

<https://www.ons.gov.uk/visualisations/housingpriceslocal/E09000020/>

<sup>52</sup> ONS, 2025, Housing prices in Blackpool, ONS, available at:

<https://www.ons.gov.uk/visualisations/housingpriceslocal/E06000009/>

more likely in Wales, than households with residents below the age of 64, according to the 2021 UK census.<sup>53</sup> As a result of rising UK house prices, those aged 65 and older owned £2.89 trillion in property wealth outright in April 2025, according to British real estate company Savills.<sup>54</sup> Council tax, however, with its valuations locked in the early 1990s, is too outdated to capture the changing UK housing market, allowing these rising assets to go lightly taxed. Cheaper properties, by comparison, are charged a proportionally much higher rate, accommodation that is more likely to be used by younger generations, who are either renting or taking their first steps on the housing market.

## Student Loan Repayments

Student loans add a final contributing factor to the growing intergenerational imbalance in the UK. Before 1998, students benefitted from free university education, meaning they entered the workforce without debt and with full access to their earnings. Since then, however, students' financial burdens have increased associated with higher education.

When these were first established, the Blair government set a cap of £1,000 per year of tuition, which was paid upfront. In 2006, the up-front payment was abolished and replaced with a system of variable deferred fees and tuition fee loans, while the annual cap was tripled to £3,000. In 2012, the coalition government tripled these again to £9,000, while setting a basic fee threshold of £6,000 per year, as well as the repayment salary threshold of £21,000, and variable tiered rates of interest on the tuition fee loans. While tuition increases have slowed down since, the cost of tuition continues to rise, with the standard maximum fee set at £9,535 for the 2025-26 academic year.<sup>55</sup><sup>56</sup><sup>57</sup>

As the cost of higher education has risen, so has student debt. In the 2000-01 academic year, 78% of those eligible took up a student loan, at a combined value of £2.204 billion.

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<sup>53</sup>ONS, 2023, Household characteristics by tenure, England and Wales: Census 2021, ONS, available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/householdcharacteristicsbytenureenglandandwales/census2021>

<sup>54</sup>Cook, L, et al., 2025, Housing wealth held by over 60s hits record high, Savills UK, available at: <https://www.savills.co.uk/insight-and-opinion/savills-news/375908/housing-wealth-held-by-over-60s-hits-record-high>

<sup>55</sup> Hubble, S, et al., 2018, Higher education tuition fees in England, House of Commons Library, available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-8151/>

<sup>56</sup> Lewis, J, et al., 2024, Tuition fees in England: History, debates, and international comparisons, House of Commons Library, available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-10155/>

<sup>57</sup> Department of Education, 2024, Changes to tuition fees: 2025 to 2026 academic year, Gov.uk, available at: <https://www.gov.uk/government/publications/tuition-fees-and-student-support-2025-to-2026-academic-year/changes-to-tuition-fees-2025-to-2026-academic-year>

By 2012-13, take-up of student loans had increased to 91%, with the value of the loans totalling £7.794 billion for the year. For the last academic year with complete figures, 2021-22, take-up was up to 95%, with the loans amounting to £18.371 billion. While the annual student population during this period increased by just over 60%, from approximately 760,000 in 2000-01 to roughly 1.218 million by 2021-22, the annual value of student loans surged by over 733% during the same period.<sup>58</sup>

The combined effect for the individual has been significant. In the 2024-25 financial year, outstanding student debt for higher education amounts to £266.6 billion, with the average higher education borrower's loan balance standing at £53,010 at the point of repayment.<sup>59</sup> Above the repayment threshold, which varies between £26,065 for Plan 1 and £32,745 for Plan 4, borrowers pay 9% of their income, with a repayment period of between 30 and 40 years.<sup>60</sup> Depending on the borrower's tiered repayment plan, the interest on that debt can be considerable. Those on repayment Plans 1, 4, and 5 are charged 3.2% interest on their debt, while those on Plan 2 can face rates of up to 6.2% on incomes of £51,245 or more.<sup>61</sup> As a result, only an estimated 56% of undergraduates beginning in 2024-25 are expected by the government to pay off their student debt, with that figure falling to 32% for the 2022-23 cohort.<sup>62</sup>

The overall effect is that student loan repayments have become a form of graduate tax. A debt that most young graduates will never pay off, but spend at least 30 years paying 9% of their income over their repayment plan's threshold to service. This is not an insignificant sum, and can impede a graduate's ability to save for a house, build a pension, or even start a family. As a result, younger generations face a fiscal burden associated with higher education that older generations never had to endure, and one that they will have to carry for decades to come.

