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Institute for Public Policy Research



# **FLEXIBILITY FOR WHO?**

**MILLENNIALS AND MENTAL HEALTH  
IN THE MODERN LABOUR MARKET**

In partnership with

**BUSINESS  
IN THE  
COMMUNITY**

**Craig Thorley  
and Will Cook**



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# FOREWORD

BY LORD STEVENSON

There are many things that we know already about the challenges posed to society by poor mental health.

We know that mental health problems can affect any one of us – from school-aged children to older people in retirement, from new mums on maternity leave to the long-term unemployed people, and from those in low-paid work to directors in the boardroom. One-in-four adults experiences at least one diagnosable mental health problem in any given year.

We also know that our mental health and wellbeing can often be intrinsically linked to where we work, how we work, why we work, and who we work with. And, for many people, mental health problems can be bound up with the absence of work altogether.

But there are other things we understand less well, and that is why the findings in this new IPPR report are so important.

This report shines new light on an important issue which often goes unnoticed in debates on mental health and work – the extent to which the changing nature of work in the UK, linked to our increasingly flexible labour market, may be affecting the mental health of younger workers.

Consider how much longer a 24-year-old today will be in work compared to older generations. In addition to a rising state pension age, slow wage growth could mean even those on decent salaries will need to work further into old age. And consider some of the extraordinary changes taking place in the ways in which our economy is formed. The pace of technological change shows no sign of slowing, and new digital platforms are providing opportunities to work in ways that would have been inconceivable just a few years ago.

Before they retire, a younger worker today may have worked on a temporary contract, as a part-time employee, on a zero-hours contract or as a self-employed freelancer. Each of these experiences will affect their mental health and wellbeing in different ways. But looking for trends can help us to understand where we are headed.

IPPR's findings are an important contribution to the broader evidence base being established on employees' mental health and wellbeing. It is within this context that the review for government I am currently leading, along with Paul Farmer, will aim to identify ways in which employees working across all sectors and in organisations of all sizes can access the support they need to maintain good mental health.

IPPR has, in recent years, established a foundation of credibility and knowledge on mental health policy, and I am personally delighted that they have chosen to turn their considerable talents to exploring this issue. Similarly, Public Health England and Business in the Community have a long track-record of being ahead

on the curve of employee mental health and wellbeing, pushing it up the agenda in boardrooms across the country.

As a society, we are continuing to make good progress in highlighting the importance of our mental health. Although there is still a long way to go, this report adds to the weight of evidence we need to bring about change. It should provide a wake-up call to some employers that the business models and working practices they promote do not exist in isolation from the wellbeing of their workforces. My personal thanks to all those involved.

**Lord (Dennis) Stevenson is a crossbench peer and mental health campaigner, and is leading a government review into employee mental health, due for publication in autumn 2017.**

# FOREWORD

## BY DAVID SAWYER

This important report shines new light on the interrelationship between work and wellbeing for young people today.

The backdrop here is, of course, the extraordinarily rapid pace of change within the global economy. Globalisation, new technologies, automation and artificial intelligence (AI) continue to be disruptive forces that constantly cause us to re-evaluate how we organise work.

Our working lives are speeding up, and are more connected and flexible than ever before. This is true of both the sales director arriving at work early for a conference call with colleagues on the other side of the world, and taxi drivers responding to an in-app request for a lift home. It creates unprecedented opportunities but it also creates pressures that we are all struggling to adjust to.

In collaboration with Business in the Community, Accenture is exploring the opportunities and challenges posed by the digital revolution in the UK. Through the [Brave New World \(2016\)](#) and [Priorities for Responsible Business in a Digital Age \(2017\)](#) reports, we are working together to identify the opportunities for action and manage the unintended consequences of the digital age.

For many people in work across the UK, new technologies and ways of working are yet to translate into more leisure time and greater security. In an era of increasingly high-skilled jobs, driven by the digital revolution, not everyone is benefiting. Over 700,000 young people in the UK remain out of work and persistently so. The economic impact of that is one thing; the social cost is even higher. It is essential that businesses help break that pattern of low skills and fractured employment. At Accenture, our Skills to Succeed programme is one way in which we aim to provide the right skills for young people to find good, sustainable work that will support them, and their families' wellbeing. The programme has trained almost 100,000 young people since it began in 2009.

Accenture employs 400,000 people across 100 countries. It's a cliché, but our workforce really is our biggest asset. Without a steady stream of energetic and creative young people starting their careers, we cannot continue to thrive as a business. We – like employers of all sizes and across all sectors – have an obligation to support the wellbeing of our workforce if we want to attract and retain the best talent. This means putting structures in place to identify problems and creating cultures that help to develop resilience. But it also means – as IPPR have identified in this report – ensuring employees have control over their own working lives and the skills they need to thrive.

I am proud to work with colleagues through Business in the Community to promote employee mental health and wellbeing. Employees are right to demand a good balance between work and life, and businesses should rise to the challenge.

**David Sawyer is Managing Director (UK and Ireland Geographic Services, Facilities and Services) at Accenture, and a member of Business in the Community's Wellbeing at Work Leadership Team.**



# SUMMARY

## 60-SECOND SUMMARY

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

For some young people in part-time or temporary work (particularly where this involves being underemployed and/or overqualified), their experiences of work may be putting their mental health and wellbeing at greater risk.

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

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

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

## KEY FINDINGS

*Trends in the ways young people work*

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

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

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

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

**Younger workers today are more likely to be underemployed:**

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

### *Trends in young people's mental health*

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

- 16 per cent of young people (aged 16-32) experienced mental health problems in 2014, up from 13 per cent in 2004. This could be explained, in part, by reduced stigma and associated increases in rates of disclosure.

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

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

#### **The majority of mental health problems experienced by employees are work-related:**

- Almost two thirds of employees (62 per cent) attribute symptoms of poor mental health to work, or say that work is a contributing factor.

### *Mental health and wellbeing among young people in different kinds of work*

#### **Younger workers in part-time jobs are more likely than those in full-time jobs to experience poorer mental health and wellbeing:**

- They are 43% more likely to experience mental health problems (20 per cent compared to 14 per cent)
- They are more likely to fall within the bottom 10 per cent of the English adult population according to mental wellbeing (12 per cent compared to 9 per cent)
- They are 7 percentage points less likely to report being satisfied with their life, even when controlling for variables including household income and prior life satisfaction.

#### **There is a mixed picture when comparing the mental health and wellbeing of younger workers who are self-employed and those who are employees, reflecting the variety in types of self-employment:**

- Younger workers who are self-employed are marginally more likely to experience mental health problems compared to those who are employees (17 per cent compared to 16 per cent)
- They are also half as likely to fall within the bottom 10 per cent of the English adult population according to mental wellbeing (5 per cent compared to 10 per cent).

#### **Younger workers in temporary jobs are more likely than those in permanent jobs to experience poorer mental health and wellbeing, particularly where they would prefer to be in permanent work:**

- those in temporary jobs are 29 per cent more likely to experience mental health problems, compared to those in permanent jobs (22 per cent compared to 17 per cent)
- Those in temporary jobs and who would prefer to move into permanent work report lower levels of happiness and life satisfaction than those in temporary jobs who would not prefer to move into permanent work, even when controlling for variables including pay and gender.

#### **Younger graduates who are in jobs for which they're overqualified are more likely to experience poorer mental health and wellbeing, compared to graduates in professional/managerial jobs:**

- They are more likely to report being anxious or depressed (22 per cent compared to 16 per cent)

- They are 14 percentage points less likely to report being satisfied with their life so far, even when controlling for variables including household income and prior life satisfaction.

**Zero-hours contracts are causing poorer mental health among younger workers:**

- Those on zero-hours contracts are 13 percentage points more likely than those in other forms of work to experience mental health problems, even when controlling for variables including household income and mental health outcomes during adolescence.

*Pay and insecurity*

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

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

**OPPORTUNITIES FOR ACTION**

*Employers*

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

*Government*

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

# INTRODUCTION

People in the UK are living longer than ever before. According to the authors of a recent study exploring the implications of increased longevity – *The 100-year life* by Lynda Gratton and Andrew Scott (2016) – a 20-year-old living in a developed country now has a 50 per cent chance of living to be more than 100. This compares to someone born in 1916 in the UK, for whom there was just a 1 per cent chance of them still being alive in 2016 (Lawrence, 2016).

Public policy interventions aimed at reaping the benefits and mitigating the risks of longer lives have primarily focused on those in or approaching older age (such as increases to the state pension age or social care reform). However, it is also important to consider the implications of increased longevity on today's generation of younger people.

If longer lives are to be healthy, happy and productive then young people will need to live and work in ways which are different to previous generations, even before they reach older age. Gratton and Scott argue that young people should prepare themselves for 'multi-staged' working lives, characterised by a variety of careers with breaks and transitions, and likely culminating in their 70s (or even 80s). They argue that flexibility, adaptability, responsiveness and an ability to deal with uncertainty are the keys to being able to thrive within today's labour market.

However, thriving within today's labour market also requires people to work in ways that support them to develop and maintain positive mental health and wellbeing. Different kinds of work can affect mental health and wellbeing in different ways. For many, work is a central part of living a happy and fulfilling life. But for others, negative experiences of work can lead to the development or exacerbation of mental health problems.

While an individual's experiences of work and wellbeing are based on their particular circumstances, underlying labour market trends determine how many people are in different kinds of work, and therefore can impact on wellbeing in different ways. The shape of the labour market and the changing nature of work are therefore important determinants of overall levels of mental health and wellbeing, and will affect the ability of young people to grasp the opportunities thrown up by increased longevity.

This report is focused on millennials and centennials who are in work (defined here together as those born during or after 1982).<sup>1</sup> It explores how today's generation of young people experiences work and wellbeing, and looks to understand whether there is any correlation between an increasingly flexible labour market and levels of mental health among the workforce. If millennials and centennials can, as they grow older, expect to lead working lives characterised by flexibility and change, what might this mean for their mental health and wellbeing, and how should they, and their employers, prepare for the future?

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<sup>1</sup> There is no set definition for the boundaries of millennial and centennial populations. They are generally considered to describe, respectively, the generation born between the early 1980s and mid-to-late 1990s, and the generation born since the late 1990s / early 2000s. In order to maintain consistency throughout, this report considers anyone in work and born during or after 1982 to be eligible for inclusion in the analysis.

Chapter one sets out how the UK labour market has changed so as to consist of a greater proportion of jobs characterised by contractual flexibility, such as part-time work, self-employment and temporary work. It explores the extent to which millennials and centennials are affected by these trends, and how this is linked to levels of underemployment and overqualification.

Chapter two explores levels of mental health and wellbeing among younger workers, the extent to which young people are entering the workforce with prior experience of mental health problems, and how far young people report that their mental health is related to their experiences of work.

Within this context, chapter three explores the extent of any link between *contractual flexibility* and levels of poor mental health among younger workers. Using new analysis of population-level survey data, it asks whether those in work characterised by contractual flexibility are more likely to experience mental health problems.

