King's Trust

Gen(eration) AI

How AI could transform youth employment

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FOREWORD Julia Beaumont, Chief Technology and Programmes Officer

At The King's Trust, we have one clear goal: ending youth unemployment. To do this, and to build the workforce of the future, we must both tackle inequality and support young people to develop the skills they need to thrive in a rapidly changing labour market.

As we publish Gen(eration) AI, there are nearly one million young people not in work, education or training in the UK. This report, published with Public First, is not about a distant reality of new technologies, this is a report about young people, their skills and the (very near) future world of work.

There is substantial benefit from supporting young people not only into work, but into sustained work. Beyond transforming their own lives, it can transform their communities and our wider economy. This future can only be secured if society is honest about the opportunities and threats that AI presents.

This report is the first of its kind, focusing its economic modelling on the specific impact of AI on young people's employment, and asking them directly their views on AI and how it relates to their work and training.

The report is clear. AI presents far more opportunities than it does threats to young people's employment and their future careers. The scale of change however cannot be ignored. It finds that the transformation potential of AI could be worth £16 billion to the economy, while the potential productivity loss could cost £12 billion.

It also tells us that although AI could transform over half of the roles currently held by young people, across all skill levels, the share of roles likely to be augmented (transformed) by AI far outnumber those likely to be displaced (replaced). However, there is a gross underestimation of this by young people.

At The King's Trust we see every day young people's remarkable resilience and adaptability. This is a generation of young people who have navigated the turbulence of adolescence in the shadow of a pandemic and an unstable economy. But resilience and adaptability are not enough, we must also provide tangible support and build skills.

Young people are already using AI tools regularly, for their work, studies and day to day life. They know it will impact them personally, as well as the labour market they are entering. However, this report shows a clear feeling that there is not enough help with the potential impact of AI, and that young people are largely teaching themselves about AI tools and its effects, as opposed to receiving any training.

This research has illustrated that there is not enough knowledge or sector-wide engagement on this issue and yet a societal response is needed. Employers must consider and be specific about the roles and skills they will need. Governments must create the policies and training opportunities that prevent young people, particularly those from disadvantaged backgrounds, from being left behind. Schools and training providers must embed AI literacy and future-proof skills into their teaching.

Changes are happening all around us, and The Trust – alongside our sector peers, employer and government partners, education and training providers – must be prepared, educated and flexible so we can best support young people – especially those who already face disadvantage – into sustainable work.

At The King's Trust we are asking firstly what the impact of AI will be on young people: What does it mean for our programmes? What new skills do we need to build? What future jobs do we need to prepare young people for? How can we prepare young people for recruitment changes?

But we cannot do this alone. The scale of this challenge means we must come together as a collective across sectors to offer young people a response that is expansive, flexible and multi-layered. The choices we make now will determine whether AI becomes a driver of greater inequality or a source of great opportunity. If we act together — urgently and decisively — we can ensure young people, especially those facing disadvantage, are not left on the margins of the labour market but are equipped with the skills and confidence to thrive well into the future.

GLOSSARY

Artificial intelligence (AI): By 'AI,' this report is specifically referring to the adoption and use of Generative AI tools. While AI more broadly has been in use over the last decade, it is the impact of Gen AI that is the subject matter of this report. Gen AI tools, because of their ability to create new content, combined with a higher degree of autonomous operation relative to other AI tools, allow workers to achieve more with less, having a stronger impact on the labour market.

Young people: All those aged 16-24. Unless otherwise specified, all polling questions regarding young people and their attitudes towards AI refer to a representative sample of all young people in the UK. The economic analysis in the report refers to young people in employment specifically, excluding those in full-time education.

Displaced roles: Displaced roles refer to those where a large share of tasks can be automated by AI, and are therefore at risk of being made redundant or phased out of the labour market.

Augmented roles: Augmented roles refer to those where some tasks can be automated, but not enough that the role is at risk of displacement. Rather, workers free up some of their time spent on repetitive tasks, allowing them to pursue higher value, strategic tasks that increase their productivity and boost their earning potential.

Insulated roles: While displacement and augmentation are both results of AI exposure, capturing both the potential benefits and downside risks, insulated jobs are those that have a composition of tasks that are likely protected from AI altogether. While displacement risks are lower in these jobs, they are also less likely to benefit from the economic boost that AI can bring.

EXECUTIVE SUMMARY

Artificial Intelligence (AI) is set to transform the economy over the coming decades, with profound implications on our experience of work.

Younger generations will spend almost their entire careers in an AI-driven economy - experiencing the longest and most profound impacts of this change at a time when their employment prospects have already been damaged by the lasting effects of the Covid pandemic, economic stagnation and a cost-of-living crisis.

To better understand these issues, The King's Trust commissioned new economic modelling and large-scale polling to produce the most detailed analysis yet of how AI is likely to alter young people's place in the labour market and how they are responding to this change.

Key findings from this research include that:

- **AI is set to transform over half of the roles held by young people today -** around 45% of the jobs currently held by young people are likely to be augmented by AI, with around 10% at risk of being displaced entirely. This will have a major impact on graduate roles in 'knowledge economy' industries, as well as sectors such as retail which offer a key route into the labour market for those with lower qualifications. This will have uneven impacts across the UK, with major cities far most affected.
- **This transformation has the potential to lead to significant benefits for the economy, as well as costs -** the impact of AI making the roles young people hold now more productive could be worth around £16 billion to the economy. But if young people in roles at risk of being displaced by AI fail to find similarly productive employment, the economy could lose £12 billion in output.
- **AI tools are already playing a significant role in how most young people work, study and navigate day-to-day life -** 55% of young people say they use AI tools at least once a week for work, studying or day-to-day life. More than half now say AI tools are important to their work, with over 40% having to learn new skills or seeing the nature of their jobs change as a result of the technology.
- **However, there are important gaps in young people's understanding and confidence -** young people are most likely to be using AI tools in simple ways not related to work, reflecting that few have received dedicated training. This has left important gaps in their knowledge and ability to use these tools effectively, with only half knowing how to create an AI prompt or how to use AI responsibly and safely. Those who have lower levels of qualifications, who are not in education, employment or training (NEET), or who live in regions outside London feel less confident with the technology, which translates into more pessimism about its impact.
- **Young people expect AI to have a major impact on their career -** around two thirds think AI will have a major impact on jobs in the next 5 years and a quarter say they have already changed their career choices due to the perceived effects of AI.
- **Most can identify roles most at risk of displacement from AI but many are underestimating the extent of its impact -** whilst young people broadly anticipate the sectors and jobs most likely to be displaced by AI, they consistently underestimate the number of jobs AI is likely to transform across most sectors.

- **Young people are relatively optimistic about AI's impact on their own career but concerned about its effect on the labour market generally -** young people are more likely to think AI will have a major positive or positive impact on the career they would like to have, with half thinking it will help boost their own productivity, education and personal opportunities. However, this optimism seems to be based on a belief they can personally avoid the negative impact a majority predict the technology will have on levels of pay, career progression and job competition for their generation.
- **Young people do not yet put a premium on AI skills -** 76% of young people expect AI to change the skills their generation will require for work, but they are less clear on what these are. Less than half say using AI tools will be important or very important for their careers - well behind other skills and the emerging premium these skills are attracting in the labour market.
- **There is a clear demand for more support in using AI tools, with some groups particularly in need of this -** only around a third of young people feel that employers or education providers are doing enough to help with the potential impact of AI, with NEET young people and those with lower levels of qualifications much less likely to say they have had enough support in learning how to use AI tools.

This poses a profound set of challenges to policymakers, employers and educators. Though AI has the potential to deliver enormous benefits for the next generation, there are clear risks we must help them to avoid or mitigate.

To do so, we propose a response should focus on:

1) **Delivering more structured training -** building on the way most young people have started using AI tools themselves to ensure they can do so as effectively as possible;

2) **Raising awareness of how many jobs AI will transform -** helping more young people understand the extent of change AI is likely to bring and how to take advantage of this;

3) **Taking a place-based approach -** which reflects the wide variations in how AI will affect different parts of the UK and helps young people understand how AI is likely to change job opportunities in their local area;

4) **Tailoring interventions for each tier of the labour market -** acknowledging the way AI will change opportunities for both graduates and those with lower qualifications; and

5) **Targeting support towards groups least likely to be using AI tools -** to avoid entrenching emerging gaps in confidence and understanding.

IMPACT: HOW IS AI LIKELY TO CHANGE YOUNG PEOPLE'S ROLE IN THE LABOUR MARKET?

AI is set to transform over half of the roles held by young people today

The rapid improvements in the capability of AI models will have a profound impact on the roles currently held by young people in the labour market and the longer-term careers of young people today.

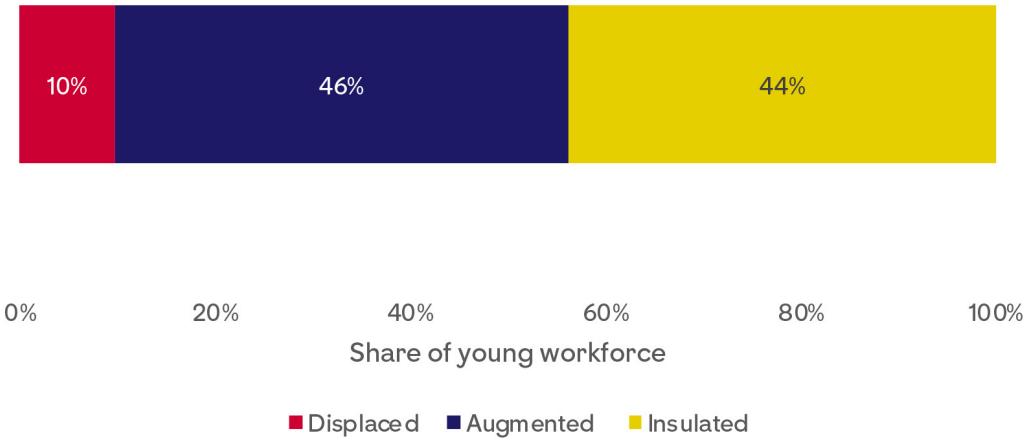
Public First's economic model, which classifies the share of tasks in each occupation that are susceptible to automation by generative AI, predicts that nearly 60% of roles currently held by young people in the labour market are set to be affected by AI.

10% of these roles are at risk of displacement, meaning they could be replaced by AI technology completely. This equates to 300,000 roles held by young people today.

46% of the roles currently held by young people are likely to be augmented, meaning they could be transformed through the use of AI to automate or change how tasks within them are carried out. This equates to nearly 1.6 million roles held by young people today.

44% of these roles are 'insulated', meaning they are likely to be unaffected by AI-related changes. This equates to nearly 1.5 million roles held by young people today.

Figure 1:
Share of young roles displaced, augmented and insulated from AI adoption



This scale of change is broadly in line with the impacts that Public First's model estimates for the workforce as a whole. However, it is important to note that it does not mean all of these roles will be displaced or augmented immediately. Instead, the model provides an estimate of how many roles could be affected given how susceptible they are to automation by generative AI.

Predicting labour market impacts

Public First's AI model - which was cited in the government's AI Opportunities Action Plan[1] - estimates the likelihood of changes to the labour market from AI by classifying the share of tasks in each occupation that are susceptible to automation by generative AI.

Those with a large share of automatable tasks are classified as 'roles at risk of displacement'. Those with very low shares of automatable tasks are classified as 'roles likely to be insulated' from AI. Roles where some repetitive tasks can be automated by AI and where new AI capabilities can transform existing tasks have been categorised as 'roles likely to be augmented.'

The model considers the likelihood of such change given the state of AI development in 2023. These estimates should not be considered as definitive given the rapidly evolving nature of AI technology and the range of reasons why employers may not adopt it. It is also important to note that the model does not include new jobs created entirely by AI, in addition to existing ones it could transform.

A more detailed methodology note can be found in the appendix section of this report.

AI has seen rapid advances in the last five years, moving from a niche technology used by a select few to a mainstream technology that has seen widespread adoption. In the last year alone, AI usage in the UK nearly tripled (an increase of 177%).