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<sup>58</sup> Bolton, P, 2025, Student Loan Statistics, House of Commons Library, available at: <https://researchbriefings.files.parliament.uk/documents/SN01079/SN01079.pdf>

<sup>59</sup> Student Loans Company, 2025, Student Loans in England: Financial Year 2024-25, Gov.uk, available at: <https://www.gov.uk/government/statistics/student-loans-in-england-2024-to-2025/student-loans-in-england-financial-year-2024-25>

<sup>60</sup> UK Gov, Repaying your student loan, Gov.uk, available at: <https://www.gov.uk/repaying-your-student-loan/when-your-student-loan-gets-written-off-or-cancelled>

<sup>61</sup> UK Gov, Repaying your student loan, Gov.uk, available at: <https://www.gov.uk/repaying-your-student-loan/what-you-pay>

<sup>62</sup> Bolton, P, 2025, Student Loan Statistics, House of Commons Library, available at: <https://commonslibrary.parliament.uk/research-briefings/sn01079/>

# Public Spending

By Lorenzo, Will Perry, Sehej Sethi, and Edward Stoppard

Public spending presents another facet of the growing intergenerational divide in the UK. With growing demographic pressures, caused by a falling birth rate and an ageing population, the government has been forced to increase spending on the elderly, yet increasingly at the expense of the young. This section explores the burden of the state pension and the chronic underfunding of vital youth services across health, social, and educational lines.

## Pension System

The UK state pension has a long and storied history, initially introduced as the Old Age Pension in 1908 under the Liberal Party, and has undergone many iterations since to become what it is today. The New State Pension, which applies to men born on or after 6 April 1951 and women on or after 6 April 1953, currently provides those eligible with up to £230.25 a week, approximately £11,973 per year for the 2025/26 tax year, depending on their level of National Insurance contributions.<sup>63</sup>

The purchasing power of the state pension is protected by a policy called the “triple lock”. Introduced by the Coalition government and first implemented in the 2011/12 financial year, the triple lock pledges to increase the state pension by the highest of one of three figures: average earnings growth, the Consumer Prices Index (CPI), or 2.5%.<sup>64</sup> As a result, the cost of the state pension rose from £74 billion in 2011/12 to an estimated £138 billion in 2024/25, an increase of 86.4%.<sup>65</sup> By comparison, government spending in pounds grew by 72.7% over the same period.<sup>66</sup>

This rise is exacerbated by Britain’s ageing population. According to census data, the number of UK residents aged 65 and over rose from 9.2 million in 2011 to over 11 million by 2021, with those 65 and over accounting for a rising proportion of the total

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<sup>63</sup> UK Gov, The new State Pension, Gov.uk, available at: <https://www.gov.uk/new-state-pension>

<sup>64</sup> Hobson, F, et al. 2023, State Pension triple lock, House of Commons Library, available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-7812/>

<sup>65</sup> Office for Budget Responsibility, 2023, Welfare spending: pensioner benefits, OBR, available at: <https://obr.uk/forecasts-in-depth/tax-by-tax-spend-by-spend/welfare-spending-pensioner-benefits/>

<sup>66</sup> Clark, D, 2025, Total managed expenditure of the government of the United Kingdom from 2010/11 to 2024/25, Statista, available at: <https://www.statista.com/statistics/298465/government-spending-uk/>

population – from 16.4% to 18.6%.<sup>67</sup> In 2024/25, the estimated number of pensioners was 12.95 million.<sup>68</sup>

As the population continues to grow older, and with the triple lock in effect, the financial burden of the state pension will only increase. As a percentage of social spending, the state pension is forecast to account for 55% of social security spending in 2025/26.<sup>69</sup> In spending terms, the Office for Budget Responsibility predicts the state pension to rise to £151 billion in 2026/27 and £153 billion the following financial year.<sup>70</sup>

Simultaneously, the burden of funding this ever-enlarging state largesse is shouldered increasingly by a proportionally shrinking working-age population. The state pension is financed on a pay-as-you-go basis, meaning that the National Insurance contributions of working-age people pay for the benefits of today's pensioners. With an ageing population, fewer working-age people are supporting the living standards of each pensioner, falling from five workers to every one pensioner in 1948, to 4:1 in the 1960s, to a little over 3:1 today, with projections that this ratio will fall even further in the coming decades.<sup>71</sup>

To meet the future demands of the triple lock, governments will have to raise taxes, including those on workers, such as National Insurance and income tax. Over time, this will perpetuate intergenerational unfairness, as it will make younger working-age people increasingly cash-strapped to fund the elderly. This phenomenon is already affecting living standards in the UK. Analysis by Interactive Investors in 2023 found that pensioners, on average, enjoyed £4,000 more disposable income annually than working families.<sup>72</sup> If the trajectory continues, this will damage the economic prospects and lived