Chapter four considers the impacts of different kinds of flexible working on how far young people are in control of their working lives. It also explores other work-related factors, such as pay and job insecurity, which may help to explain the interactions between work and wellbeing identified in chapter three.

Finally, chapter five considers what role there is for employers and government to support good mental health and wellbeing in the workplace. It also considers the need to ensure that greater labour market flexibility does not heighten the risk of poor mental health and wellbeing, particularly among young people.

---

### About our analysis

See statistical annex (p.54) for full details of the analysis contained in this report.

All results reported are statistically significant at the 5 per cent level unless denoted by † (statistically significant at the 10 per cent level) or †† (not statistically significant).

---

# 1.

## WORK: HOW IS THE UK LABOUR MARKET CHANGING?

Work – or the absence of work – is intrinsically linked to our health and wellbeing. As well as supplying the earnings to enable people to provide for themselves and their families, good-quality work can help build social capital and deliver an important sense of fulfilment and satisfaction. But not all work will deliver these benefits to the same extent, and some kinds of work may even have negative effects on our health and wellbeing.

The ways in which people in the UK work are constantly evolving, shaped by the health of the economy overall, technological changes and political priorities. The changing nature of work in the UK was most recently highlighted by the Taylor Review of Modern Working Practices (2017), which explored the growth in ‘atypical’ forms of work. Similarly, in order to better understand the relationship between health, work and wellbeing for young people, we must first understand the shape of today’s labour market and the changing nature of work.

In this chapter, we set out some of the ways in which the labour market has changed over the past 25 years so as to consist, to a greater degree, of jobs characterised by *contractual* flexibility. First, we consider trends relating to four types of flexible working: part-time work; self-employment; temporary employment; and zero-hours contracts. We then examine changes in the underemployment rate in the UK, and the extent to which this is linked to increases in contractual flexibility. Finally, we explore the extent to which millennials and centennials, in particular, are being affected by this changing labour market.

---

### Box 1: Flexibility and work

‘Flexible working’ is a broad concept that can encompass a wide variety of different working conditions and characteristics. It is, therefore, important to distinguish between *temporal* flexibility, *spatial* flexibility and *contractual* flexibility (Joyce et al 2010).

‘*Temporal and spatial* flexibility describe, respectively, an ability to vary the number of hours and times of the day one works (through flexitime or shift-work, for example), and an ability to vary one’s physical working environment (such as by working from home).

‘*Contractual* flexibility, on the other hand, describes where one’s work is rigidly defined (in contract) as being other than permanent and/or full-time, including arrangements such as a job-share or partial retirement.

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## GROWTH IN WORK CHARACTERISED BY CONTRACTUAL FLEXIBILITY<sup>2</sup>

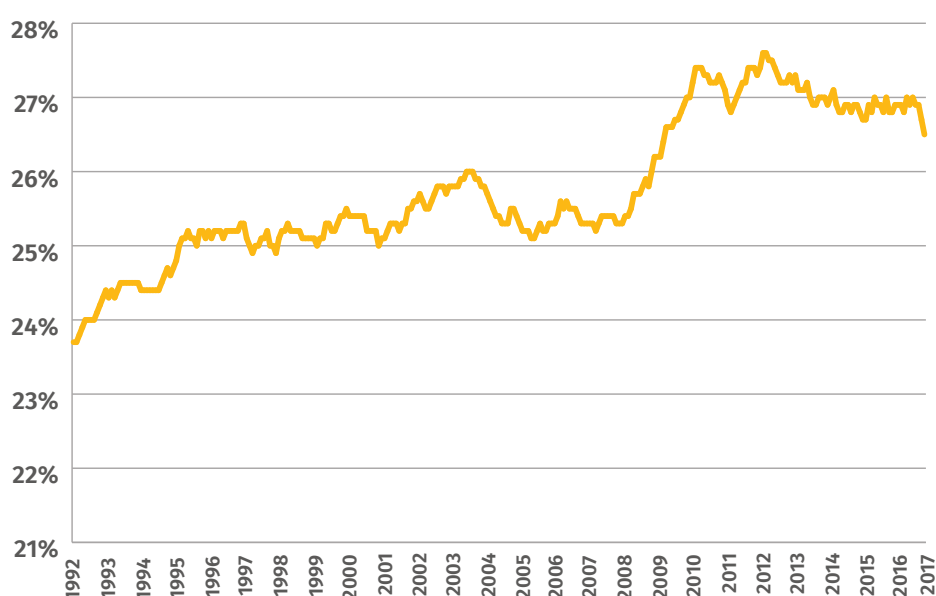
*An increasing number of people in the UK are working part-time<sup>3</sup>*

The majority of people in employment in the UK are in full-time jobs. However, the proportion of people in employment who work part-time has increased over the last 25 years. In 2017, more than a quarter (27 per cent) of those in employment worked part-time, up from 24 per cent in 1993 (ONS 2017a).

**FIGURE 1.1**

### **A growing proportion of the UK labour market is made up of people in part-time work**

*The number of people working part-time in the UK, as a proportion of the total number of people in employment (1992-2017) (%)*



Source: IPPR analysis of ONS (2017a)

This is due, in part, to part-time work having proven to be particularly resilient following the 2008-09 recession. While the number of people in full-time work fell after the recession (and did not return to pre-recession levels until 2012), the number of people in part-time work increased by 9 per cent over the same period, reaching 8.2 million. However, since 2012, the proportion of jobs which are part-time has fallen slightly, as growth in full-time work has recovered (ibid).

### **Box 2: Defining underemployment**

An individual is underemployed if they want more work than is currently available to them, and so are working fewer hours than they otherwise would.

2 Unless stated otherwise, all statistics in this section relate to Q1 of the years in question (January to March)

3 This section considers part-time work within the context of overall employment. It is therefore not limited to part-time employees, but also considers people who are self-employed.

As the labour market comes to be made up a greater proportion of part-time jobs, levels of underemployment tend to increase due to people working part-time involuntarily. In early 2008 (before the recession), 10 per cent of people working part-time did so because they *could not find* a full-time job (rather than because they *did not want* a full-time job). However, as the number of full-time jobs available fell, the proportion of part-time jobs filled by people who would have preferred to work full-time increased dramatically, reaching 18 per cent in 2013 (ibid).

*An increasing number of people in the UK are self-employed, with particular growth in the number who are self-employed and working part-time*

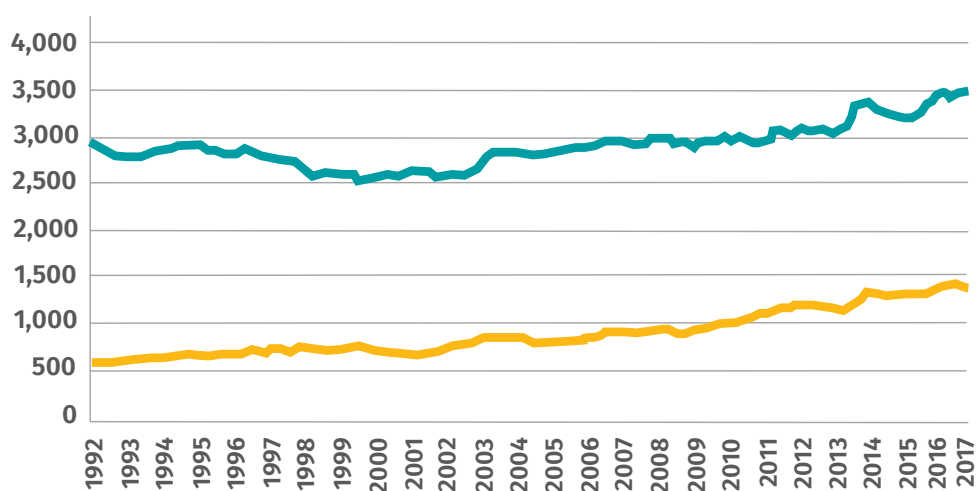
There are more self-employed people than ever in the UK. In 2017, there were 4.8 million self-employed workers – an increase of 42 per cent on 1993. The growth in self-employment has been particularly rapid among those who are self-employed and work part-time. Between 1993 and 2017, the proportion of self-employed people who work part-time increased from 19 to 29 per cent (ibid).

This growth has been driven by a number of factors, some more positive than others. On the one hand, self-employment has become more available as a result of new technologies helping to drive down start-up costs. On the other, self-employment can also occur as a result of disadvantaged groups being locked out of the labour market (Broughton and Richards 2016). There are also a significant number of workers – including in the growing ‘gig economy’ – who are controversially defined as self-employed, with firms accused of looking to take advantage of minimising their obligations regarding pay and workers’ rights and entitlements. Partly as a result of them not being entitled to the minimum wage, half (49 per cent) of self-employed people in the UK are on low-pay, more than double the rate among employees (ibid).

**FIGURE 1.2**

**There are a growing number of people in the UK who are self-employed, an increasing proportion of whom are working part-time**

*Number of people who are self-employed in the UK, split by part-time/full-time (1992-2017) (thousands)*



Source: ONS (2017a)



---

### Box 3: The gig economy

The 'gig economy' relates broadly to 'the finding of discrete parcels of work by direct connection between individual providers and customers and clients through a digital platform' (Brinkley 2016). Its growth has played a significant role in increased levels of self-employment. Work in the gig economy has been estimated to account for up to 6 per cent of total employment in the UK, and this is expected to grow steadily over the coming years (ibid).

The biggest factor contributing to the growth of the gig economy is an acceleration in 'professional freelancing' (self-employment among high-skilled occupational groups – managers, professionals and associate and technical staff). Between 2010 and 2016, growth across these groups contributed to two thirds of the overall growth in self-employment (ibid).<sup>4</sup>

In addition to these groups, however, the gig economy also includes individuals who make use of digital platforms but are likely to be in lower-paid work in service sectors, such as Uber drivers and Deliveroo riders.

This diversity has led to competing arguments on the benefits and drawbacks of working in the gig economy. On the one hand, it has been associated with insecurity and an inability to access rights and protections. On the other, it has been linked to greater flexibility, control and autonomy, and an ability to forge a healthy work-life balance. The extent to which an individual has a positive experience of the gig economy is likely, though, to be determined by the specifics of their work and the circumstances through which they have entered into it. Nevertheless, there is growing momentum behind calls – such as those made in the recommendations of the Taylor Review (2017) – to improve recognition and protection of workers in the gig economy.

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*The number of temporary employees has increased following the 2008-09 recession, but is lower than between 1995 and 2000*

Unlike for part-time work and self-employment, there has not been steady growth in the number of temporary employees over the past 25 years. In 2017, there are 1.6 million temporary employees in the UK, which, despite being higher than in 2005 (1.4 million), was lower than the level throughout much of the 1990s (in 1997 there were 1.8 per million) (ONS 2017a).

In 2017, 5.9 per cent of all employees in the UK were in temporary work. Again, although higher than the pre-recession level, this is lower than between 1993 and 2004, when between 6.1 and 7.8 per cent of employees were in temporary work (ibid).