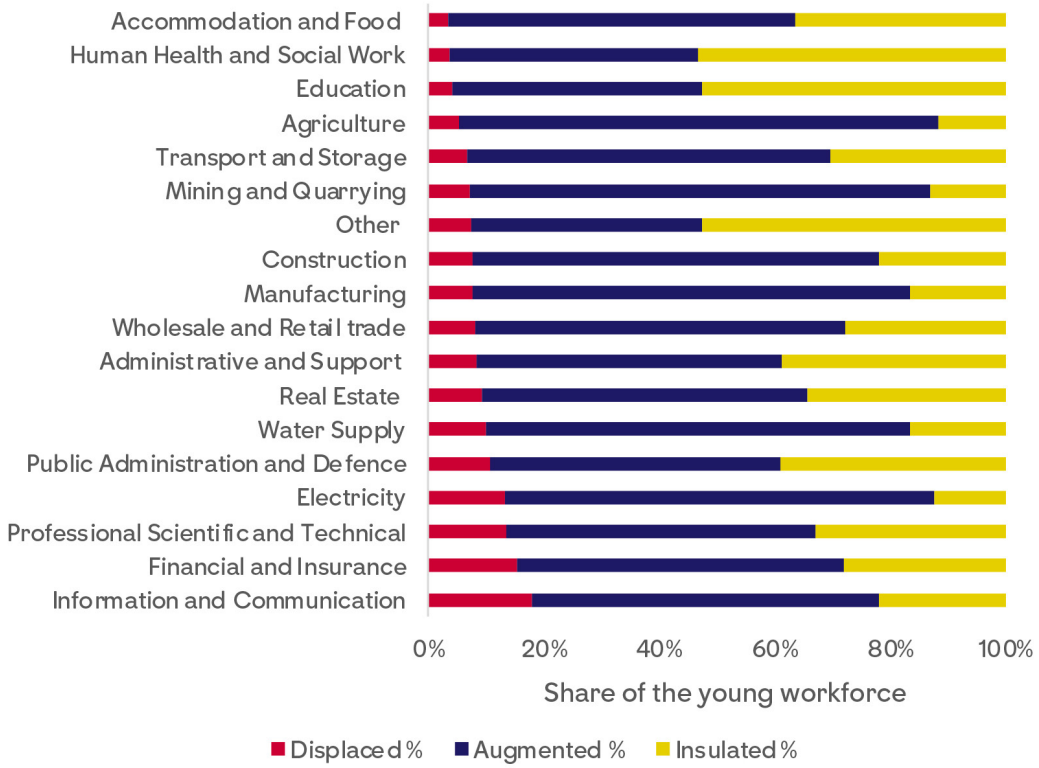
Young people in the knowledge economy are most exposed to AI displacement and augmentation.

Beyond the headline figures, Public First's economic model shows the likely impact of AI on young people varies significantly across sectors of the economy.

Sectors making up the 'knowledge-economy' stand out as having the highest proportion of young people at risk of job displacement from AI. Nearly 20% of roles held by young people in sectors such as ICT, finance and insurance, and professional and scientific services are at risk of being displaced.

AI-driven augmentation is likely to affect many more jobs. Since both displacement and augmentation are driven by exposure to AI, there is a strong correlation between sectors which see the highest proportion of roles displaced and those which see the most augmentation. Around a further 60% of roles in sectors such as ICT, finance and insurance, and professional and scientific services could be augmented. **See Figure 2 on the next page.**

Figure 2:
Share of young workforce likely to be displaced, augmented and insulated by sector



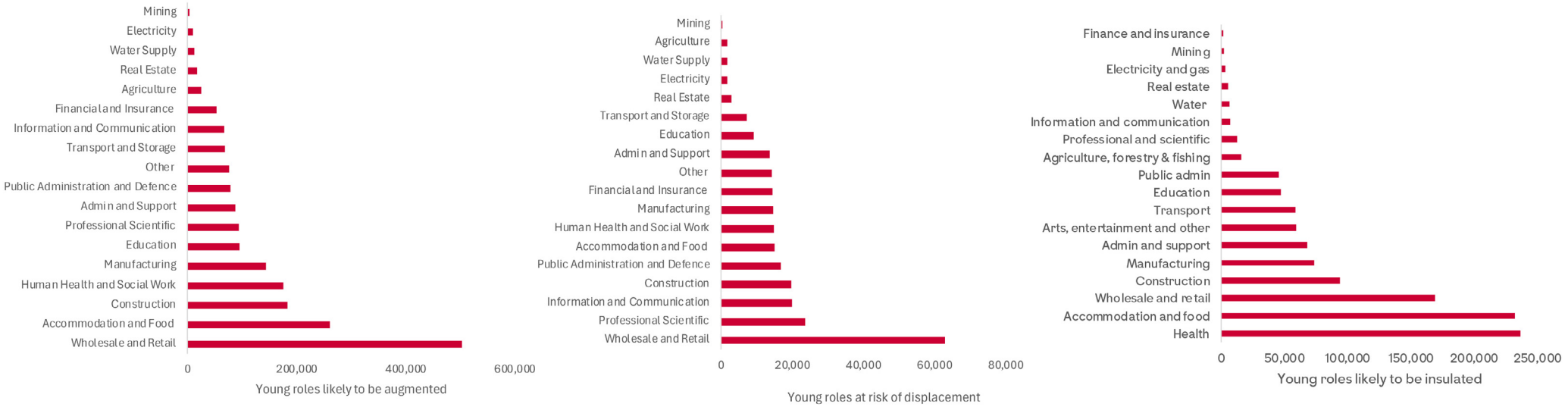
Looking in more detail at where young people work within these sectors helps to explain why they see such significant impacts. Younger workers are highly concentrated in sub-sectors that contain many jobs which involve many automatable tasks and are particularly susceptible to being displaced or augmented by AI. For example, 80% of young people in the wholesale and retail sector work in retail trade roles such as shop assistants and cashiers, whilst 59% of those in the ICT sector work in roles linked to computer programming - which is highly automatable.

This analysis aligns with the evidence of recent recruitment trends, with sub-sectors, such as accountancy seeing significant reductions in the size of their graduate schemes.[2]

Retail and other sectors that are key for youth employment see the largest number of roles held by young people displaced or augmented

Although knowledge economy sectors see the highest proportion of roles held by young people impacted by AI, the fact these sectors employ relatively few of them means this translates into a smaller number of jobs affected. The largest number of roles held by young people at risk of being displaced or set to be augmented are in the wholesale and retail sector - reflecting its role as the single largest sector for employment for 16–24-year-olds. In total, over 60,000 roles in wholesale and retail currently held by young people are at risk of being displaced by AI and over half a million could be augmented. By contrast, sectors like professional and scientific and ICT services are predicted to see only around a third as many roles held by young people being displaced by AI.

Figure 3:
Number of jobs likely to be augmented and at risk of displacement among the young workforce



Other sectors which employ large numbers of young people, such as accommodation and food and construction, also contain significant numbers of jobs which could be augmented by AI.

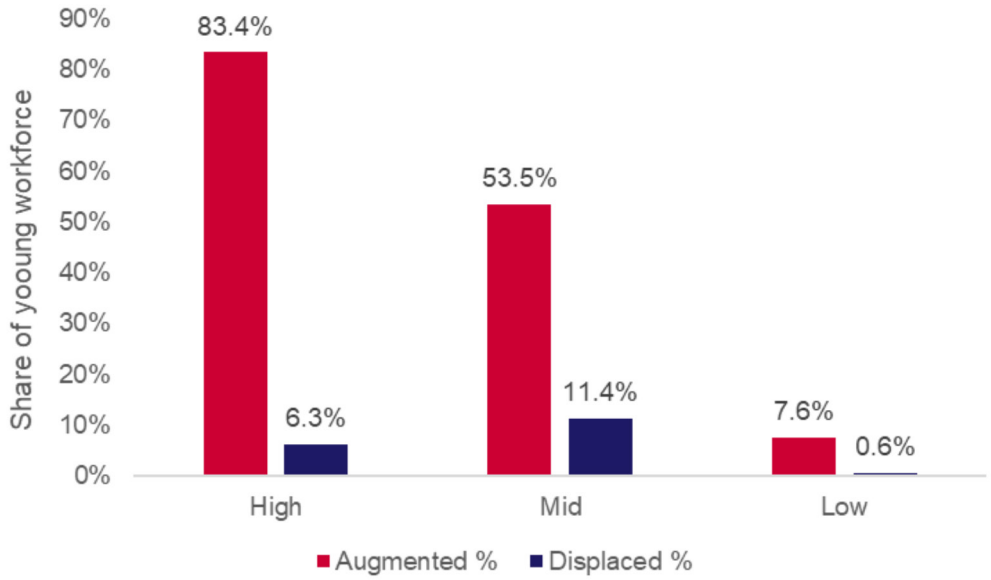
The impact on sectors like retail may have already begun to materialise, contributing to it experiencing the largest decrease (over 78%) in advertisements for entry-level jobs of any sector over the last three years.[3]

Medium skilled jobs held by young people are most exposed to displacement, but high skilled ones are most likely to be augmented

The more a job involves repetitive tasks that can be automated, the more likely it is to be displaced or augmented by AI. Across all skill levels, the share of roles likely to be augmented from AI far outnumber those likely to be displaced.

Using official definitions of the skill level of occupations held by young people, we see medium skilled roles - for example, an office assistant - are most at risk of displacement, since they involve the largest share of tasks that can be automated by AI.

Figure 4:
Share of all jobs likely to be augmented and displaced by skill level [4]



By contrast, highly skilled roles held by young people - for example, those working as managers or STEM researchers - have the greatest potential for AI-driven augmentation, since while they involve some automatable tasks, they also rely extensively on creative and strategic input from workers.

Lower skilled roles, involving repetitive manual tasks (like a manual labourer or a machine operator) are largely insulated from AI, seeing the least displacement but also the least opportunity for augmentation and the economic benefits that come with it.

AI's impact on medium skilled occupations has significant implications for young people's career prospects. They typically require some post-compulsory education and training making them suitable as entry level jobs for those who do not go to university, whilst around 25% of graduates under 30 are also listed as working in medium/low skilled occupations.[5] Fewer opportunities to enter the labour market at this level would in turn make it more difficult to progress onto highly skilled employment, especially for those without a degree.

Cities will see by far the most AI-driven change to the labour market

AI is set to have an uneven impact across the UK, with young people in some regions likely to be much more affected than others.

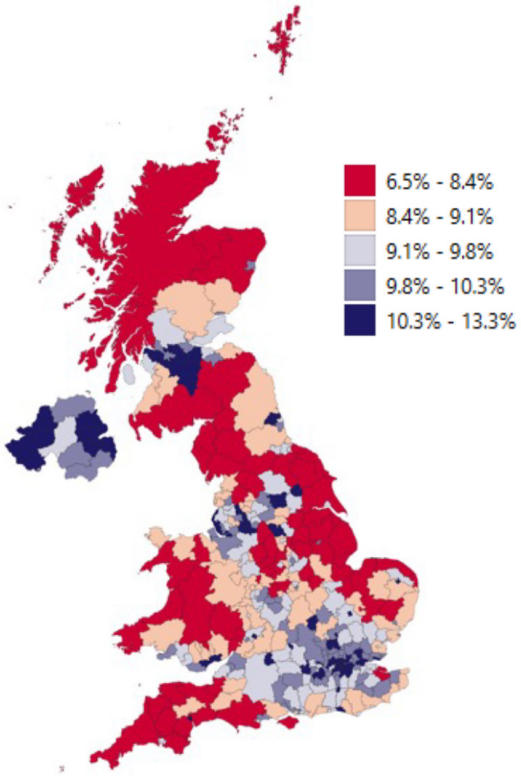
This is primarily driven by the mix of occupations and sectors in each place; the more an area has a large number of young people holding roles that are exposed to displacement or augmentation, the more it will be affected. Regression analysis shows that this occupational and sectoral mix matters much more than other place-based factors, such as deprivation.
The economic make-up of major cities means they are far more exposed to AI-driven change than towns or rural areas, especially those with a relatively high proportion of young people working in middle skill occupations and exposed sectors.

13% of jobs held by young people in Belfast are at risk of being displaced - the highest in the UK - with 11% also at risk of this in cities such as Manchester, Newcastle and Cardiff. This compares to less than 7% of jobs in rural areas of Devon, Pembrokeshire and Yorkshire.

In raw numbers, Glasgow, Edinburgh and Birmingham each have over 5,000 roles currently held by young people at risk of being displaced by AI,[6] compared to less than 300 in the Scottish Islands and rural parts of Yorkshire and Cumbria, as well as towns such as Merthyr Tydfil and Boston.

Figure 5:

Share of roles held by young people that could be displaced by Local Authority



Fewer opportunities could challenge the longstanding trend of young graduates moving to cities for jobs in the knowledge economy, especially if combined with continued high costs of living and housing.

