UK: One in three young people out of work, unemployment statistics show

One in three people aged between 16 and 18 are out of work, official figures show, as total unemployment climbed to 2.44 milion, the highest level since 1995.

By Harry Wallop, Consumer Affairs Editor Published: 12:17PM BST 12 Aug 2009

The figures were described as "pretty horrible" by economists, who warned that there was a whole generation of school leavers and university graduates who faced the prospect of no job for months to come.

The data from the Office for National Statistics inidcated that 722,000 people aged 16 to 24 were out of work - one in six - while their younger peers, who have left school and are looking for a job are hit even harder. There are 206,000 people aged 16 to 18 out of work, 32 per cent of this age group.

The figures bode ill for this year's school leavers seeking their first ever job - they are not included in these latest figures.

Mark Harper, the Shadow Work and Pensions Minister, said: "Disturbingly, there are now nearly one million young people unemployed, cast adrift by a government sleepwalking through this crisis. These figures can only tell half the story. Behind them lie the shattered lives of millions.

"More than a decade of complacency and neglect by Labour means the huge skills gap was never tackled during the economic boom."

The Prince's Trust warned that the worsening youth unemployment figures would cause the Treasury a mounting headache.

Martina Milburn, chief executive of the charity, said: "Youth unemployment now costs the state £3.4 million per day in Jobseeker's Allowance. But this is just the start of a long and downward spiral, which all too often leads to crime, homelessness or worse. Only by stopping young people fall out of the system can we rescue this lost potential and save the economy billions each year."

The monthly unemployment figures were as bad as economists feared, though some expressed relief they were no worse.

Unemployment increased by 220,000 to 2.44 million in the three months to June, taking the jobless rate to 7.8 per cent, a 14-year high.

Claims for Jobseeker's Allowance grew to its worst level in 12 years, increasing by 24,900 from June to 1.58 million.

The statistics make clear that while there were nearly 2.5 million unemployed there were many, on top of this figure, who had been forced to cut their hours or move to a part-time job because they could not find a full-time position.

In the three months to June there were 964,000 people working part-time because they could not find a full-time job, an increase of 278,000 on a year ago.

The Chartered Institute of Personnel and Development, widely considered the leading expert on the jobs market, warned that the real level of unemployment was above 4.5 million because of the part-time workers, and the substantial rise in the number of people classified as "economically inactive" - people who have decided not to look for a job.

Graeme Leach, the chief economist at the Institute of Directors, said: "There is little prospect of unemployment peaking below three million. Unemployment is still likely to rise even after the economy starts growing again.

"And with almost a million working part-time because they can't find a full-time job, the impact of the recession on employment is even greater than the headline figures suggest."

Lord Mandelson, the Business Secretary, said the Government was encouraging businesses to offer greater work experience and internships to help youth unemployment.

He said: "This is something the whole country has got to rally to. We need public and private employers, as well as those in the [charity] sector, to help us mount this national campaign to back young Britain."