---

<sup>4</sup> Q1 2010 to Q1 2016

**FIGURE 1.3**

**Despite fluctuations over the past 25 years, there has been no overall growth in the proportion of the UK labour market made up of temporary employees**

*Number of temporary employees in the UK, as a proportion of all employees (1992-2017) (%)*



Source: ONS (2017a)

Where a greater proportion of employees find themselves in temporary work, this generally coincides with increased levels of underemployment among temporary employees. For example, between 2008 and 2013, the number of temporary employees increased by 13 per cent, while the proportion of temporary employees who *could not find* a permanent job increased from 25 per cent to 40 per cent. In 2017, more than a quarter of temporary employees (28 per cent) *could not find* a permanent job (ibid).

*There has been a rapid increase in the number of people working on zero-hours contracts*

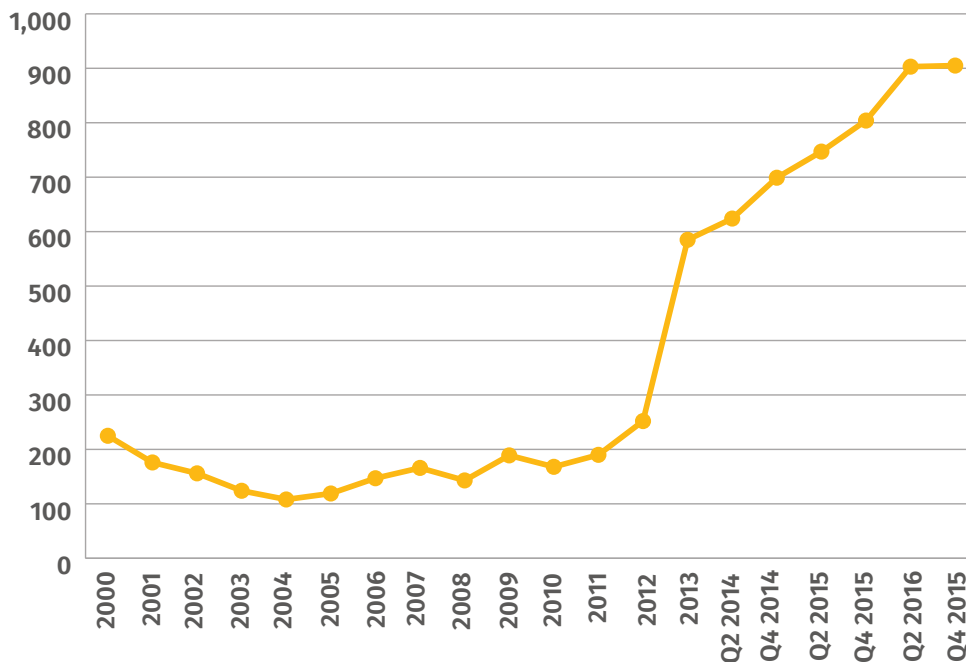
A zero-hours contract (ZHC) is a specific type of flexible contract, where the employer is not obliged to provide a minimum number of working hours and the worker is not obliged to accept any work that is offered.<sup>5</sup> Between 2001 and 2012, the number of people in the UK employed on ZHCs remained relatively stable, at between 100,000 and 200,000 (representing between 0.4 and 0.8 per cent of the total number of people in work). However, by 2013 this had jumped to 585,000 (or 1.9 per cent of the total number of people in work). Since then, the number of people on ZHCs has continued to grow but at a far steadier pace. In the final three months of 2016, there were 905,000 people on ZHCs in the UK (its highest ever level), representing 2.8 per cent of the total number of people in work (ONS 2017b).

5 <http://www.acas.org.uk/index.aspx?articleid=4468>

**FIGURE 1.4**

**Since 2012, there has been a rapid expansion in the number of people in the UK working on zero-hours contracts**

*Number of workers employed on zero-hours contracts (ZHCs) in their main job (thousands)*



Source: D’Arcy (2017)

People employed on ZHCs are significantly more likely to be underemployed, compared to those in other kinds of work. In the last three months of 2016, almost a third (32 per cent) reported either wanting an additional job, a replacement job with longer hours, or more hours in their current job, compared to just 9 per cent of those not on ZHCs (ONS, 2017b).

### GROWTH IN UNDEREMPLOYMENT

We have seen how a significant number of people in the UK are in work characterised by *contractual flexibility* (whether they are part-time, self-employed, or on temporary or on zero-hours contracts). A minority of these people are unable to work more hours than they would otherwise like, often in more permanent or secure job-types.

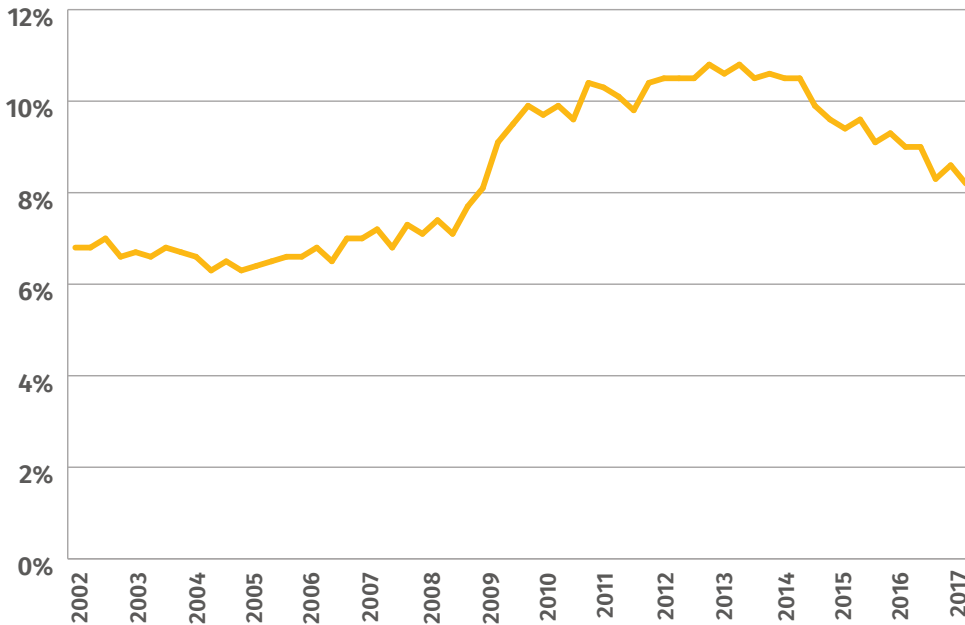
By looking back over the past 15 years, we can see how growth in the number of people in work characterised by contractual flexibility has coincided with increased levels of underemployment, particularly in the years immediately following the 2008-09 recession.

In the first three months of 2017, 2.7 million people were underemployed – 42 per cent higher than in the first three months of 2002 (when 1.9 million were underemployed). This translates as 8.4 per cent of the total number of people in employment. While this has fallen below its peak of 10.6 per cent in 2012-13 – as a result of growth in the number of full-time jobs – it remains higher than the pre-recession rate (ONS 2017c).

**FIGURE 1.5**

**Despite falling since 2013, there has been overall growth over the past 15 years in the proportion of workers in the UK who are underemployed**

*Number of people who are underemployed in the UK, as a proportion of all those in employment (2002-2017) (%)<sup>6</sup>*



Source: ONS (2017c)

### MILLENNIAL AND CENTENNIAL WORKERS

Overall, the UK labour market does, therefore, consist of an increasing share of jobs that are characterised by contractual flexibility, and this is connected to growing levels of underemployment. But how far do these trends affect millennials and centennials in particular, compared to older workers and previous generations of younger workers?

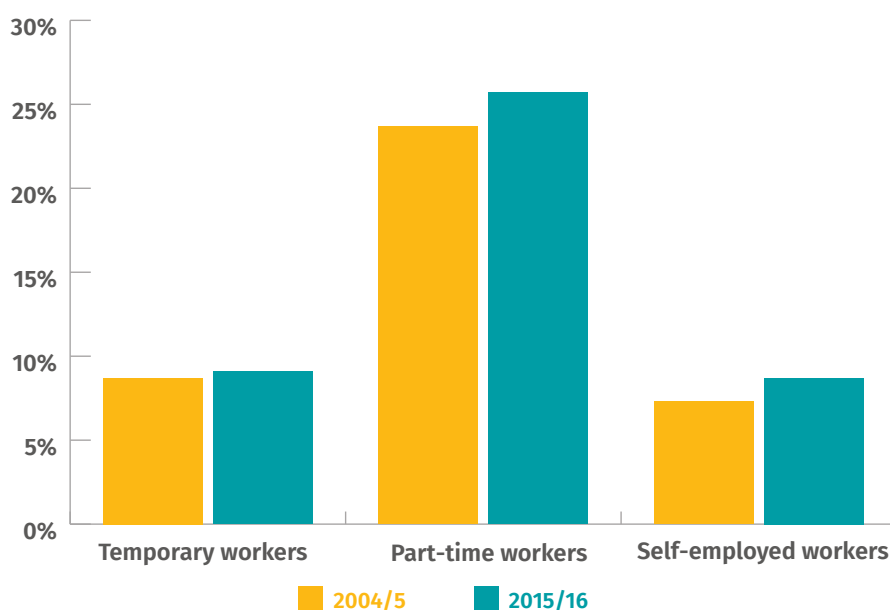
<sup>6</sup> Rates shown are the proportion of total employment excluding those workers with unknown underemployment status.

Millennial and centennials are more likely to be in work characterised by contractual flexibility compared to the previous generation of younger workers<sup>7</sup>

**FIGURE 1.6**

**Millennials and centennials are more likely to be in part-time work and to be self-employed compared to the previous generation of younger workers, and are equally likely to be in temporary work**

People aged 16-34 in different job-types, 2004/05 and 2015/16, as a proportion of all people aged 16-34 in work (%) (n= 36,496; 39,861; 39,745)



Source: IPPR analysis of the Annual Population Survey (ONS 2017d)

Our analysis of the Annual Population Survey compared people UK-wide aged 16-34 and in work in 2015/16 to those aged 16-34 and in work in 2004/05. It found the former to be marginally more likely to be in some forms of work characterised by contractual flexibility:<sup>8</sup>

- 26 per cent were in part-time work (compared to 24 per cent in 2004/05)
- 9 per cent were self-employed (compared to 7 per cent in 2004/05)
- In both 2004/05 and 2015/16, 9 per cent were in temporary work

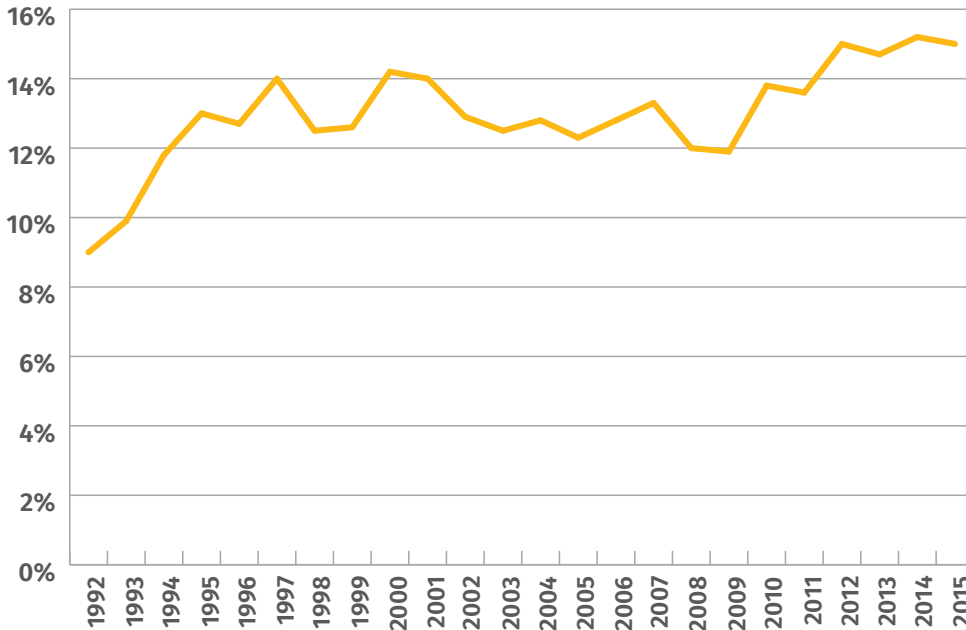
<sup>7</sup> The majority of those aged 16-34 in 2004/05 fall within the previous generation ('generation X'), although a small number will be classified as millennials.