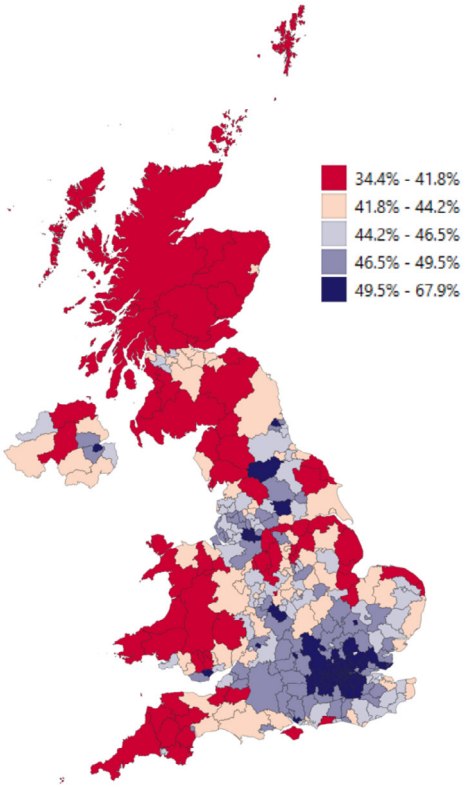
The impact for AI-driven augmentation is different, with London standing out as seeing the most roles currently held by young people which could be transformed by AI. The top 10 local authorities with the largest proportion of roles held by young people which could be augmented by AI are all located in London.

This reflects the fact that large number of young people work in the capital in sectors that are highly exposed to AI - such as finance and ICT - but do so in more highly skilled or senior roles, which are more likely to be augmented than displaced.[7]

In raw numbers, over 20,000 roles held by young people in local authorities such as Glasgow, Edinburgh, Birmingham and Leeds could be augmented by AI, compared to less than 1,000 in rural areas of Devon and Yorkshire.

Figure 6:

Share of roles held by young people that could be augmented by Local Authority



The impact of AI on roles held by young people is likely to lead to significant economic benefits, as well as costs

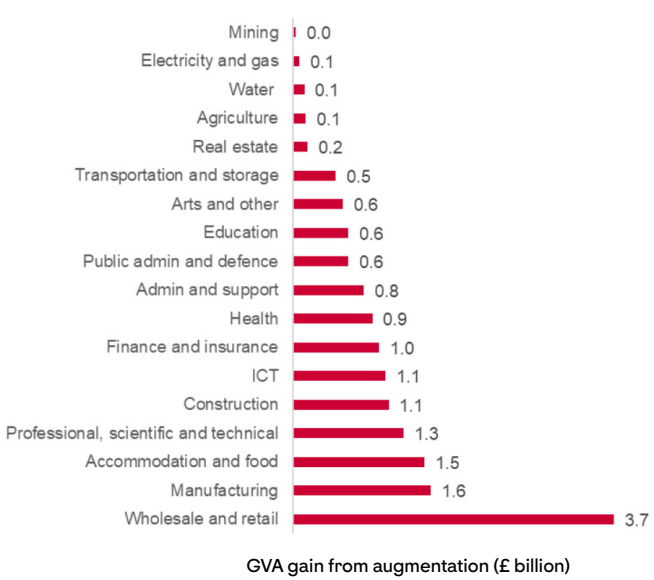
AI augmentation of roles is likely to make them significantly more productive. If all roles currently held by young people that could be augmented by AI were transformed in this way, we estimate the increased value added to the economy (Gross Value Added (GVA) increase) would be nearly **£16 billion**.[8]

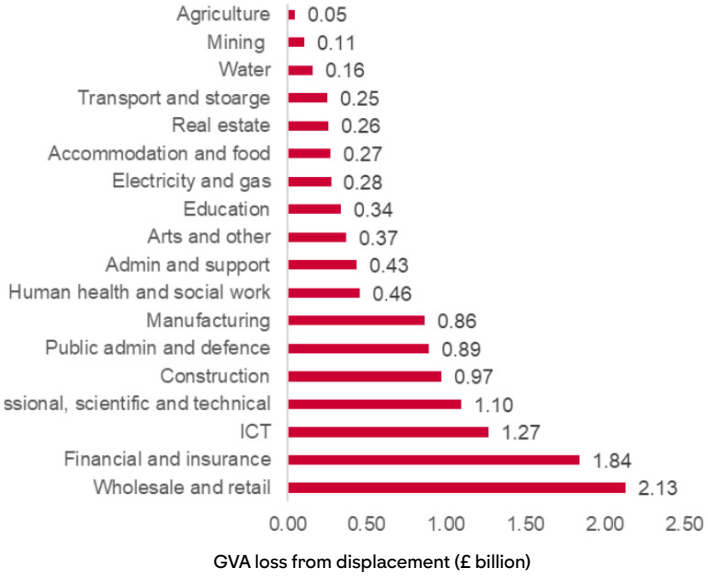
Retail, manufacturing and accommodation would contribute the largest increases - reflecting both the number of young people who work in these sectors and the extent of benefits they see from augmentation. For example, increasing productivity of roles held by young people in the retail sector through AI augmentation could add £3.7 billion of value to the economy.

However, the potential economic losses from displacement of roles currently occupied by young people could also be very significant. If young people currently in roles at risk of being displaced by AI were unable to find alternative employment in roles that are equally productive - for example in new roles that have been created or augmented by AI - the GVA loss to the economy would be **£12 billion** in lost output. This does not include costs related to these young people being supported through unemployment benefits or other social costs, which would also be substantial.

Retail, finance and ICT would contribute the largest losses, again reflecting both the volume of young people within these sectors and the productivity of these roles which would be lost.[9]

Figure 7:
Potential economic gains from AI augmentation and losses from AI displacement of roles held by young people, by sector





This emphasises the importance of ensuring that young people whose roles are at risk of displacement are supported to move elsewhere in the economy. In this phase of the AI life cycle, it is critical that business and Government maximise the opportunity and minimise any downside risks for young people.

ENGAGEMENT: HOW ARE YOUNG PEOPLE USING AI NOW?

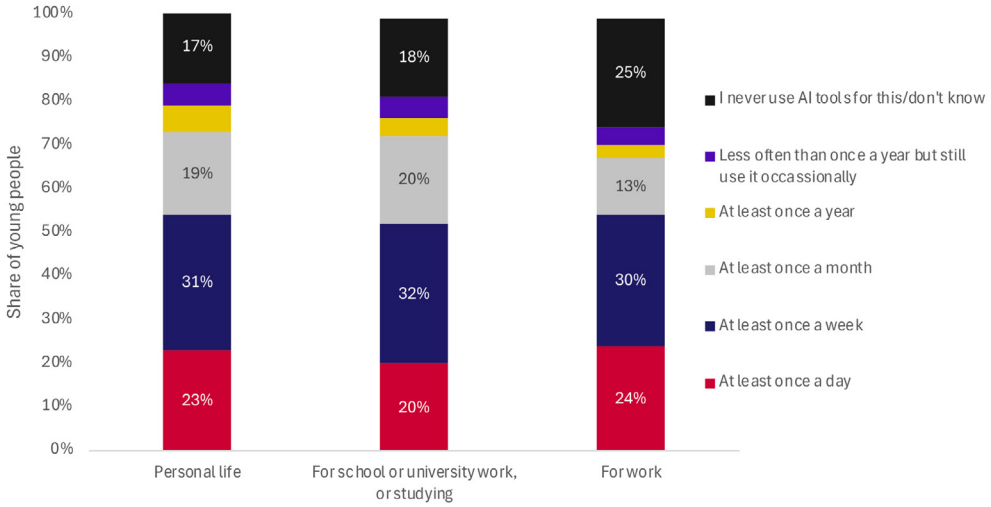
AI tools are already playing a significant role in how young people work, study and navigate day-to-day life

Our poll shows that AI tools are already an important part of young people's lives.

78% of young people have used an AI tool before, with around 55% saying they use them at least once a week for work, studying or day-to-day life. More than 1 in 5 are now using AI tools at least once a day in some form - a rate far in excess of the wider population.[10]

As a result, young people now place a high degree of value on AI tools. 53% say they are very important or important to their studies, 47% say this for their work and 38% for their day-to-day lives.

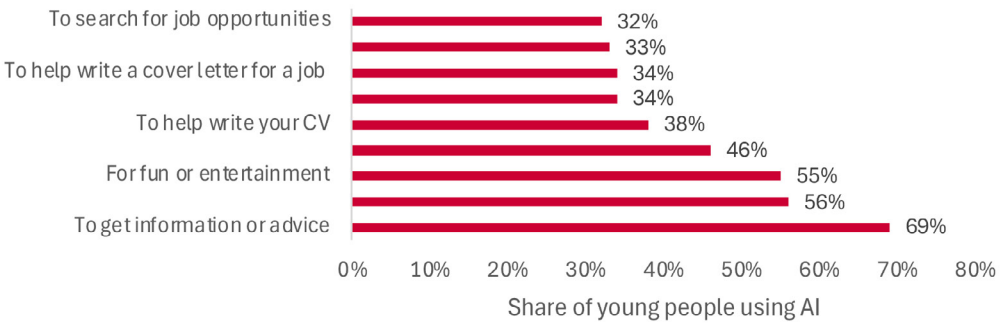
Figure 8:
"How often do you use AI tools for each of the following?"



Young people are more likely to be using AI tools for simple tasks not related to work

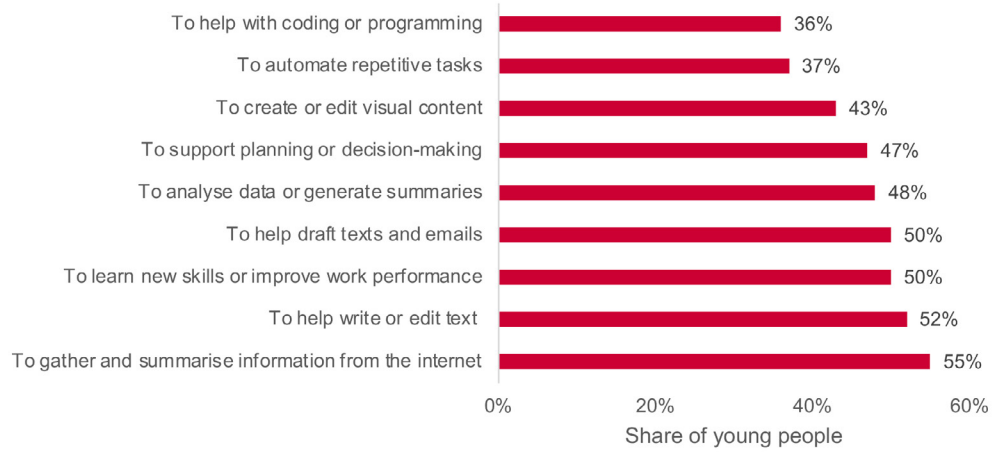
Although many young people are now using AI tools extensively, they are more likely to say they have used them for tasks linked to entertainment than their career. Only around a third having used AI for activities such as preparing for a job interview, updating their CV or searching for jobs.

Figure 9:
Reported usage of AI by type of use among young people



The proportion saying they have used AI tools at work for a range of tasks is also lower. Young people are most likely to have used AI tools for relatively simple tasks linked to research or drafting text rather than more complex ones, such as supporting decision making, coding or automating tasks.

Figure 10:
Reported usage of AI tools for work-related tasks among young people



This reflects a lack of broader knowledge about AI tools; our polling suggests a consistent gap between how many young people are using AI tools and how many say they understand them, which may be holding back how effectively young people can use them. For example, only 50% of young people say they know what a prompt is and how to create one, and 51% can list approaches that allow them to use AI responsibly and safely.