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<sup>67</sup>ONS, 2023, Profile of the older population living in England and Wales in 2021 and changes since 2011, Gov.uk, available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/profileoftheolderpopulationlivinginenglandandwalesin2021andchangessince2011/2023-04-03#population-ageing>

<sup>68</sup> Mirza-Davies, J, 2025, Pensions in the UK, House of Commons Library, available at:

<https://commonslibrary.parliament.uk/research-briefings/cbp-10139/>

<sup>69</sup>Department of Work & Pensions, 2025, Guidance and methodology: Benefit expenditure and caseload tables, Gov.uk, available at:

<https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-information-and-guidance/benefit-expenditure-and-caseload-tables-information-and-guidance>

<sup>70</sup> Office for Budget Responsibility, 2023, Welfare spending: pensioner benefits, OBR, available at:

<https://obr.uk/forecasts-in-depth/tax-by-tax-spend-by-spend/welfare-spending-pensioner-benefits/>

<sup>71</sup> Wood, S, 2024, Fact check: There were four working age adults per pensioner in 1961, PA Media, available at:

<https://pa.media/blogs/fact-check/fact-check-there-were-four-working-age-adults-per-pensioner-in-1961/>

<sup>72</sup>Guy, A, 2023, Working-age families have £4K gap in income compared to pensioner couples, Interactive Investor, available at:

<https://www.ii.co.uk/analysis-commentary/working-age-families-have-ps4k-gap-income-compared-pensioner-couples-ii529206>

experience of younger people, unless the growth of the state pension can be constrained, such as by removing the triple lock.

## Underfunding of Youth-Focused Services

The increase in state support for pensioners over the last decade has coincided with a decline in the quality of services predominantly used by younger people. This section will focus specifically on the state of the country's mental health services, youth and community centres, and education.

Beginning with the former of the three, Children and Young People's Mental Health Services (CYPMHS) in the UK face chronic underfunding. According to the UK's Child Commissioner, over a quarter of a million children were waiting for mental health support after being referred by CYPMHS in 2024, while 372,800 children had their referral prematurely closed before accessing any support.<sup>73</sup> In funding terms, the CYPMHS received £1.1 billion in 2023/24, an increase of £100 million from 2022/23.<sup>74</sup> The Future Minds report, however, estimates that this is £167 million short in the first year of what is required to meet just 70% of youth mental health demand.<sup>75</sup>

This lack has resulted in very real issues concerning capacity, as evidenced by the waiting lists. While the average waiting time for 305,000 children and young people seeking support was 35 days, this masks more significant delays for many. For 78,577 young people referred to CYPMHS in 2023/24, their average waiting time exceeded a year, up from 51,866 in 2022/23. Of these, 34,191 waited more than two years in 2023/24, up from 24,782 in 2022/23.<sup>76</sup> These delays have had negative consequences, with 59% of young people reporting to the charity YoungMinds that their mental health had degraded while waiting for support.<sup>77</sup>

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<sup>73</sup>Children's Commissioner, 2024, Press Notice: Over a quarter of a million children still waiting for mental health support, Children's Commissioner warns, Children's Commissioner, available at: <https://www.childrenscommissioner.gov.uk/blog/over-a-quarter-of-a-million-children-still-waiting-for-mental-health-support/>

<sup>74</sup> Garratt, K, et al., 2024, Children and young people's mental health: policy and services (England), House of Commons Library, available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-7196/>

<sup>75</sup> Children and Young People's Mental Health Coalition, et al., 2025, Why investing in children's mental health will unlock economic growth, Future Minds, available at: <https://cypmhc.org.uk/wp-content/uploads/2025/02/Future-Minds-Report-2025-WEB.pdf>

<sup>76</sup>Children's Commissioner, 2024, Press Notice: Over a quarter of a million children still waiting for mental health support, Children's Commissioner warns, Children's Commissioner, available at: <https://www.childrenscommissioner.gov.uk/blog/over-a-quarter-of-a-million-children-still-waiting-for-mental-health-support/>

<sup>77</sup>Young Minds, Mental health statistics, Young Minds, available at: <https://www.youngminds.org.uk/about-us/media-centre/mental-health-statistics/>

This will have a broader societal impact, with significant economic repercussions. YoungMinds predicts that youth mental health will cost the UK approximately £1 trillion in lost earnings over the course of this generation as a result of work absenteeism and lower employment outcomes. The cost to businesses and employees, meanwhile, could reach up to £24 billion a year due to reduced productivity.<sup>78</sup>