<sup>8</sup> Survey data on zero-hours contracts is not available from 2004/05, meaning no comparison is made here.

**FIGURE 1.7**

**By another measure, though, there has been gradual growth in the proportion of younger workers who are in temporary work**

*Temporary employment as a percentage of total dependent employment among people aged 15-24 (1992-2015) (UK) (%)*



Source: IPPR analysis of OECD (2016)

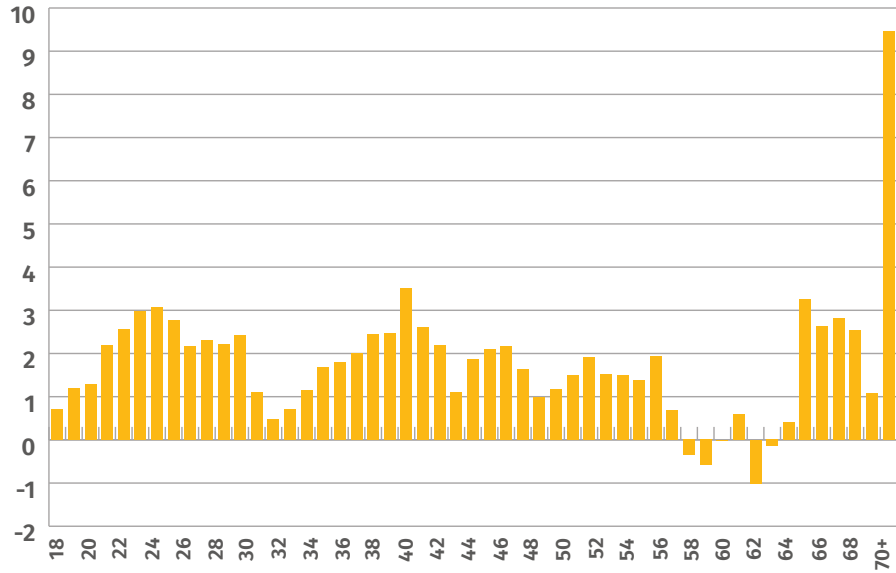
OECD statistics also show a gradual growth between 1992 and 2015 in the proportion of employees aged between 15 and 24 in temporary work (up from 13 per cent in 2004 to 15 per cent in 2015).<sup>9</sup> This suggests that millennials and centennials are more likely than previous generations to have been temporary employees while aged under 25. ONS (2016) data shows how younger workers were more likely to be self-employed in 2015 than in 2001, although this was also true of the majority of older workers.

<sup>9</sup> <https://data.oecd.org/emp/temporary-employment.htm#indicator-chart>

**FIGURE 1.8**

**Almost all age groups – including younger workers – contain an increased proportion of self-employed workers compared to 2001**

*Change in self-employment as a proportion of total employment between 2001 and 2015, split by age (percentage points) (UK)*



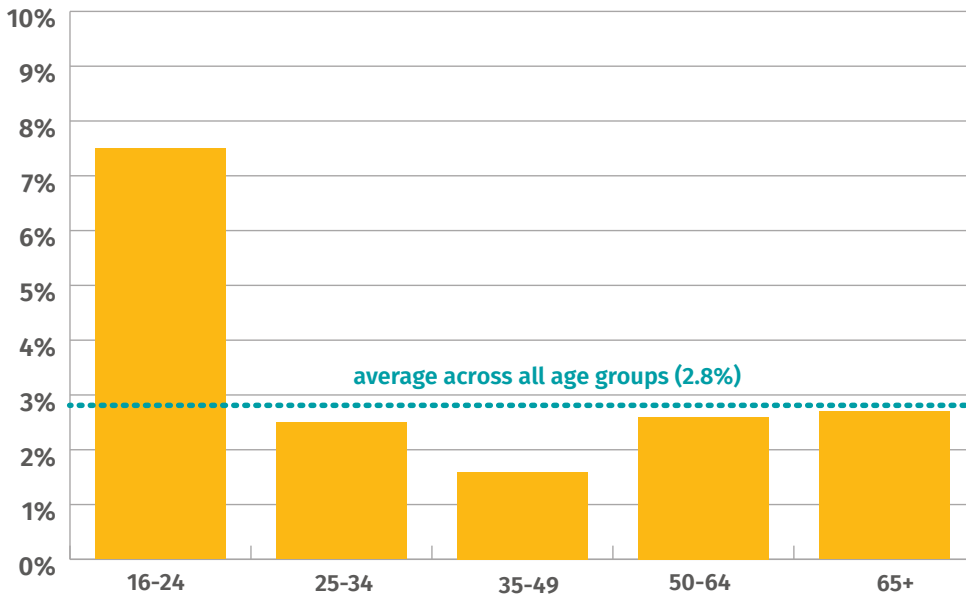
Source: ONS (2016)

Finally, younger workers are also more likely to be on ZHCs. In the final three months of 2016, 7.5 per cent of people aged 16-24 and in work were on ZHCs, around three times higher than the proportion of all older age groups.

**FIGURE 1.9**

**Younger workers are three times more likely than workers in older age groups to be employed on a zero hours contract**

*Proportion of people in employment on a zero hours contract, split by age group (Oct-Dec 2016) (UK) (%)*



Source: ONS (2017b)

*Millennials and centennials are more likely to be underemployed than both older workers and previous generations of younger workers.*

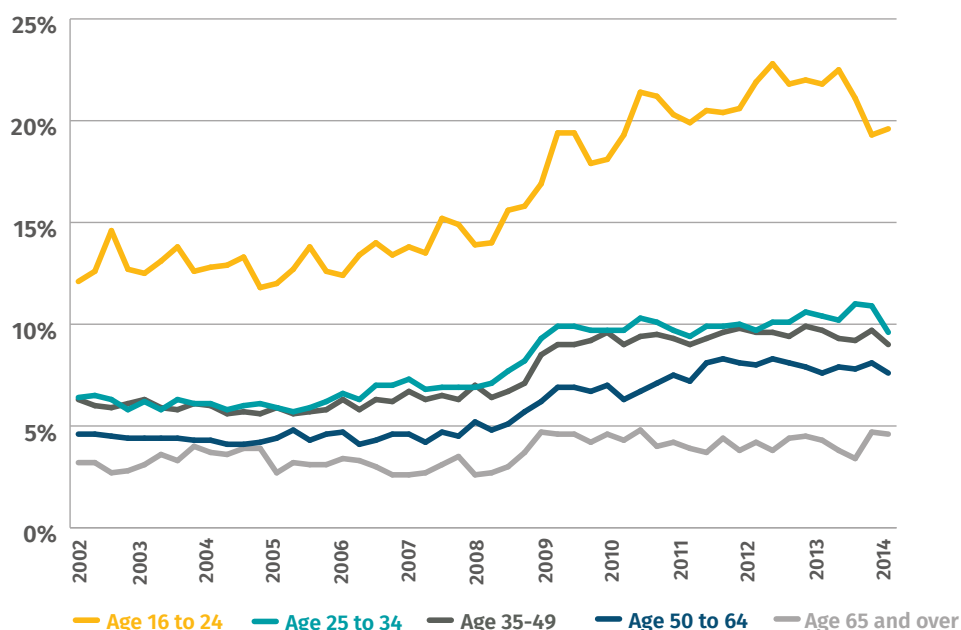
Between 2002 and 2014, younger workers (aged 16 to 24) were significantly more likely to be underemployed than all other age groups. In the first three months of 2014, 19 per cent of workers aged 16-24 were underemployed, more than double the rate among all other age groups (ONS 2014).



**FIGURE 1.10**

**Younger workers are more than twice as likely to be underemployed compared to workers in older age groups**

*Underemployment rate, split by age group (2002-2014) (UK) (%)*



Source: ONS (2014)

What is more, the proportion of workers aged 16-24 who are underemployed was 60 per cent higher in the first three months of 2014 than in the first three months of 2002, showing that millennials and centennials are more likely than previous generations of younger workers to be underemployed (ibid).

For some forms of work characterised by contractual flexibility, there is also evidence that younger workers are more likely to be underemployed than older workers in those job-types. For example, younger men (aged 25-34) who are self-employed and working part-time are more likely to report a desire to work longer hours. This compares to older workers who are self-employed and working part-time, who are less likely to report dissatisfaction with working hours, perhaps because they are following a managed path towards retirement (ONS, 2016).

*Millennials and centennials are more likely to be in jobs for which they are overqualified, compared to previous generations of younger workers*

Over the last few years, there has been growth in the number of people graduating from university. Between 2006/07 and 2013/14, the number of first-degree qualifications obtained in the UK increased by one third, reaching 421,635 (HESA, 2017). However, availability of professional and managerial jobs has not kept pace with growth in the number of graduates. A relatively high proportion of degree-qualified migrant workers are also in low-paid and/or non-professional/managerial jobs (Stirling 2015). As a result, an increased proportion of younger workers who are degree-qualified work in non-professional or managerial jobs, for which a significant number will be overqualified.<sup>10</sup>

<sup>10</sup> Being a graduate in a non-professional/managerial job is taken here as a proxy for being overqualified, although it is acknowledged that this is not a perfect measure.

Our analysis of the Health Survey for England (NatCen 2016; NatCen 2010) compared people aged 16-32 and in non-professional or managerial jobs in 2014 to those with the same characteristics in 2004 (England only):

- Between 2004 and 2014, the proportion of *younger workers in non-professional or managerial jobs* who were graduates doubled from 10 per cent to 20 per cent – meaning these jobs were twice as likely to be staffed by graduates in 2014 compared to 2004
- Between 2004 and 2014, the proportion of *all younger workers* who were graduates in non-professional or managerial jobs almost doubled, from 7 per cent to 13 per cent
- In 2014, more than a third graduates aged 16-32 (35 per cent) were working in non-professional or managerial jobs (compared to 30 per cent in 2004).