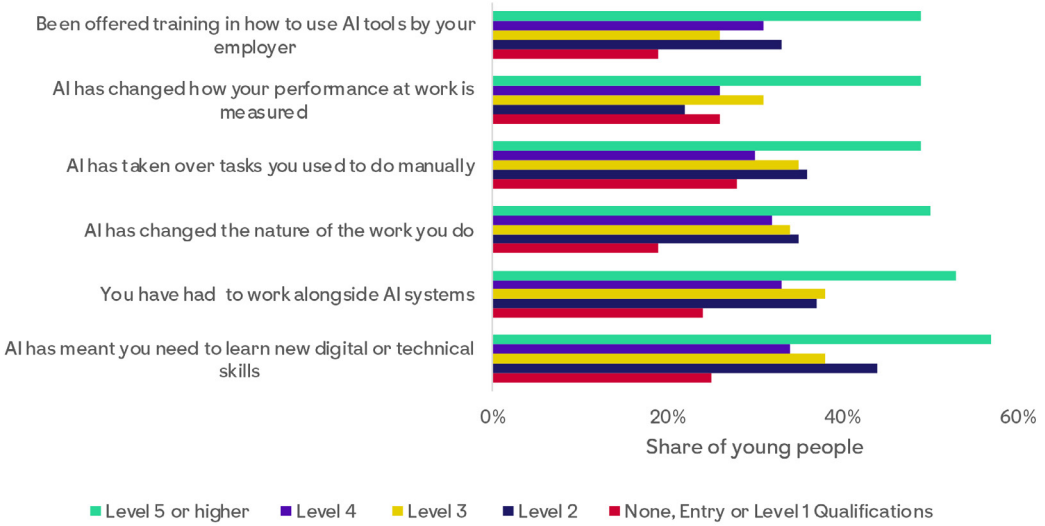
AI is already transforming young people's experience of work

Our poll shows AI tools are now starting to have a significant impact on the way young people work and interact with employers.

43% of those in full or part-time work say they have had to learn new digital or technical skills because of AI, with similar numbers saying they have worked alongside AI systems and that AI has changed the nature of the work they do. Around one third also report seeing AI being used to make decisions instead of managers or colleagues or changing how their performance at work is measured.

Those with higher levels of qualifications are much more likely to be affected by these changes. 50% of young people with a degree say the nature of their work has changed because of AI compared to only 19% with Level 1 or no qualifications - reflecting the more extensive adoption of AI in many knowledge intensive industries. It is notable, however, that the extent to which young people have encountered AI at work is not directly correlated to education level, except among those who are qualified to Level 5 and above. This reinforces how the technology will have an impact on many different types of workers.

Figure 11:
Levels of engagement with AI tools among young people, by qualification levels



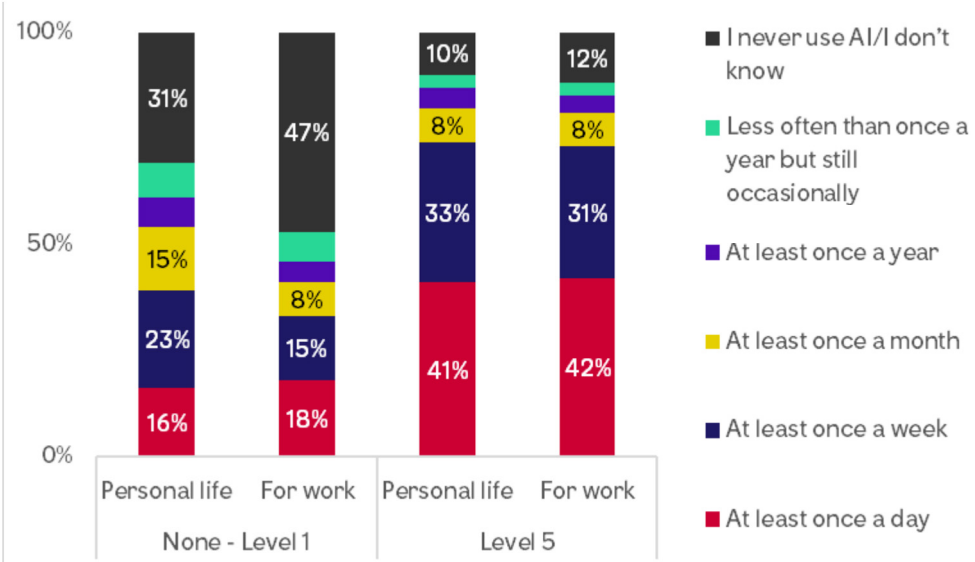
AI is also starting to impact young people's experience of applying for jobs. Again, this is having a particular impact on young graduates, with 43% of these saying they have encountered AI during an online job application, compared to only 19% for those with Level 1 or no qualifications.

There are emerging divides in how different groups of young people are using AI and feel about the technology

Although our polling shows the vast majority of young people have used AI tools in some form, there are significant differences between how extensively different groups are using them, their confidence in doing so and how much importance they attach to them.

Higher levels of education are closely linked to how much young people say they use AI tools. 40% of those educated to degree level say they use these at least once a day for both their work and personal lives - more than twice the rate for those with Level 1 or no qualifications.

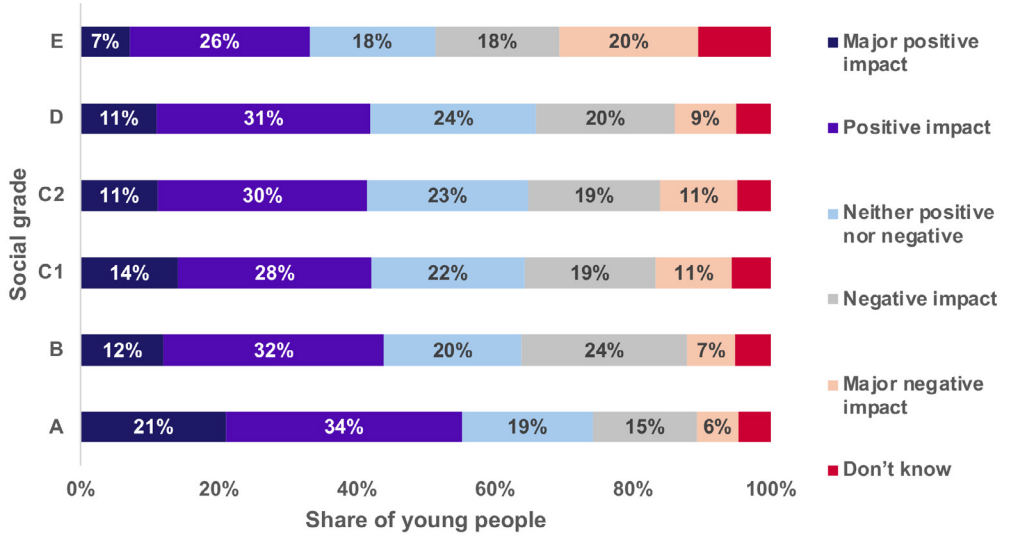
Figure 12:
Frequency of AI usage for personal and work-related tasks among young people, by qualification levels



This is likely to reflect the way AI tools are now increasingly central to the way young people study. But it also reflects underlying confidence with the technology. 80% of those educated to degree level say they know a great deal or a moderate amount about how AI tools work, how they can be used and what they are capable of, compared to only 45% of those with the lowest level of qualifications.

There are also noticeable differences in perceptions of how AI might impact the industries young people work in by socio-economic group. Just a third of young people from the most socioeconomically disadvantaged group perceive positive impacts of AI on opportunities for young people, whereas over half (55%) of young people in the least disadvantaged group report thinking that AI will positively impact future work opportunities.

Figure 13:
"Do you think AI tools are likely to have a positive or negative impact on the industry you work in?" by social grade



Social grade A represents those in families from the least socio-economically disadvantaged, while those in E represent those in families from the most socio-economically disadvantaged.

Further gaps exist in the understanding of AI tools among young people not in education, employment and training (NEET). Though this group are only slightly less likely to say they use AI tools, they are much less likely to know about a range of relevant terms - such as what an AI prompt is - or feel able to explain how the technology works.

While our polling did not find a significant correlation between usage and confidence with AI and levels of deprivation in an area based on the Index of Multiple Deprivation,[11] there were noticeable differences between regions. Young people in London are consistently more likely to say they feel confident using AI tools for a range of tasks than those in regions. More than half of young people in the capital (56%) now say AI tools are very important or important for their day-to-day lives, compared to only around a third in most other parts of the UK.

Finally, there is a noticeable gap in the responses of young people from different ethnic backgrounds. Black, Asian and Minority Ethnic (BAME) young people say they use AI more regularly than White young people and that it is important to their work, studies and day-to-day lives.

EXPECTATIONS: HOW DO YOUNG PEOPLE THINK AI WILL AFFECT THEIR CAREERS?

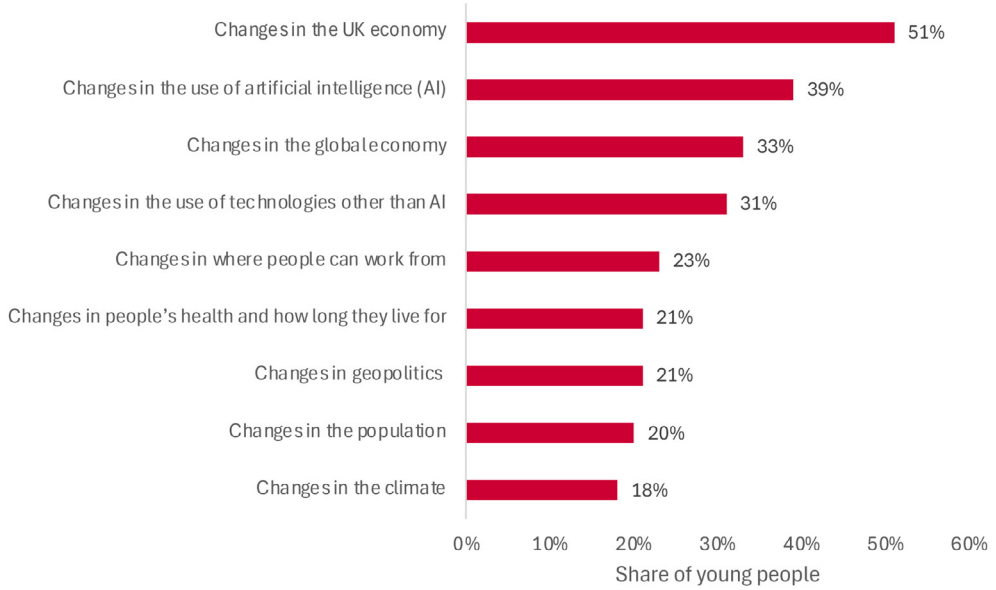
Young people expect AI to bring major change, and the technology is already starting to shape their career choices

Our polling shows that young people have a clear sense that the growing use of AI will have a significant impact on their experience of work.

39% of young people say they expect changes in the use of AI to have a significant impact on their career overall - behind changes in the UK economy but well ahead of other megatrends, such as population change and climate change.

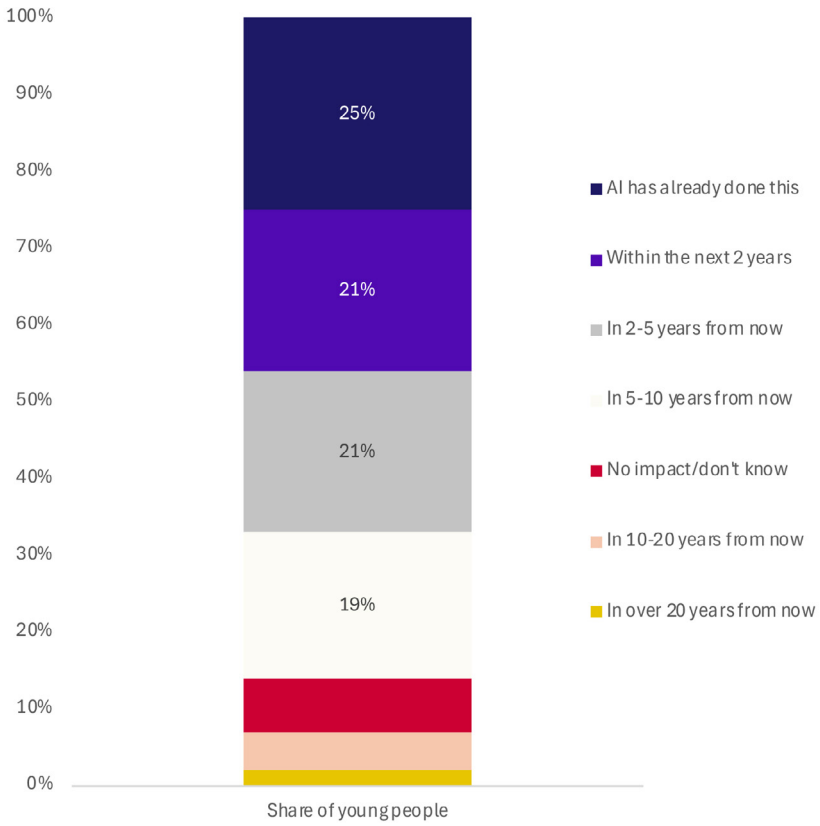
Figure 14:
Perceived changes in the future of the country among young people

Looking towards the future, which, if any, of the following issues do you think will have a significant impact on your career overall? Select all that apply.



