



Policy Statement on Youth Employment and Skills Pathways

IMI Position

The Institute of the Motor Industry (IMI) welcomes increased focus on youth employment and apprenticeships.

However, the IMI is clear that the challenge is not a lack of aspiration among young people, but structural barriers within the skills and employment system.

In sectors such as automotive, demand for skilled workers remains high, yet too many young people are unable to access sustainable entry routes into work. At the same time, employers, particularly SMEs, face significant barriers to recruiting and training new entrants.

Addressing youth employment therefore requires a system-wide, long-term approach, not short-term interventions alone.

The challenge: opportunity exists, access does not

The automotive sector continues to face:

- Persistent vacancies and an ageing workforce
- Growing demand for skills linked to electrification and digitalisation
- A 30% decline in apprenticeship starts since 2018/19

This points to a fundamental issue: the system is not effectively connecting young people to available opportunities.

Barriers to participation

Young people and employers face a set of interrelated challenges:

Limited entry-level opportunities: SMEs, which dominate the sector, face cost, complexity and retention risks when hiring apprentices

Skills and work-readiness gaps: Employers report a mismatch between education and workplace expectations

Low awareness of vocational careers: Technical pathways remain under-promoted and poorly understood

Fragmented transitions into work: Disconnected systems make it difficult for young people to navigate routes into employment

These barriers restrict access to work, despite clear demand.



A risk to future workforce capability

Failure to address these challenges has long-term consequences.

Young people who are not engaged in employment, education or training face reduced lifetime earnings and weaker progression into skilled roles.

For employers, this represents a missed opportunity to develop the next generation of skilled workers, particularly in sectors undergoing rapid change.

What needs to change

Recent policy measures, including financial incentives, are welcome and can support recruitment. However, incentives alone will not deliver lasting impact.

The IMI is calling for a more coherent approach focused on:

- Stronger support for SMEs: Financial support, simplified systems and practical brokerage
- High-quality vocational pathways: Clear, employer-aligned routes into skilled work
- Better careers guidance: Earlier, more realistic exposure to technical careers
- Joined-up systems: Better alignment between education, employment and support services

The IMI's position

Improving youth employment outcomes is not simply about creating opportunities — it is about ensuring those opportunities are accessible, relevant and sustainable.

The IMI will continue to work with government and industry to support young people into meaningful, long-term careers and ensure employers can invest with confidence in future talent.