## SUMMARY

Over the past 25 years, the UK labour market has changed so as to consist of a greater proportion of ‘atypical’ work (Taylor 2017). This includes an increased number of people in work characterised by contractual flexibility, such as part-time or temporary work, as well as self-employment. This trend predates the 2008-09 recession, although it was accelerated in the years immediately following, when employers were more likely to turn to flexible forms of employment as a means of managing economic uncertainty; and employees were more likely to turn to flexible forms of employment as a means of preserving their jobs (Coulter, 2016).

The growth in work characterised by contractual flexibility is connected to a growth in the segment of the workforce that is underemployed, and so made up of people working fewer hours than they would like. Significant minorities of people working part-time, in self-employment, and on temporary or zero-hour contracts are underemployed.

Since 2012, the proportion of jobs characterised by contractual flexibility has levelled off as growth in full-time jobs has improved. However, should uncertainty in the economy mean a return to growth in the proportion of part-time and temporary jobs, we should also expect to see growth in underemployment.

While the growth in work characterised by contractual flexibility is by no means been limited to younger workers, it has occurred alongside millennials and centennials entering the workforce. This new generation of younger workers are more likely than previous generations to experience this kind of work at the outset of their working lives.

This would appear to be linked to considerably higher levels of underemployment among today’s generation of younger workers, who are also more likely to be overqualified as a result of the number of graduate-level jobs failing to keep up with the number of graduates.

## 2. HEALTH: THE PREVALENCE AND IMPACT OF MENTAL HEALTH PROBLEMS

Work, health and wellbeing are intrinsically linked to one another. Just as the ways in which people work have evolved in recent years, so too have the health needs of people in the UK. Long-term, chronic conditions have come to affect more people, while acute conditions have become less common. In particular, a growing number of people experience common mental health conditions, such as anxiety or depression, or report low wellbeing.

In order to better understand the relationship between health, work and wellbeing for young people, this chapter explores current levels of poor mental health and wellbeing and the extent to which it is related to individuals' experiences of work. It also considers the impact that mental health problems at work can have on government, employers and individuals.

### THE GROWING IMPORTANCE OF MENTAL HEALTH

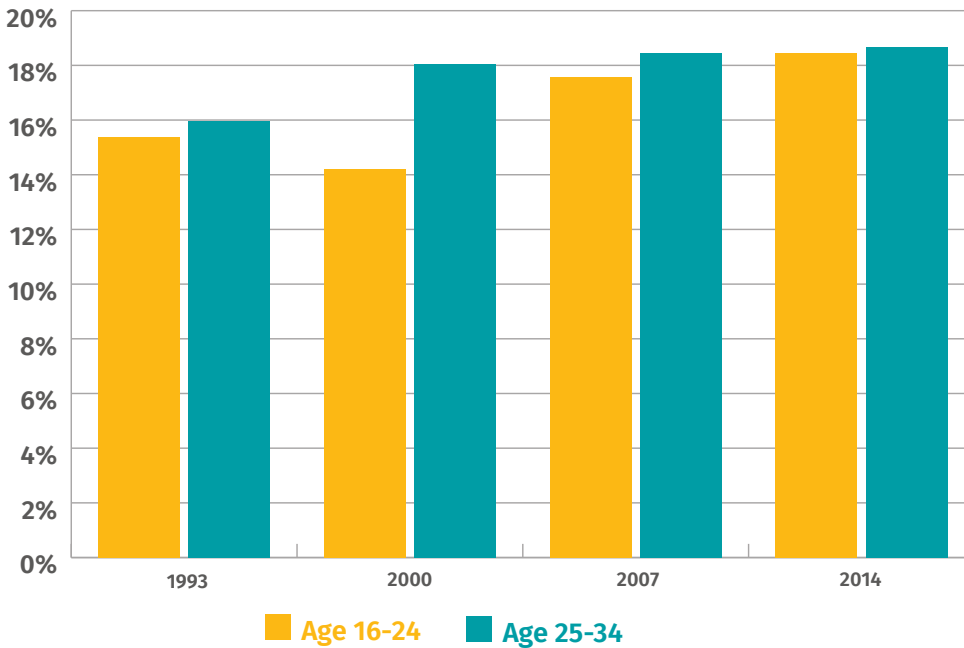
The predominant health trend in the UK – and across developed countries – is the growing proportion of ill-health which is caused by long-term, chronic conditions. Around 15 million people in England have a long-term health condition (DH, 2012). People with long-term conditions account for 50 per cent of all GP appointments, 64 per cent of outpatient appointments, 70 per cent of all inpatient bed days, and 70 per cent of the total health and care spend in England (ibid).

As well as growth in the number of people affected by long-term conditions impacting on their physical health, such as musculoskeletal conditions, an increasing number of people experience common mental health conditions, such as anxiety and depression.

**FIGURE 2.1**

**A growing proportion of young adults report experiencing common mental health conditions**

*Proportion of people aged 16-24 or 25-34 who experienced a common mental health disorder in the past week (1993-2014) (England) (%)*



Source: McManus et al (2016)

Common mental health conditions are experienced by people of all ages and backgrounds, but are more prevalent among people of working age. Between 1993 and 2014, there was a gradual increase in the proportion of working-age adults in England who experience symptoms of common mental health disorders (from 14.1 per cent to 17.5 per cent) (Stansfeld et al, 2016). Approximately one in six people now experience a common mental health condition in any given week (McManus et al, 2016).

Unlike for most other long-term conditions, the likelihood of experiencing a common mental health condition does not increase with age. Instead, prevalence rates are spread relatively evenly between younger and older working-age adults. Millennials and centennials are, however, more likely than previous generations of young people to experience mental health problems. In 1993, 15.4 per cent of people aged 16-24 had experienced a common mental health condition in the past week, whereas by 2014 this had grown to 18.9 per cent. Similarly, our analysis of the Health Survey for England shows how, between 2004 and 2014, there was a small increase (from 13 per cent to 16 per cent) in the proportion of people aged 16-32 with mental health problems (demonstrated by a score of four or more on the General Health Questionnaire (GHQ4+)) (NatCen 2016; NatCen 2010). There is a particular risk among young women, who are almost three times more likely to experience a mental health condition than men (28.3 per cent compared to 10 per cent) (Stansfeld et al, 2016).

Part of the explanation for this is likely to be a gradual reduction stigma, and an associated increase in willingness to report poor mental health and seek support. However, it is likely also to be explained by a growing number of people who experience mental health problems during childhood and adolescence. On

average, three children in every classroom have a diagnosable condition, which is estimated to be twice as many as in the 1970s (Layard 2011). There appears to have been a particular acceleration in the last few years – between 2009/10 and 2014/15 the number of under-18s admitted to hospital due to self-harm increased by more than 50 per cent (Burt 2016).

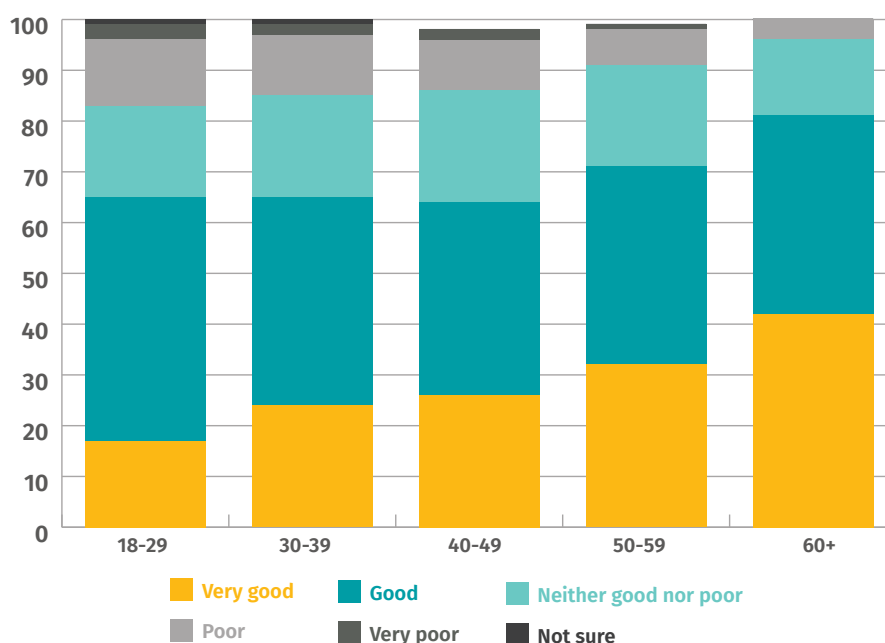
### MENTAL HEALTH PROBLEMS AT WORK

People with poor mental health are more likely to be unemployed. 43 per cent of people who report a mental health condition as their main health problem are in employment, compared to 74 per cent of the total population (PHE-TWF, 2016). Mental health conditions account for the largest proportion of new claims for Employment Support Allowance (the main out-of-work sickness benefit). In 2016, almost half (49 per cent) of ESA claimants had a mental health condition, up from almost a third (31 per cent) in 2000 (DWP 2016a).

**FIGURE 2.2**

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

*Self-reported mental health rating among full-time and part-time employees, split by age (%) (2016) (Q: ‘How would you describe your mental health at this time?’) (n=3,036)*



Source: Business in the Community (2016)

However, poor mental health is also common among people who are in work. Survey data suggests that more than three quarters (77 per cent) of employees have experienced symptoms associated with poor mental health at some point in their lives, while almost one in three (29 per cent) have experience of a diagnosable condition (Business in the Community 2016).

Today’s generation of younger workers are more likely to report poor mental health compared to older workers. Full-time and part-time employees aged 18-29 are twice as likely as those aged 50-59 to describe their current mental health as ‘poor’ or ‘very poor’ (16 per cent compared to 8 per cent) (ibid).

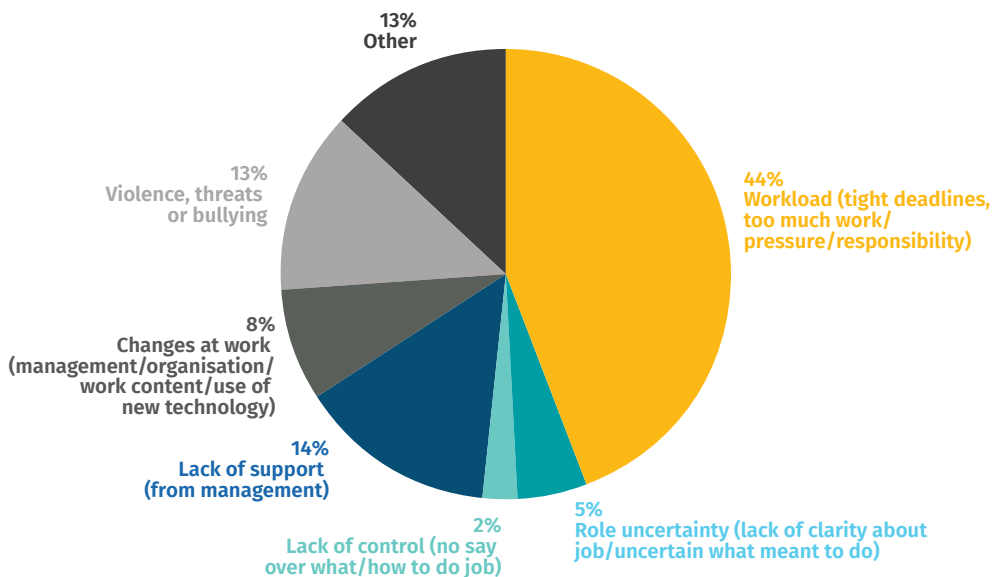
## WORK-RELATED MENTAL HEALTH PROBLEMS

The factors that contribute to someone experiencing poor mental health can be varied and complex, but often relate to work. While fulfilling employment can minimise the risk of developing poorer mental health (Carter and Whitworth 2016), negative experiences of work can help to generate or exacerbate poor mental health and low wellbeing. Almost two thirds of employees (62 per cent) attribute symptoms of poor mental health to work, or say that work is a contributing factor (Business in the Community 2016). The highest proportion (44 per cent) of work-related cases of stress, anxiety and depression are attributed to problems brought about by workload, such as being overworked or overburdened by responsibility or deadlines. Organisational change, a lack of support from management, and violence, threats and bullying are also identified as causing a significant number of work-related mental health problems (HSE 2016).