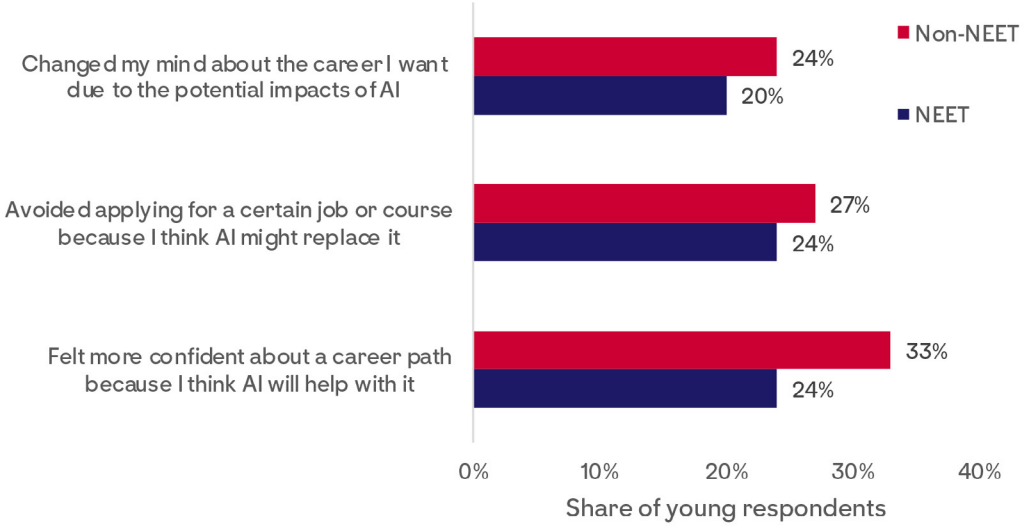
Young people expect AI to drive this change quickly. Two-thirds (67%) think AI will have a major impact on jobs in the next 5 years, with 25% saying this impact is already happening. Less than 10% expect AI to only start having a major impact in over a decade.

Figure 15:
Young people's perception of the timing of AI impact on the labour market



This awareness is also now starting to influence their behaviour. A quarter (24%) say they have changed their mind about the career they want due to the potential impacts of AI.

Figure 16:
Share of young people reporting factoring AI impact into decisions about their future careers



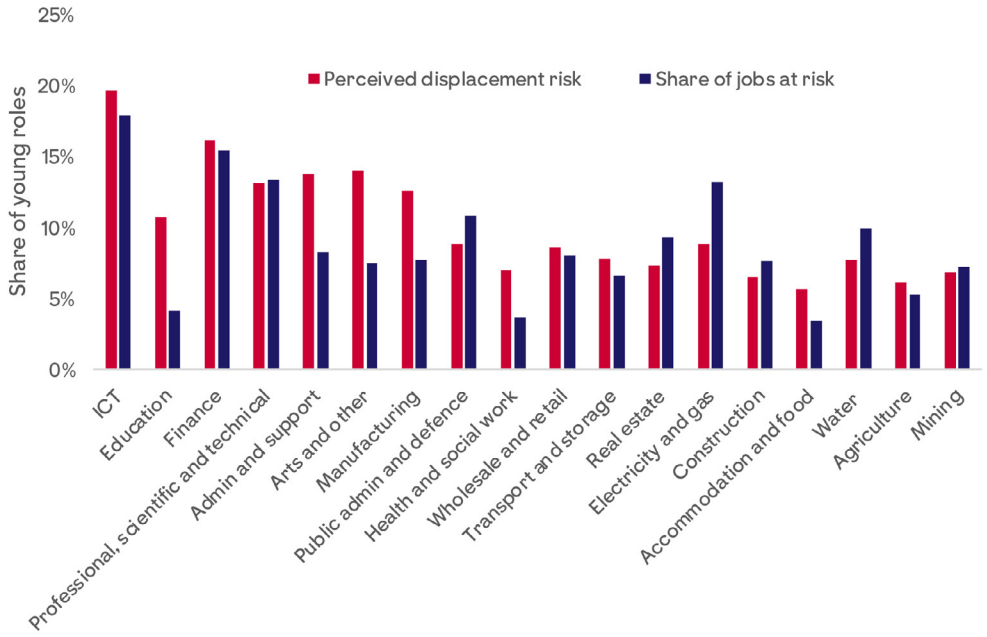
Anticipation of AI's impact is both encouraging and discouraging young people's career aspirations. 31% say they have felt more confident about a career path because they think AI will help with it, whilst 26% say they have avoided applying for a certain job or course because they think AI could replace it.

Young people are broadly able to identify jobs most at risk of being displaced by AI

To test how well young people understand which jobs are most exposed to AI, we asked them if they thought jobs in different sectors of the economy would be replaced, considerably or slightly changed, or not be affected by the technology.

Comparing their responses to the impacts predicted by our economic model, we see that young people are broadly able to identify the sectors which have the highest proportion of jobs at risk of being displaced by AI, such as ICT and finance. Though in some sectors, such as the arts, they overestimate the share of jobs that are at risk of being displaced.

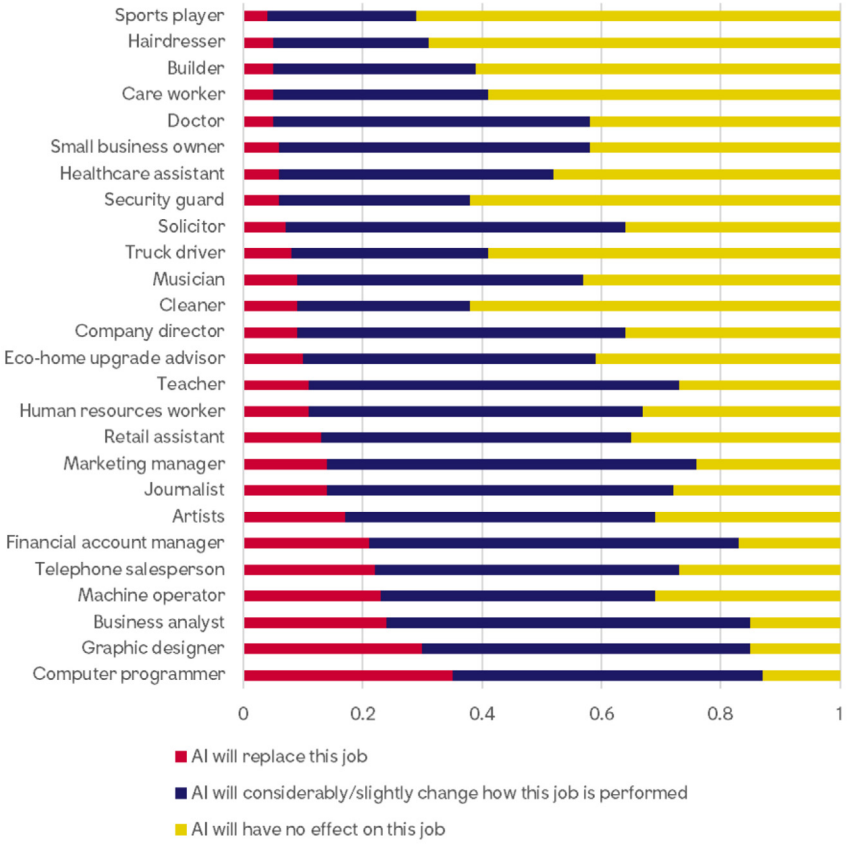
Figure 17:
Expected vs perceived share of jobs at risk of displacement among young people



We also asked young people how they thought a list of specific jobs identified by the UK government as being particularly exposed or not exposed to AI would be affected by the technology.[12]

Again, young people were able to correctly identify roles which are especially vulnerable to being displaced by AI, such as computer programmers, graphic designers and business analysts, and those which are less likely to be significantly affected, such as builders and hairdressers, as identified by the government's own analysis on AI risk in the labour market.[13]

Figure 18:
Perceived changes to different roles from AI among young people



This lends credence to the 57% of young people who say they feel very or moderately confident that they understand which jobs will be most affected by AI.

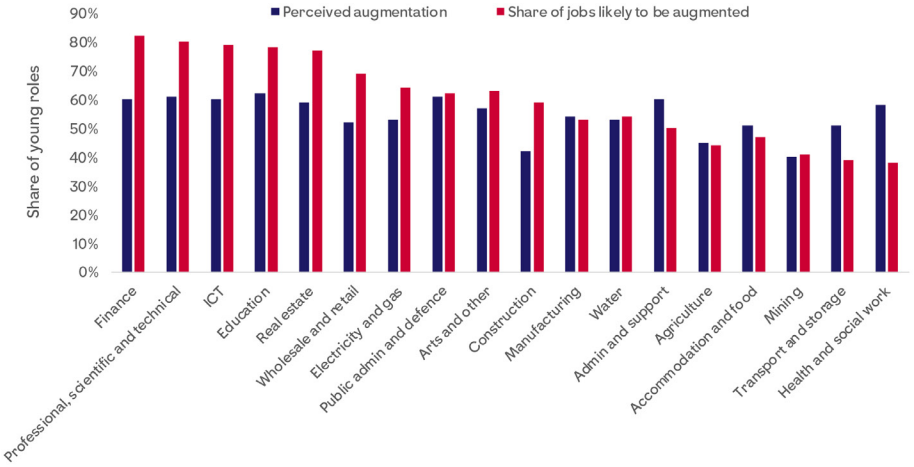
And it is notably different to the findings of previous research for the King's Trust, which suggested young people have a weak grasp of how Net Zero will affect the availability of different jobs.[14]

However, many young people are underestimating how many jobs AI is likely to transform

When asked about the proportion of jobs that are likely to be considerably or slightly changed by AI in different sectors, young people consistently underestimate the scale of AI driven augmentation predicted by our economic model.

This includes those in sectors likely to see the most AI job transformation, such as finance, as well as those such as wholesale and retail which employ large numbers of young people.

Figure 19:
Expected vs perceived share of roles that are likely to be augmented, among young people



This has important implications, since it may mean young people are also underestimating how important it will be for them to develop AI skills if they want to move into jobs in these sectors.

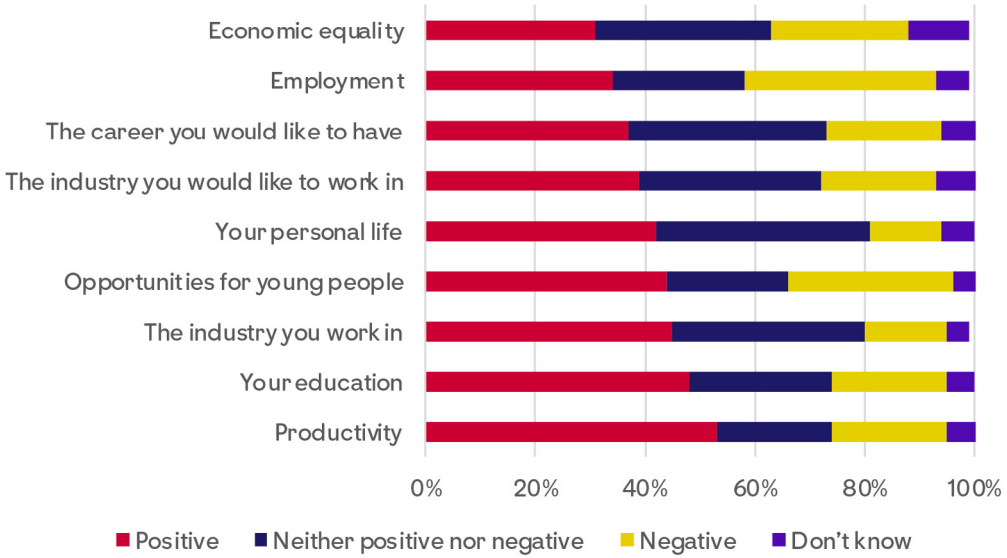
Young people correctly identify many of the sectors which are least exposed to AI. But they also consistently underestimate how many jobs across different sectors will be 'insulated' from AI driven transformation and not changed by the technology compared to our economic model.

This is also significant, as it could lead to young people who lack confidence in using AI tools being unnecessarily put off roles in these sectors, such as wholesale and retail, and accommodation and food, which will still offer a large number of 'insulated' roles as a route into the labour market.

Young people are relatively optimistic about AI's impact on their own career but concerned about its effect on the labour market generally. Overall, 37% of young people think AI tools will have a major positive or positive impact on the career they would like to have, compared to only 21% who feel it will have a negative or major negative impact and 36% who aren't sure.