Youth centres and community services have been another casualty of the government's spending decisions. Since 2010, local authority youth service budgets have been cut by nearly 70%, a real-terms cut of £1.2 billion compared to pre-austerity levels.<sup>79</sup> The consequence has been that 4,500 youth workers have been cut and 750 youth centres have closed during the same period.<sup>80</sup> This has had a disproportionate impact on young people, particularly from disadvantaged backgrounds, who rely on these services for support, skills development, and social interaction. Those teenagers who were affected by the austerity cuts performed 4% worse on average in examinations when they were 16 and were 14% more likely to commit a crime, according to research by the IFS.<sup>81</sup>

Finally, education funding has also declined in real terms, affecting post-secondary education for young people not attending university. Between 2010 and 2021, adult education and apprenticeship budgets were slashed by nearly 38%, leading to a 47% decline in adult learners.<sup>82,83</sup> Rather than reversing this trend, however, the Labour government has continued to tighten the purse strings even further, announcing a further 6% cut in May.<sup>84</sup> This approach limits the opportunities for young people to

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<sup>78</sup>Centre for Mental Health, 2025, Future Minds campaign launches with new research warning the trillion-pound cost of failing to tackle the children's and young people's mental health crisis is holding back Government's growth plans, Centre for Mental Health, available at: <https://www.centreformentalhealth.org.uk/news/item/future-minds-campaign-launches-with-new-research-warning-the-trillion-pound-cost-of-failing-to-tackle-the-childrens-and-young-peoples-mental-health-crisis-is-holding-back-governments-growth-plan/>

<sup>79</sup>YMCA, 2025, Beyond the Brink? The state of funding for youth services, YMCA, available at: <https://ymca.org.uk/wp-content/uploads/2025/01/ymca-youth-services-beyond-the-brink.pdf>

<sup>80</sup>Local Government Association, Re-thinking local: youth services, LGA, available at: <https://www.local.gov.uk/about/campaigns/re-thinking-local/re-thinking-local-children-and-young-people/re-thinking-local>

<sup>81</sup>Villa, C, 2024, How cuts to youth clubs affected teen crime and education, IFS, available at: <https://ifs.org.uk/articles/how-cuts-youth-clubs-affected-teen-crime-and-education>

<sup>82</sup>Sibieta, L, et al., 2022, Plans will leave spending on adult education and apprenticeships 25% below 2010 levels by 2025, IFS, available at: <https://ifs.org.uk/news/plans-will-leave-spending-adult-education-and-apprenticeships-25-below-2010-levels-2025>

<sup>83</sup>Flissi, S, 2025, Stop and reverse the cuts to Adult Skills Funds, UCU Left, available at: <https://uculeft.org/stop-and-reverse-the-cuts-to-adult-skills-funds/>

<sup>84</sup>Department for Education, 2025, Adult education and skills funding allocations: update for 2025 to 2026, Gov.uk, available at: <https://www.gov.uk/government/publications/adult-education-and-skills-funding-allocations-guidance/adult-education-and-skills-funding-allocations-update-for-2025-to-2026>

develop skills that could strengthen their employment outcomes, and therefore their standard of living

On the topic of future work, public spending for careers provisions in UK schools remains critically low, despite an independent review by Ofsted in 2023 finding that most schools and education providers believe careers advice to be a priority for children.<sup>85</sup> In 2019, a report by Careers England found that only 10% of schools in England had adequate careers funding, while 75% had either insufficient, limited, or no funding at all.<sup>86</sup> Similar to the cuts in adult education, a failure to fund careers advice properly exacerbates poor employment outcomes for young people by denying them potentially crucial advice in shaping their future in the workplace.

The dichotomy revealed in the government's funding priorities demonstrates the advantageous position enjoyed by older generations, compared to the position of the younger generation, lower down the pecking order. While this may be currently electorally convenient, given the greater levels of political participation among older age brackets in the UK, this sets future generations up for failure. By repeatedly cutting essential youth services, public spending choices are making young people in the UK more susceptible to mental illness, less likely to succeed in their future careers, and more likely to commit a crime, all while burdening those who work and contribute to paying for an increasingly bloated state pension under the triple lock. Government spending demonstrates both intergenerational unfairness and the short-termism of the political class, given that the poor hand dealt to the young today will inevitably shape the country's future.

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<sup>85</sup>Ofsted, 2023, Independent review of careers guidance in schools and further education and skills providers, Gov.uk, available at: <https://www.gov.uk/government/publications/independent-review-of-careers-guidance-in-schools-and-further-education-and-skills-providers/independent-review-of-careers-guidance-in-schools-and-further-education-and-skills-providers>

<sup>86</sup>CeAdmin, 2019, Nine out of ten schools have insufficient funding for careers advice, Careers England, available at: <https://www.careersengland.org.uk/2019/11/11/nine-out-of-ten-schools-have-insufficient-funding-for-careers-advice/>

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