FIGURE 2.3

### Almost half of work-related stress and mental health problems are due to workload pressures

Estimated prevalence of self-reported stress, depression or anxiety caused or made worse by work, by how caused or made worse by work (as a proportion of all cases), for people working in the last 12 months (%) (2009/10 – 2011/12)



Source: HSE (2016)

## THE IMPACT OF MENTAL HEALTH PROBLEMS AT WORK

Rising levels of poor mental health – whether it is work-related or not – has consequences for government, employers and individuals.

Just 4 per cent of people who report having experienced a mental health problem claim that their mental health has not affected their performance at work (CIPD 2016a). Lost productivity arising from mental health-related *presenteeism* is estimated to cost the economy as much as £15.1 billion per year (Sainsbury Centre for Mental Health 2007). While lost productivity caused by mental health- and stress-related *absenteeism* is reported by two-fifths of employees (CIPD 2015). And when people fall out of work due to mental health problems, there is an additional cost to government through out-of-work benefits and lost tax receipts. In 2015/16,

the total spend on ESA was £14.5 billion, with over half of this expenditure accounted for by people with mental health problems as their primary condition (DWP 2016b).

There is also an important human cost from mental health problems among people who are in work. Despite big steps forward in recent years, stigma around mental health is still pervasive in the workplace, with just 38 per cent of employees reporting that their workplace has an inclusive environment to be open about mental health (CIPD 2016a). Experience of mental health problems can also damage people's opportunities for career progression (Davies et al 2017) and even lead to disciplinary action and dismissal, in breach of legal employment practices (Business in the Community 2016).

### **SUMMARY**

A growth in the number of people who report experiencing common mental health conditions is one of the most important ways in which health needs are changing in the UK. One in six of us now experience a common mental health condition in any given week (McManus et al, 2016). Millennials and centennials are more likely than previous generations of younger workers to report experiencing poor mental health. They are more likely to enter the workforce already having experienced a common mental health condition during childhood or adolescence, or to develop poor mental health after having entered the workforce. A majority of employees who experience poor mental health attribute symptoms to work, with issues such as excessive workload, a lack of support from management and bullying cited as some of the most common causes.

Taken together, this evidence shows how a significant number of millennials and centennials will need to manage mental health conditions throughout their working lives, while also navigating an increasingly flexible and competitive labour market. This will require an enhanced understanding – among workers, employers and government – of the interaction between mental health and work for young people.

### 3.

## THE CHANGING NATURE OF WORK AND YOUNG PEOPLE'S MENTAL HEALTH

Millennials and centennials are more likely to report experiencing poorer mental health and wellbeing than previous generations of younger people. They are also more likely to experience work in different ways, and are marginally more likely to be in work characterised by contractual flexibility – such as part-time work, temporary work and self-employment – and to be underemployed and/or overqualified.

But is there a connection between these trends in health and trends in work? Are millennials and centennials who work in flexible roles, or who are underemployed or overqualified, more likely to experience poor mental health than other younger workers? In the previous chapter, we saw how a significant number of mental health problems are attributed to work-related factors, but is the shape of today's labour market making young people particularly vulnerable?

In this chapter, we set out the results of new analysis of population-level survey data, which explores links between levels of mental health and different kinds of work among millennials and centennials. It explores whether young people in part-time work, temporary work and self-employment (including those who are underemployed) are more likely to experience poor mental health compared to other younger workers. Finally, it explores whether there is a link between poorer mental health and over-qualification.

The majority of the results in this chapter reflect correlations between work characteristics and levels of mental health among younger workers, rather than any causal relationship. For a small number – which are identified – it is possible to conclude certain kinds of work are *causing* certain mental health outcomes.

Millennials and centennials are defined, here, as those born during or after 1982.<sup>11</sup>

### PART-TIME WORK

Our analysis shows how part-time work is, when compared to full-time work, associated with a number of **negative** indicators relating to mental health and wellbeing among millennials and centennials. This is particularly true among those who are both part-time and underemployed.

There are 11 key findings from our analysis:

1. Millennials and centennials in part-time work are twice as likely as those in full-time work to have a mental health condition (6 per cent compared to 3 per cent). However, there is no observable difference in the prevalence of mental health conditions among those in part-time work who are underemployed and those who are in part-time work who are not underemployed

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<sup>11</sup> See statistical annex for more detail (including the number of respondents represented in each of the graphs in this chapter (n=)).

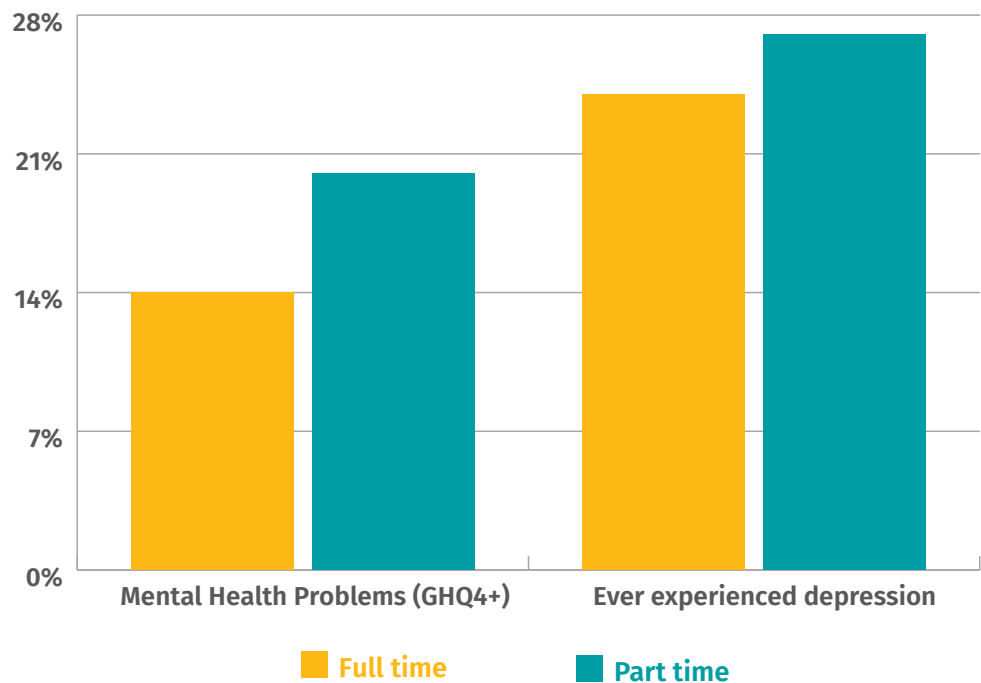


2. Millennials and centennials in part-time work are 43 per cent more likely to report mental health problems (GHQ4+) than those in full-time work (20 per cent compared to 14 per cent)
3. Millennials and centennials in part-time work are 13 per cent more likely to have ever experienced depression than those in full-time work (27 per cent compared to 24 per cent). ††

**FIGURE 3.1**

**Younger workers in part-time work are more likely than those in full-time work to report experiencing mental health problems, or to have ever experienced depression**

*The proportion of millennials and centennials in work with mental health problems (GHQ4+), or reporting ever having experienced depression, split by full-time/part-time (England) (2014) (%)*



Source: IPPR analysis of Health Survey for England (NatCen 2016)

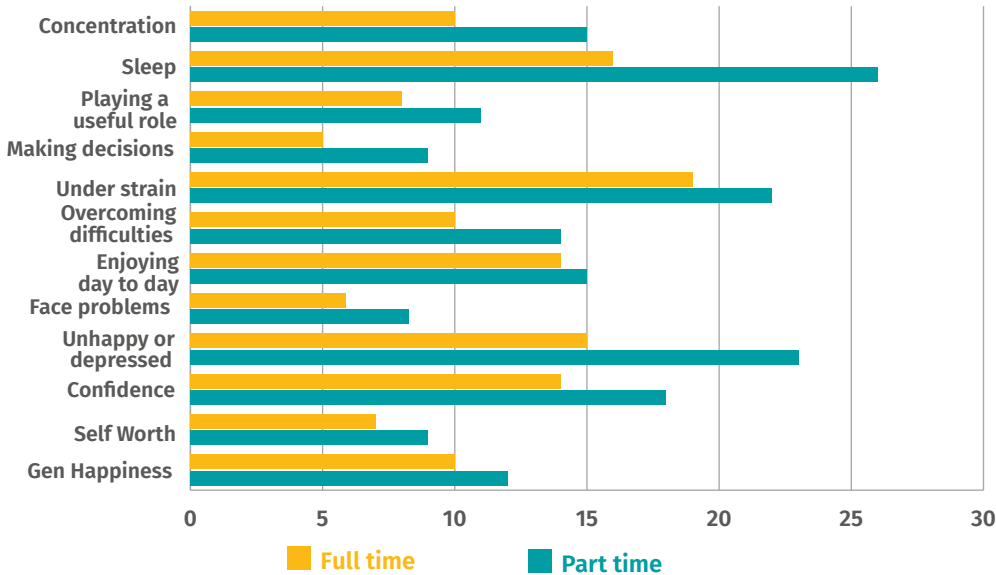
4. Millennials and centennials in part-time work are 50 per cent more likely to have experienced a diagnosis of depression (21 per cent compared to 14 per cent) than those in full-time work, although they are 40 per cent less likely to have experienced depression without a diagnosis (6 per cent compared to 10 per cent) ††
5. Millennials and centennials in part-time work are 41 per cent more likely to report being anxious or depressed compared to those in full-time work (24 per cent compared to 17 per cent) – meaning just under one-in-four millennials and centennials in part-time work report being anxious or depressed
6. Millennials and centennials in part-time work are 33 per cent more likely than those in full-time work to fall within the bottom 10 per cent of the English adult population according to mental wellbeing (12 per cent compared to 9 per cent).<sup>12</sup> †

<sup>12</sup> English adult population includes all those aged 16 and above

**FIGURE 3.2**

**Younger workers in part-time work are more likely than those in full-time work to experience a range of adverse health and wellbeing indicators**

*The proportion of millennials and centennials in work reporting problems relating to different components of the General Health Questionnaire (GHQ), split by full-time/part-time (England) (2014) (%)*



Source: IPPR analysis of Health Survey for England (NatCen 2016)

7. Millennials and centennials in part-time work are more likely to experience a range of problems relating to different components of the General Health Questionnaire (GHQ). Compared to those in full-time work, they score more highly across all elements of the GHQ. The highest scores among those in part-time work related to experiencing problems with sleep, feeling under strain and feeling unhappy or depressed
8. Millennials and centennials in part-time work are more likely to report higher levels of anxiety compared to those in full-time work. Those in part-time work reported an average anxiety score of 2.80, whereas those in full-time jobs reported an average rating of 2.65
9. Comparing millennials and centennials in part-time work because they *could not find* full-time work, and those in part-time work because they *did not want* full-time work, the former are:
  - Likely to report lower levels of happiness (an average score of 7.31 compared to 7.54)
  - Significantly less likely to consider that things done in their life are worthwhile (an average score of 7.32 compared to 8.10)
  - Likely to report significantly lower life satisfaction (an average of score of 7.34 compared to 7.83).