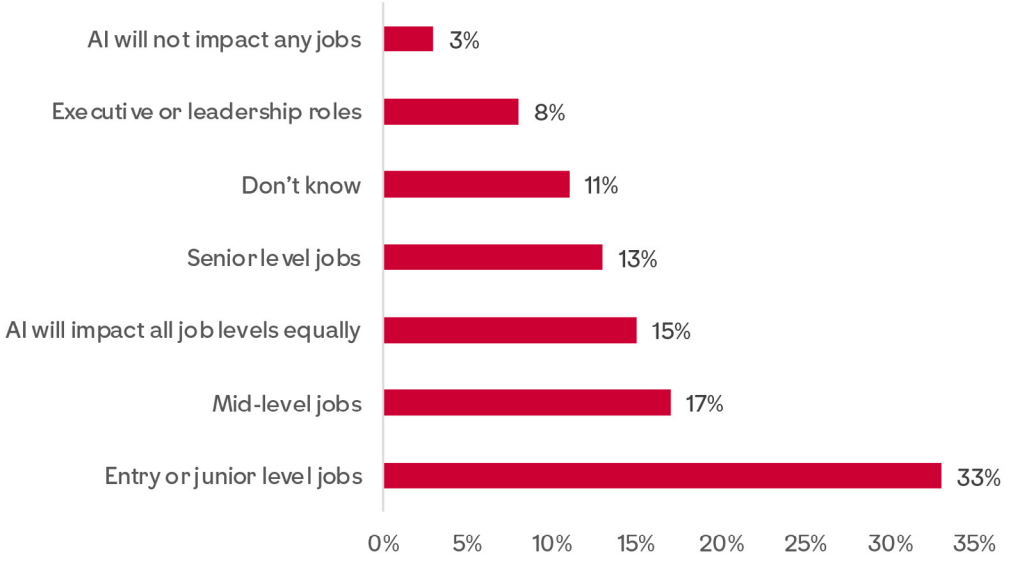
This appears to be driven by an expectation that AI tools will have a much more positive than negative impact on issues such as productivity (53%), the industry they work in (45%) and the industry they would like to work in (39%).

Figure 20:
Perceived impact of AI on a range of different areas, among young people



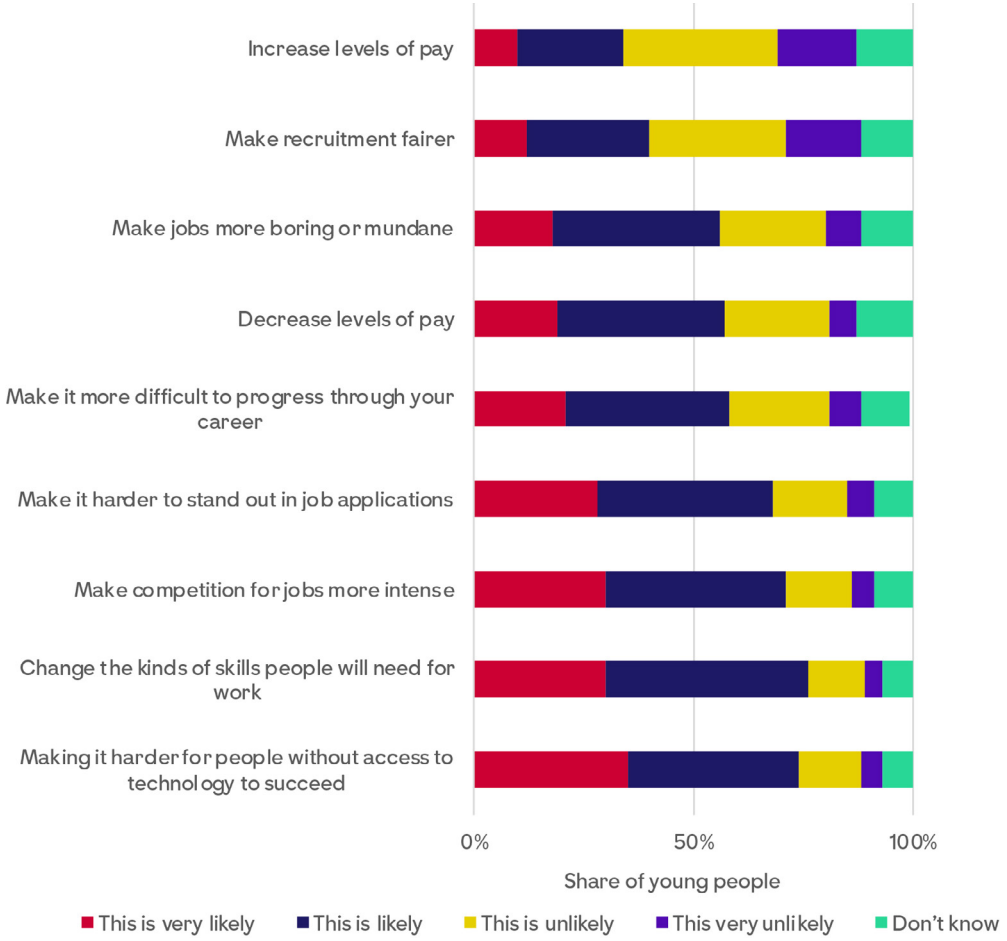
Views on the impact AI will have for young people generally are more balanced. 44% believe AI will have a positive impact on opportunities for them, compared to 30% who believe it will have a negative one. But when asked which levels of jobs AI is most likely to affect negatively in the next 5 years, young people are twice as likely to cite entry or junior level roles as others.

Figure 21:
Perceived negative impact of AI on jobs by seniority level of job among young people



And across a range of issues, a majority of young people are also concerned that AI is likely to produce a range of negative impacts on their generation's experience of work, including making competition for jobs more intense, decreasing rather than increasing levels of pay and making it more difficult for them to progress through their career.

Figure 22: Predictions of AI-driven changes to the job market, among young people



It therefore appears young people's generally positive view of the impact AI will have on their own career is based on an assumption that they will personally be able to ride out or even benefit from the disruption they expect AI tools to bring.

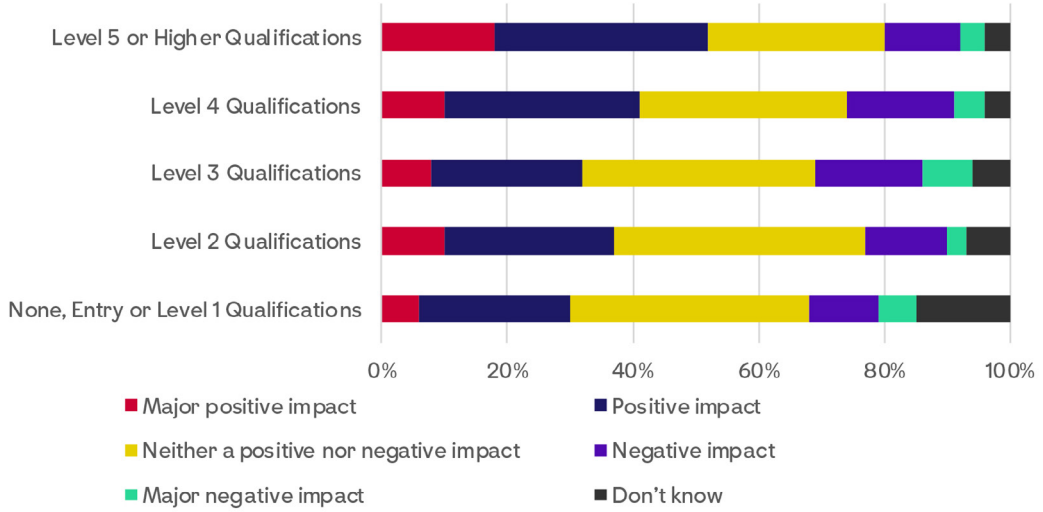
We also see something similar in young people's career aspirations. When asked about their ideal jobs, respondents highlighted roles in technology, science, arts, and media consistently as amongst the most popular despite also accurately identifying them as particularly susceptible to AI-driven displacement.

There are significant differences between how optimistic different groups of young people feel about AI's impact

As with levels of usage and confidence, we see consistent gaps between how different groups of young people feel about the likely impact of AI on employment.

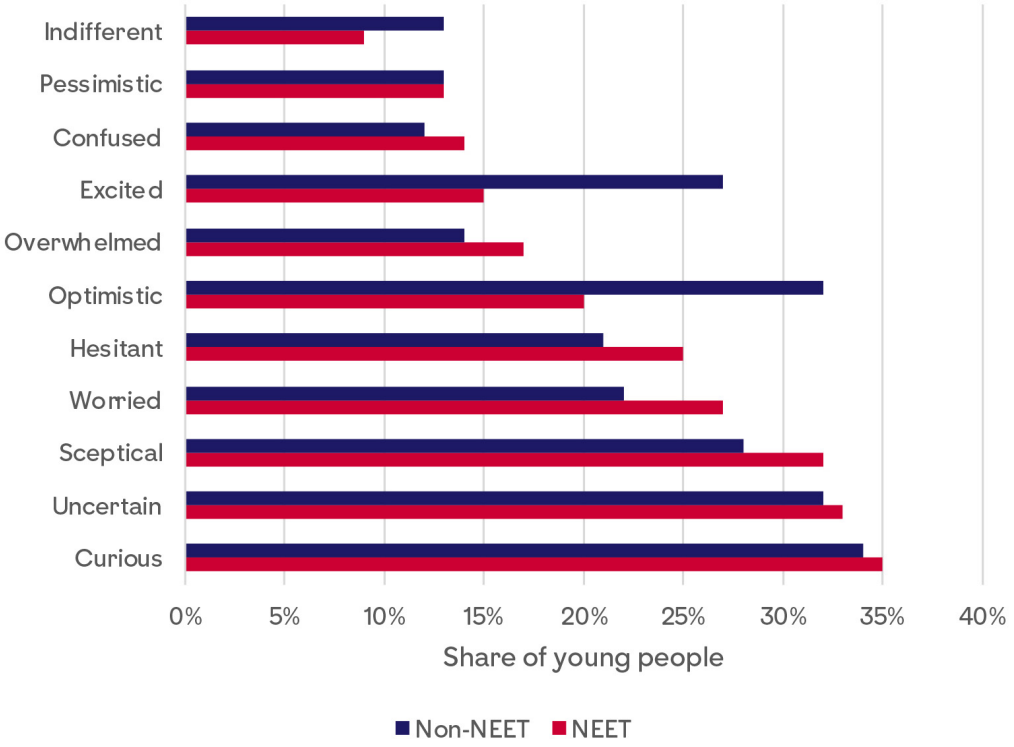
Young people at every level of qualifications are more likely to believe AI will have a positive than negative impact on their career - but optimism is broadly aligned with education level.

Figure 23:
"Do you think AI tools are likely to have a positive or negative impact on the career you would like to have?", by qualification level



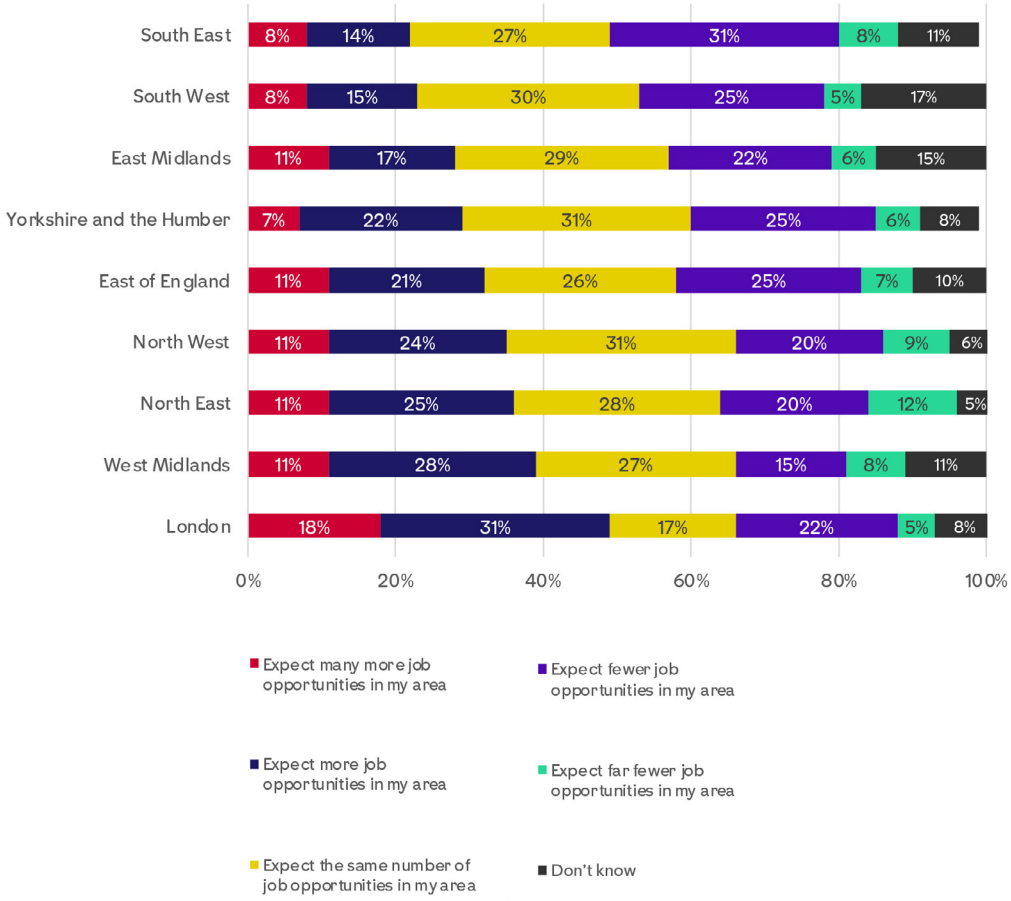
We see gaps in optimism between young people who are NEET and those who are in work, education or training. NEET young people are consistently less likely to identify positive feelings towards AI and more likely to identify negative ones.

Figure 24:
Feelings towards AI among NEET and non-NEET young people



We also see variations across the UK in how young people think AI will affect their local labour market. Those in regions with large cities, such as London and the West Midlands, are more likely to think it will lead to more job opportunities, whilst those in areas such as the South West and wider South East believe it will bring fewer of these.

Figure 25:
Expected scale of job creation from AI by region, among young people



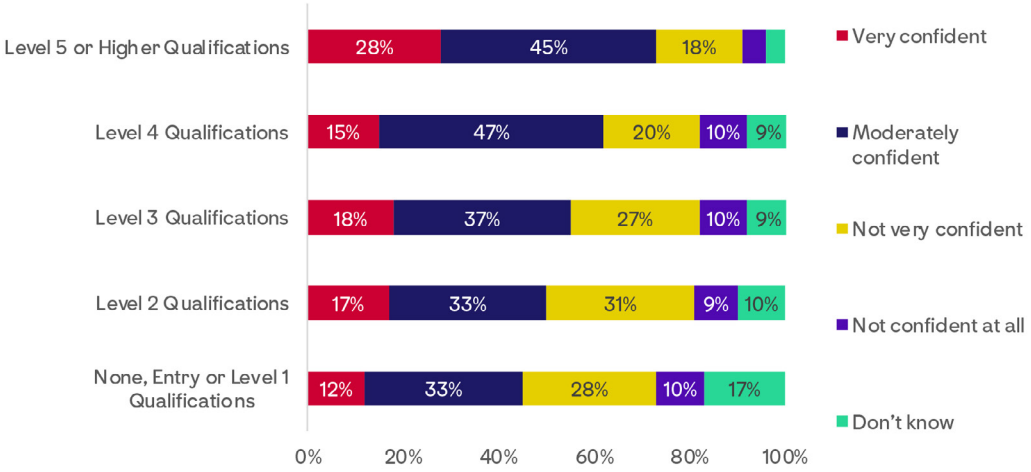
CONFIDENCE: HOW READY DO YOUNG PEOPLE FEEL FOR THE AI TRANSITION?

Most young people feel they understand the impact AI will have on the career they would like to have

Overall, 56% of young people say they feel either very or moderately confident that they understand the impact of AI on the career they would like to have, compared to 35% who do not feel very confident or not confident at all.

This confidence holds for young people with a range of education levels, though it is clearly correlated with the level of their highest qualification.

Figure 26:
Confidence levels in using AI tools, by qualification level



This may be because those with higher qualifications are both using and interacting with AI more often but are also more likely to be able to identify a range of ways in which the technology could be relevant to their current job. There is also a consistent gap between different ethnic groups, with BAME young people more likely to say they feel confident understanding how AI will impact the career they want to have as well as the sector they work in.

But they do not yet put the same premium on AI skills as experts and many employers.

Young people clearly expect AI to have a significant impact on skills required in the workplace. 76% think it will change the kind of skills their generation will require for work, 81% think AI will mean young people won't develop certain skills that older generations valued highly, such as writing documents or code from scratch, and 48% think that AI will mean people have to develop their skills more throughout their lives.

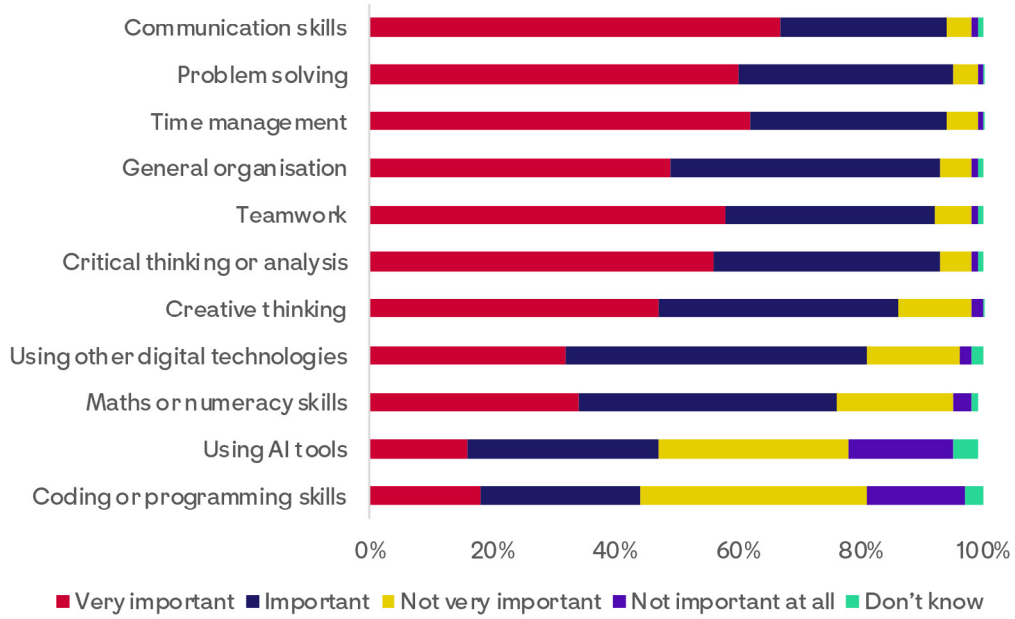
But although 59% of young people say they feel confident that they understand how AI might change the types of skills employers are looking for, this confidence may be misplaced.

When asked how important it is for them to develop a range of skills in order to have a successful career, they are just as likely to say using AI tools will be unimportant as important and rank these well behind others such as communication and problem solving.

How important do you think it is for you to develop the following skills in order to have a successful career?

Figure 27:

Perceived importance of different skills to the AI economy, among young people



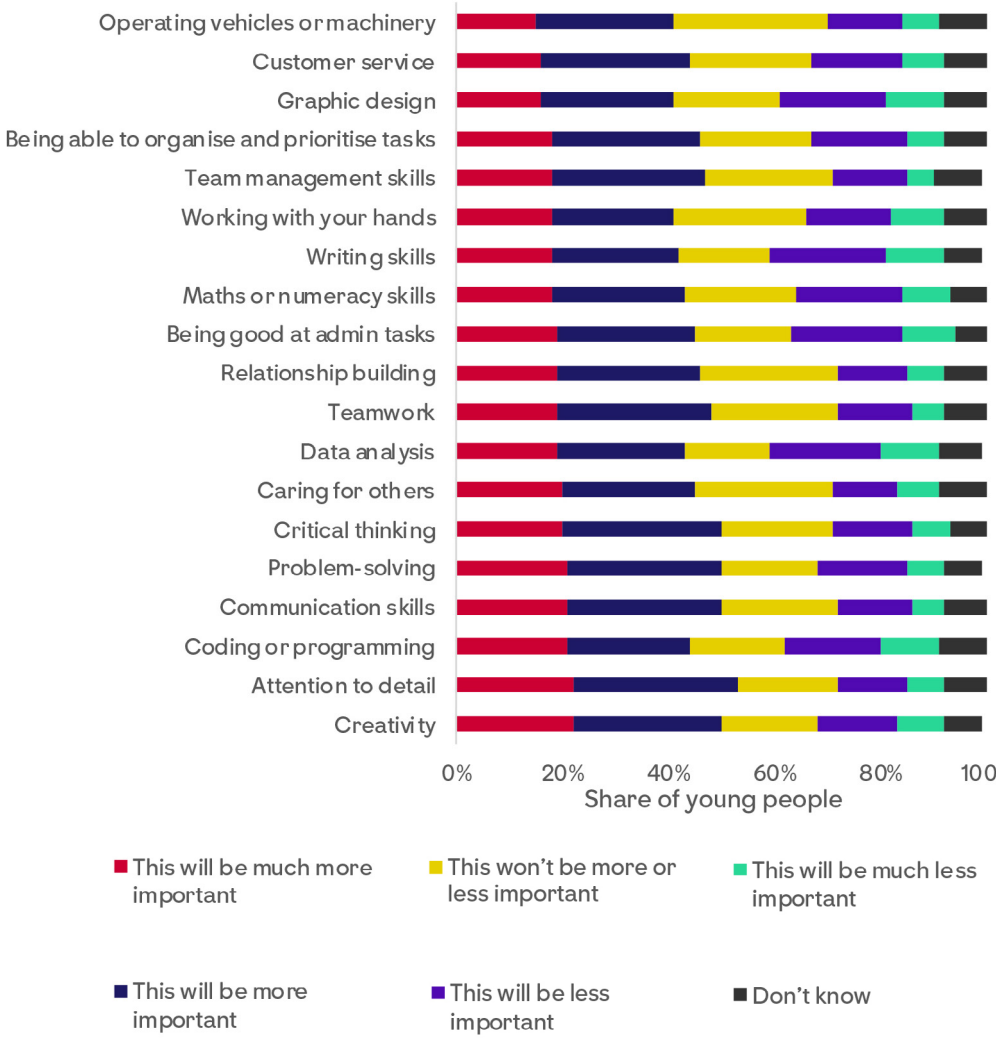
This is some way behind the importance many experts on AI now place on learning about these tools[15] and the evidence that those who can use AI tools increasingly command a wage premium in the labour market.[16]

When asked more specifically which skills AI will make more or less important to have for a successful career, no clear pattern emerges in young people's responses.

Figure 28:

Perceived changes in the importance of skills that will be needed in the future to participate in the AI economy, among young people

Which of the following skills, if any, do you think AI will make more or less important to have in order to have a successful career in the next 5 years?

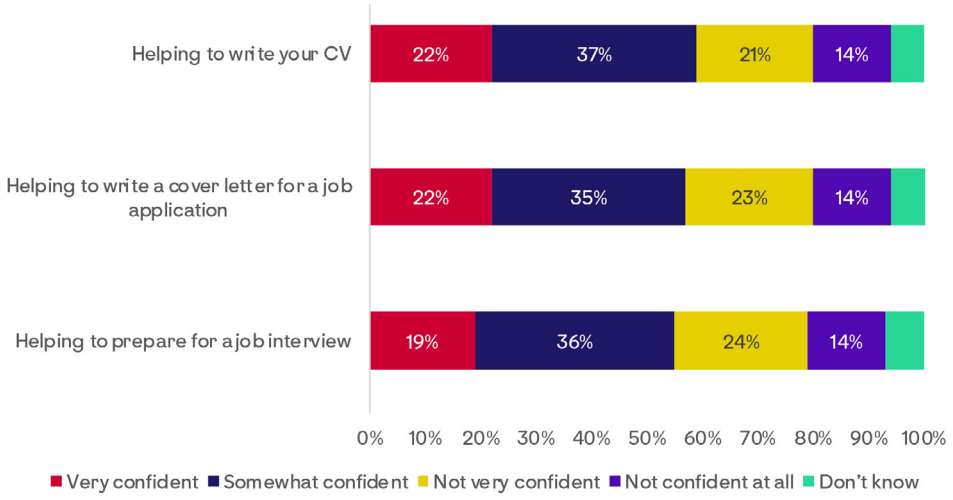


Some skills which AI is likely to make more important, such as communication or teamwork, are still seen as likely to be as important as those which are likely to be automated and become less important, such as being good at admin tasks.