Importantly, this relationship holds true even when controlling for pay, UK region, age and sex (see statistical annex). This suggests that there is a *causal relationship* driving lower wellbeing among millennials and centennials who are in part-time work and underemployed:
10. Millennials and centennials in part-time work are 7 percentage points less likely to report being satisfied with their life so far, *even when controlling for variables including household income and prior life satisfaction*. This suggests

that there is a *causal relationship* driving the reduced likelihood of life satisfaction among younger people in part-time work

11. Compared to those in full-time work, millennials and centennials in part-time work are more likely to report an ‘external locus of control’, and so judge past successes and failures, and their future fortunes, as being due to factors outside their control. This is typically predictive of worse life outcomes (Cobb-Clarke 2015). This was true even when controlling for variables including household income and previous responses regarding ‘locus of control’, suggesting there is a *causal relationship* driving this response among younger people in part-time work. ††

### SELF-EMPLOYMENT

Our analysis shows how there is a **mixed picture** when comparing the mental health and wellbeing of millennials and centennials who are self-employed compared to those who are employees.

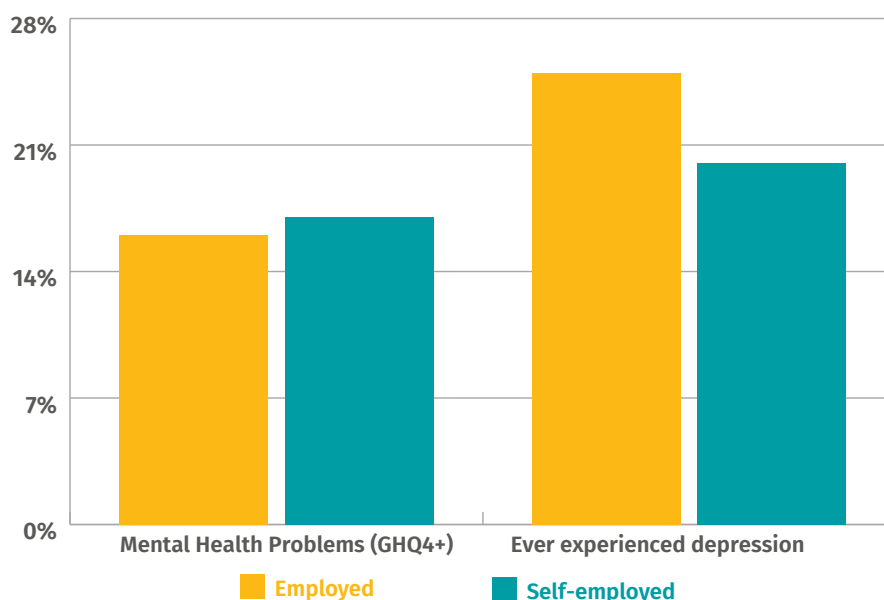
There are eight key findings from our analysis:

1. Millennials and centennials who are self-employed are marginally more likely to have a mental health condition compared to those who are employees (4.5 per cent compared to 3.9 per cent).††

**FIGURE 3.3**

#### Younger workers who are self-employed are more likely to experience mental health problems, but are less likely to have ever experienced depression

*The proportion of millennials and centennials in work with mental health problems (GHQ4+), or reporting ever having experienced depression, split by employee/self-employed (England) (2014) (%)*



Source: IPPR analysis of Health Survey for England (NatCen 2016)

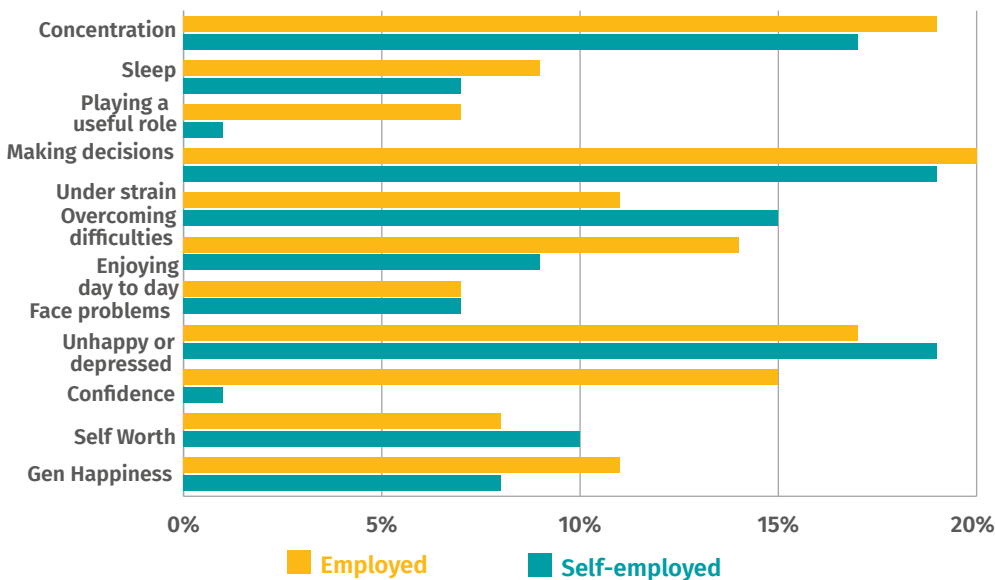
2. Millennials and centennials who are self-employed are marginally more likely to experience mental health problems (GHQ4+) compared to those who are employees (17 per cent compared to 16 per cent) ††

3. Millennials and centennials who self-employed are 20 per cent less likely than those who are employees to ever have experienced depression (20 per cent compared to 25 per cent) ††
4. Millennials and centennials who are self-employed are 35 per cent less likely than those who are employees to have experienced a diagnosis for depression (11 per cent compared to 17 per cent), although they are marginally more likely to have experienced depression without a diagnosis (10 per cent compared to 9 per cent) ††
5. Millennials and centennials who are self-employed are marginally less likely than those who are employees to report being anxious or depressed (18 per cent compared to 19 per cent) ††
6. Millennials and centennials who are self-employed are half as likely as those who are employees to fall within the bottom 10 per cent of the English adult population according to mental wellbeing (5 per cent compared to 10 per cent)<sup>13</sup> ††
7. Millennials and centennials who are self-employed are less likely than those who are employees to experience problems relating to a number of components of the General Health Questionnaire (GHQ), including problems with sleep, concentration and feeling that one is playing a useful role

**FIGURE 3.4**

**Younger workers who are self-employed are more likely to experience a range of adverse health and wellbeing indicators**

*The proportion of millennials and centennials in work reporting problems relating to different components of the General Health Questionnaire (GHQ), split by employee/self-employed (England) (2014) (%)*



Source: IPPR analysis of Health Survey for England (NatCen 2016)

8. Millennials and centennials who are self-employed are more likely to report being in good health, compared to those who are employees (93 per cent compared to 87 per cent). ††

13 English adult population includes all those aged 16 and above

## TEMPORARY WORK

Our analysis shows how temporary work is, when compared to permanent work, associated with a number of **negative** indicators relating to mental health and wellbeing among millennial and centennials. This is particularly true among those in temporary work who are also underemployed.

There are seven key findings from our analysis:

1. Millennials and centennials in temporary work are marginally more likely to report experiencing a mental health condition compared to those in permanent work (4.6 per cent compared to 3.8 per cent)

Those in temporary work because they *could not find* a permanent job are, when compared to those in temporary work because they *did not want* permanent work, more likely to report experiencing a mental health condition (5.1 per cent compared to 3.5 per cent) †

2. Millennials and centennials in temporary work are 29 per cent more likely to experience mental health problems (GHQ4+) compared to those in permanent work (22 per cent compared to 17 per cent)<sup>14</sup>
3. Millennials and centennials in temporary work are more likely to report higher levels of anxiety compared to those in permanent work. Those in temporary work reported an average anxiety score of 2.96, whereas those in permanent work reported an average rating of 2.65
4. Millennials and centennials in temporary work are less likely to consider that things done in their life are worthwhile, compared to those in permanent work (with an average score of 7.67 compared to 7.86)
5. Comparing millennials and centennials in temporary work because they *could not find* permanent work, and those in temporary work because they *did not want* permanent work, the former are:
  - Likely to report lower levels of happiness (an average score of 7.44 compared to 7.53) ††
  - Significantly less likely to consider that things done in their life are worthwhile (an average score of 7.40 compared to 7.85)
  - Likely to report significantly lower life satisfaction (an average of score of 7.29 compared to 8.04)
  - Likely to report lower health overall (an average score of 1.68 compared to 1.54 (where a higher score indicates lower health))

Importantly, this relationship holds true even when controlling for pay, UK region, age and sex (see statistical annex). This suggests that there is a *causal relationship* driving lower wellbeing among millennials and centennials who are in temporary work and are underemployed.