Again, this suggests young people's views are not yet aligned with the growing consensus that an AI transformed economy will require a mixture of technological and human centred skills.[17]

More than half also say they feel confident using AI to apply for jobs and for career related tasks, such as preparing for job interviews, writing their CV or writing cover letters.

Figure 29:
Confidence levels in using AI to apply for work, among young people



But they are less sure how this activity will be received. Only 35% say they know what employers think about applicants using Gen AI for their job applications - falling to 27% for those who are NEET and 22% with qualifications at Level 1 or below - which suggests continuing uncertainty over whether the use of AI is seen as a positive or a negative when applying for jobs.

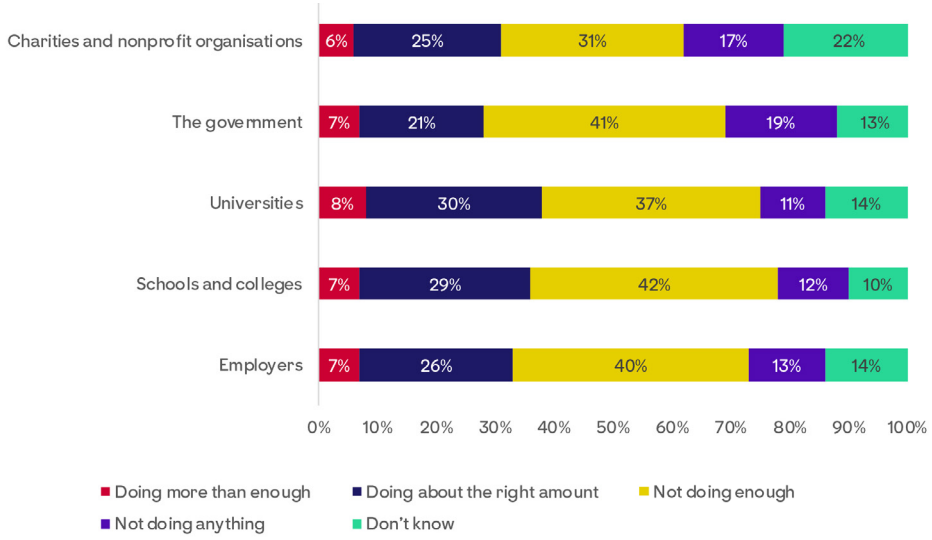
There is a clear demand for more support in how to use AI tools effectively

Most young people have started using AI tools independently; they are far more likely to say they did this by figuring it out for themselves (44%) or by using online resources (15%) than by receiving training through at school or college (10%), university (5%) or from their employer (4%).

It reflects a strong desire amongst young people to develop their ability to use AI tools. 49% say they have already tried to develop or are currently developing this and 27% plan to do so, with only 20% having no plan to do so. However, there is a clear feeling that young people are not currently getting as much support as they would like.

Only around a third feel that institutions such as employers (33%), schools and colleges (36%) or charities (31%) are doing enough to support young people with the potential impact of AI on their careers. Perhaps as a result, 53% say they feel like they are being left to figure out AI and its impact on their own.

Figure 30:
Young people's perceptions of support from different institutions



Our poll also suggests gaps in who is getting access to AI training, which risks exacerbating existing divides. 52% of young people educated to degree level feel they have had enough support in learning how to use AI tools, compared to only 30% of those with Level 1 or no qualifications who say the same. Young people who are NEET are especially likely to feel unsupported: just 31% saying they have had enough support, compared to 38% of non-NEETs.

In response, 60% say schools and universities should be doing more to teach young people how to use AI in the workplace, with 61% also feeling employers should provide support on this for workers.

'USING GEN AI TO GET A JOB' – THE KING'S TRUST PILOT

The King's Trust delivered a four-month pilot project in Glasgow supporting young people to understand how they could use generative AI tools to help them look for work, complete applications and prepare for interviews.

The original session resources were developed in collaboration by Accenture, Microsoft and Movement to Work.

The content was tailored by The King's Trust for their young person audience and established six key learning outcomes, aiming that upon completion participants would be able to:

- define what Gen AI is
- understand what employers think about job applicants using Gen AI
- identify real life examples of Gen AI and common Gen AI tools
- describe what a prompt is and how to create one
- use prompts in ChatGPT to get help with their job search i.e. finding job opportunities, researching companies, creating a CV and preparing for an interview
- identify ways to use AI responsibly and safely.

'Using Gen AI to get a job' pilot sessions were delivered by the King's Trust in Glasgow across a range of sectors including retail, health and social care and cyber security.

The pilot was hugely successful, reaching and upskilling 75 young people in total across a four-month period, with positive feedback from both participants and staff. The King's Trust is now completing a full content review to enhance and improve the session further before scaling across other locations around the UK.

"I really enjoyed learning about how to use AI to improve my job searching skills"

"I found the practical examples and real-life case studies most useful, as they helped me understand the concepts more clearly"

Feedback from participants

"The session helped young people see the value of AI as a tool for building employability skills, boosting confidence, and rethinking their work experience—transforming initial doubts into a positive, practical learning experience"

"AI is only going to get bigger in the coming years and keeping up to date with how we can use it responsibly to help our young people could be very valuable in helping them gain new skills and to improve their employability skills"

Feedback from staff

FUTURE: HELPING YOUNG PEOPLE SEIZE THE OPPORTUNITIES OF AI

The findings of this research set out the profound impact AI is likely to have on young people's experience in the labour market.

To seize the huge opportunities which the technology offers - and to mitigate the potential risks - these findings suggest policymakers, employers, educators and others should:

1) Deliver more structured training on how to use AI tools

Most young people have started using AI tools, but it would be a mistake to assume that this means they are getting the most out of them. Few have received formal training and many lack an understanding of the fundamentals of how the technology works and how to interact with it safely and effectively. Without a more structured approach, we risk them growing up superficially comfortable with AI but not maximising the opportunities it offers or learning how to responsibly use AI. There is clear demand from young people for more support, and evidence suggests that even light touch training can significantly improve confidence and make AI more convenient to use.[18]

Employer-led training is beneficial all around. Not only are people 1.4 times more likely to find greater value in their work when required to use AI tools, such businesses are also nearly six times as likely to financially benefit from AI.[19] Employers, government and others need to ensure more such training to is delivered for young people.

2) Raise awareness of how many jobs AI will transform

Headlines about the risk AI poses to jobs seem to be cutting through to many young people: their understanding of which jobs will be most impacted is broadly accurate and, in some cases, they seem to be overstating the likely scale of displacement. However, the sheer number of jobs AI is likely to transform is being underestimated, as is the premium on developing skills linked to using AI tools across a wide range of sectors. Discussions with young people about the impact of AI therefore need to focus more on the extent of change and how young people can take advantage of this across much of the economy, so that they enter the labour market ready and better equipped to do so.

3) Take a place-based approach

The wide variations in how AI is likely to affect different parts of the UK means any response needs to consider places as well as sectors. Alongside national programmes to develop skills in using AI tools, young people should be supported through careers education and other interventions to understand how AI is likely to change job opportunities in their local area, given its occupational and sectoral mix.

4) Tailor the response to young workers at each tier of the labour market

AI-driven disruption will create challenges and opportunities at each tier through which young people enter the labour market. The prospect of fewer graduate roles in traditional 'white collar' industries raises important questions for employers and policymakers about the equity of who gets to access them, if these are still to be a path to upward social mobility. The large number of medium and lower skilled jobs that could be displaced in sectors such as retail and hospitality also challenges the traditional route they have offered into the labour market for young people with lower qualifications. At a time when youth unemployment is already high, employers in these sectors will need to be incentivised to continue to take on younger workers and existing schemes focused on youth employment - such as the Youth Guarantee - should ensure they remain up to date with the changing nature of work.

5) Target support towards groups least likely to be using AI tools

Though AI tools have only been available for a few years, we already see important gaps in how different groups of young people are using them. Those who have lower levels of qualifications, who are NEET or who live in regions outside London feel less confident with the technology, which translates into more pessimism about its impact. To avoid entrenching existing digital skills gaps between young people, support should be targeted towards groups who are engaging the least with AI now.[20] This is especially urgent given the evidence that those moving quickly to develop skills with AI tools are already benefiting from a wage premium, which risks opening up new socio-economic divides.[21]

ABOUT THIS RESEARCH

PUBLIC FIRST

Public First is a policy, research, opinion and strategy consultancy that works with global companies, governments, start-ups, institutions and foundations around the world to tackle major public policy and strategic challenges. It is a company partner of the Market Research Society and a member of the British Polling Council.

King's Trust

At The King's Trust, we believe that every young person should have the chance to succeed, no matter their background or the challenges they are facing. We help young people from disadvantaged communities and those facing the greatest adversity by supporting them to build the confidence and skills to live, learn

and earn.

METHODOLOGY

Economic analysis

Young people have been defined as all those aged 16-24. Where not otherwise specified, the modelling uses the share of young people in work, excluding those in education and training.

Analysis on displacement and augmentation uses Public First's AI model, which uses the share of automatable tasks within each job to estimate the proportion of jobs in each occupational class which are likely to be displaced and phased out, augmented and protected from AI adoption entirely.

This model draws on the US O*NET occupation database, which contains information on 51 different types of work activity for around 800 types of occupation. Based on Goldman Sachs' identification of the types of tasks exposed to automation by generative AI, it classifies the proportion of tasks in each occupation that are susceptible to automation. These were then aggregated into broader ONS occupational categories based on their overall share of average UK employment and wage bill.

We note that this model operates within bounded uncertainties, focusing on job insulation, augmentation and displacement / phase out with respect to current occupations and sectors, rather than approximating the potential impact of AI on new job generation.

Polling

Public First conducted an anonymous online survey of 2,005 16-25-year-olds in the UK between 2nd May - 1st Jun 2025. All results are weighted using Iterative Proportional Fitting, or 'Raking'. The results are weighted by interlocking age, gender, region and education to Nationally Representative Proportions.

Public First is a member of the British Polling Council, and company partners of the Market Research Society. Public First adheres to the professional standards set out by these bodies, including our duty of transparency. Full polling tables for all three polls undertaken in this research are available on Public First's website.

As with all opinion polls, there is a margin of error in the answers, and the margin of error is greater when sample sizes are smaller (when there are cross-breaks of specific groups of people). When interpreting topline results to this poll, there is a margin of error of +/-3%. All polling numbers in this report should be read on this basis.

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2 www.cityam.com/big-four-slash-graduate-jobs-as-ai-takes-on-entry-level-work/

3 www.thetimes.com/business-money/economics/article/entry-level-jobs-plunge-by-a-third-since-launch-of-chatgpt-m8p79msqh

4 The skill level categorisation is based on the official ONS classification of SOC codes. See Table 1 here. A more detailed explanation can be found in the methodology note.

5 DfE (2025) Graduate labour market statistics 2024

6 We also include numbers as focusing solely on the proportion of jobs at risk of displacement can overrepresent local authorities where a smaller share of young people are in education and a larger share are in full-time employment (like many in Northern Ireland), and underrepresent areas with a high number of young people in full-time education (most city regions in the UK).

7 London has nearly twice the number of young people in senior management roles per 100 young workers than the rest of the country according to Census 2021 employment data

8 Further information about these calculations can be found in the methodology note

9 Further information about these calculations can be found in the methodology note

10 Google's UK impact 2023, Public First

11 This could be explained by the fact IMD reflects area-level deprivation, which doesn't always match young people's own circumstances, especially when many still live at home or at their term time address, and which is calculated using a range of measures not relevant to this issue, such as crime.

12 DfE (2023) The impact of AI on UK jobs and training

13 'Impact of AI on UK jobs and training,' Department for Education, November 2023.

14 Public First (2023) Generation Green Jobs: Exploring young people's readiness for the Net Zero skills revolution

15 The Times (2025) Spend a third of school lessons on AI, says economist

16 PWC (2025) The Fearless Future: 2025 Global AI Jobs Barometer

17 McKinsey (2024) A new future of work: The race to deploy AI and raise skills in Europe and beyond

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19 Ransbotham S, et al, (October 2022), 'Achieving Individual — and Organizational — Value With AI,' MIT Sloan School of Management and BCG Consulting, Findings from the 2022 Artificial Intelligence and Business Strategy Global Executive Study and Research Project.

20 The Prince's Trust (2024) Decoding the Digital Skills Gap

21 WC (2025) The Fearless Future: 2025 Global AI Jobs Barometer

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