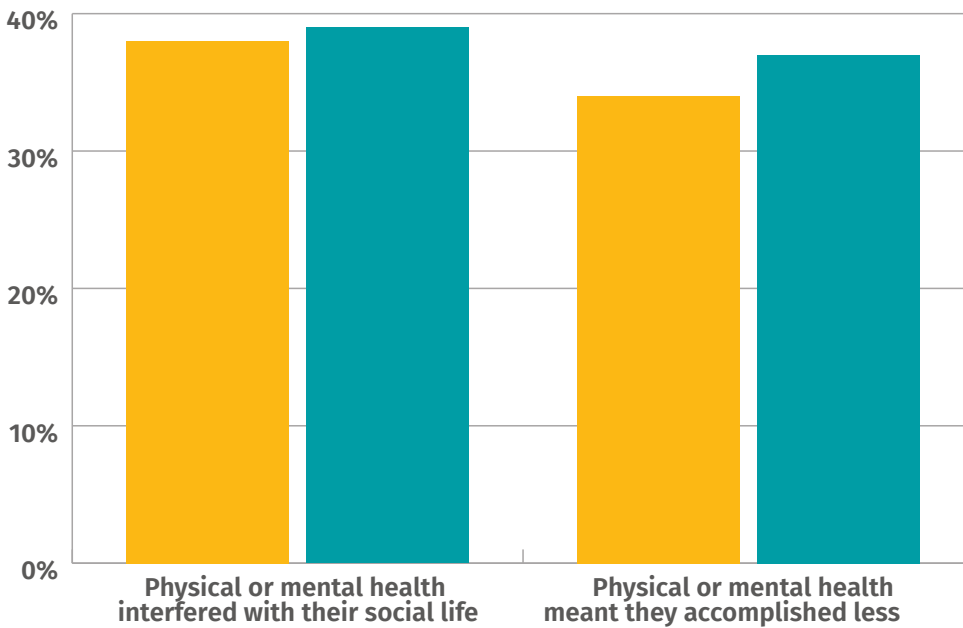
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<sup>14</sup> This association has been identified elsewhere. For example, Dawson et al (2015) identified that people in temporary employment (of all ages) are more likely to report poorer levels of mental and general health, as well as increased levels of psychological distress and greater dissatisfaction with life relative to those in permanent employment.

**FIGURE 3.5**

**Younger workers in temporary work are more likely to feel that their physical or mental health interferes with their social life, or means they accomplish less**

The proportion of millennials and centennials in work who report that their physical or mental health interfered with their social life, or that their physical or mental health meant they accomplished less, split by temporary / permanent job as main job (UK) (2015) (%)



Source: IPPR analysis of Understanding Society (2016)

6. Millennials and centennials in temporary work are more likely than those in permanent work to report that their physical or mental health interfered with their social life (38 per cent compared to 34 per cent) and that their physical or mental health meant they accomplished less (39 per cent compared to 37 per cent) ††
7. Millennials and centennials in temporary work are 6 percentage points less likely to report being satisfied with their life so far, *even when controlling for variables including household income and prior life satisfaction*. This suggests that there is a *causal relationship* driving the reduced likelihood of life satisfaction among younger people in temporary work. †

### OVERQUALIFICATION

Our analysis shows how being overqualified – defined here as being a graduate working in a non-professional/managerial job – is, when compared to being a graduate working in a professional/managerial job, associated with a number of **negative** indicators relating to mental health and wellbeing among millennials and centennials.

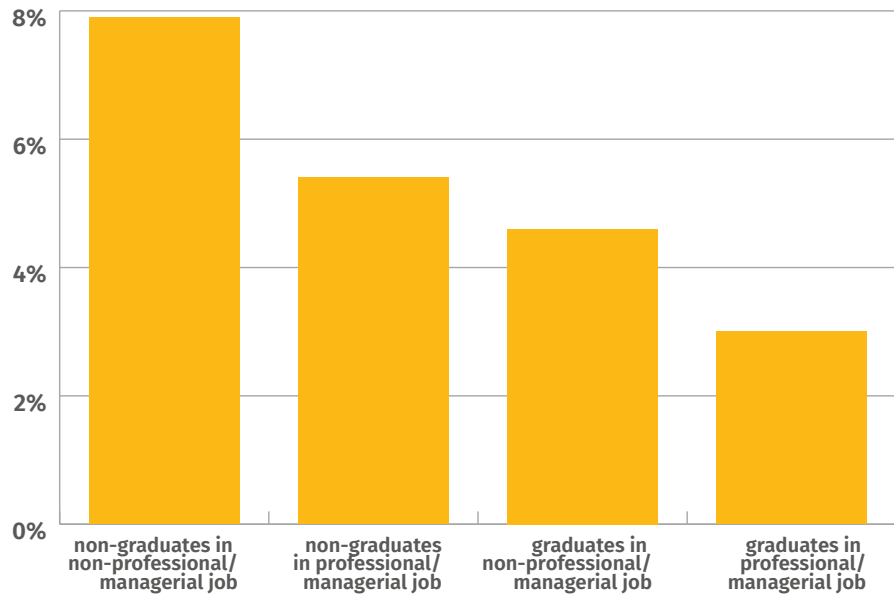
There are 12 key findings from our analysis:

1. Millennials and centennials who are in work and overqualified are more likely to report experiencing a mental health condition compared to those who are graduates in professional/managerial jobs (4.6 per cent compared to 3.0 per cent). However, both are less likely to report experiencing a mental health condition compared to non-graduates (particularly non-graduates in non-professional/managerial jobs)

**FIGURE 3.6**

**Among younger workers, non-graduates are most likely to experience a mental health condition. But among graduates, those who are overqualified are more likely than those who are not overqualified to experience mental health problems.**

*Prevalence of mental health conditions that limit activity among millennials and centennials in work, by qualification-level and occupation-type (UK) (2016) (%)*



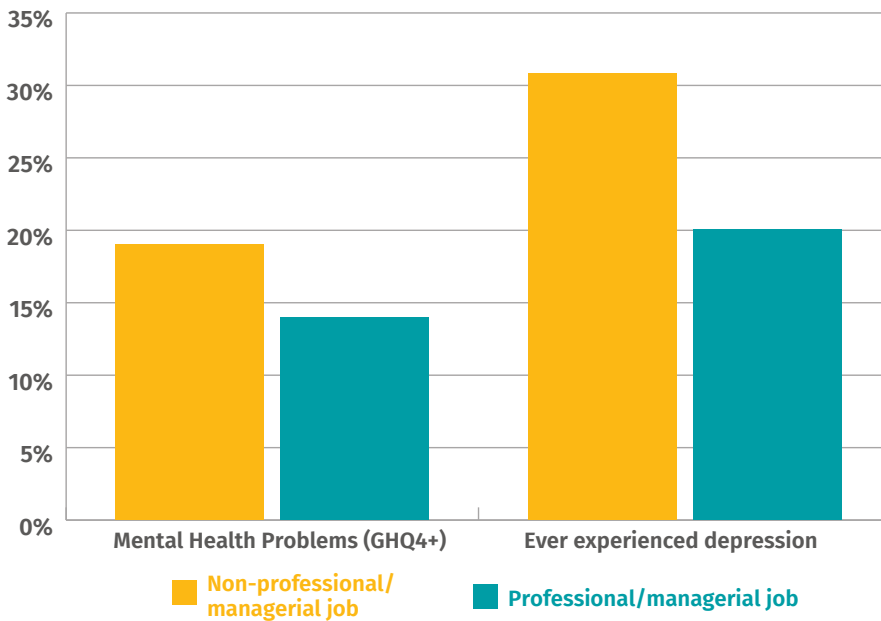
Source: IPPR analysis of Annual Population Survey (ONS 2017d)

2. Millennials and centennials who are in work and overqualified are 36 per cent more likely to experience mental health problems (GHQ4+), compared to those who are graduates in professional/managerial jobs (19 per cent compared to 14 per cent) ††

**FIGURE 3.7**

**Comparing among younger workers who are graduates, those who are overqualified are more likely to experience mental health problems, or to have ever experienced depression**

*The proportion of millennials and centennials who are graduates in work, and with mental health problems (GHQ4+), or reporting ever having experienced depression, split by occupation-type (England) (2014) (%)*



Source: IPPR analysis of Health Survey for England (NatCen 2016)

3. Millennials and centennials who are in work and overqualified are 55 per cent more likely to ever have experienced depression, compared to those who are graduates in professional/managerial jobs (31 per cent compared to 20 per cent) †
4. Millennials and centennials who are overqualified are marginally less likely to have experienced a diagnosis of depression, compared to those who are graduates in professional/managerial jobs (13 per cent compared to 14 per cent). †† However, they are just over three times more likely to have experienced depression without a diagnosis (19 per cent compared to 6 per cent)
5. Millennials and centennials who are overqualified are 38% more likely to report being anxious or depressed, compared to those who are graduates in professional/managerial jobs (22 per cent compared to 16 per cent) †
6. Millennials and centennials who are overqualified are more likely to fall within the bottom 10 per cent of the English adult population according to mental wellbeing, compared to those who are graduates and in professional/managerial jobs (7 per cent compared to 4 per cent)<sup>15</sup> †

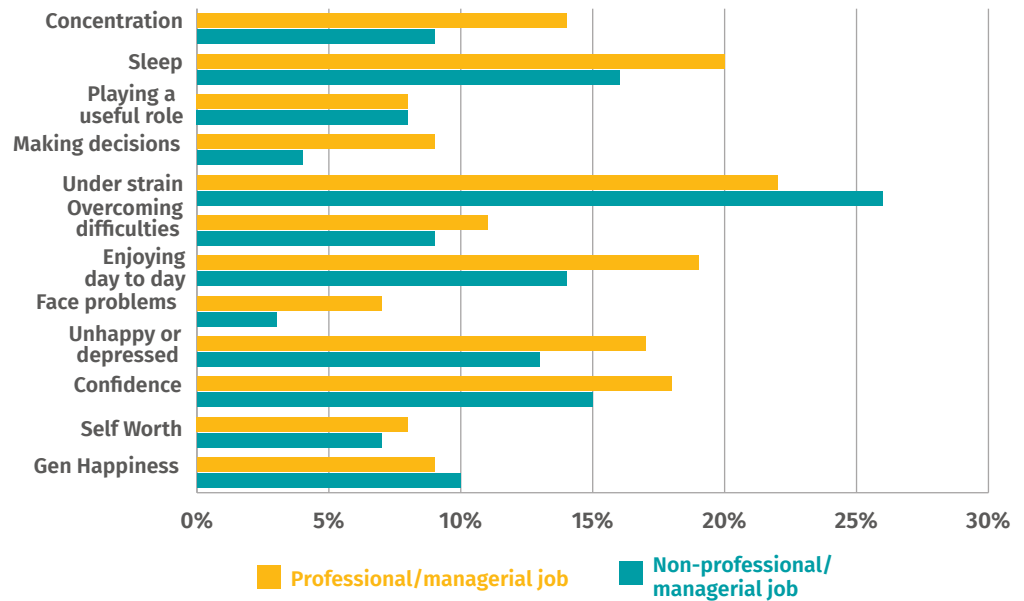
15 English adult population includes all those aged 16 and above.



**FIGURE 3.8**

**Comparing among younger workers who are graduates, those who are overqualified are more likely to experience a range of adverse health and wellbeing indicators**

The number of millennials and centennials who are graduates in work, and report problems relating to different components of the General Health Questionnaire (GHQ), split by occupation-type (England) (2014) (%)



Source: IPPR analysis of Health Survey for England (NatCen 2016)

7. Millennials and centennials who are overqualified are more likely to experience problems relating to *all* components of the General Health Questionnaire (GHQ), compared to those who are graduates and in professional/managerial jobs (with the exception of ‘general happiness’ and being ‘under strain’)
8. Comparing millennials and centennials who are overqualified to those who are graduates in professional/managerial jobs, the former are:
  - Less likely to consider that things done in their life are worthwhile (an average score of 7.66 compared to 7.97)
  - Likely to report lower life satisfaction (an average score of 7.60 compared to 7.92)

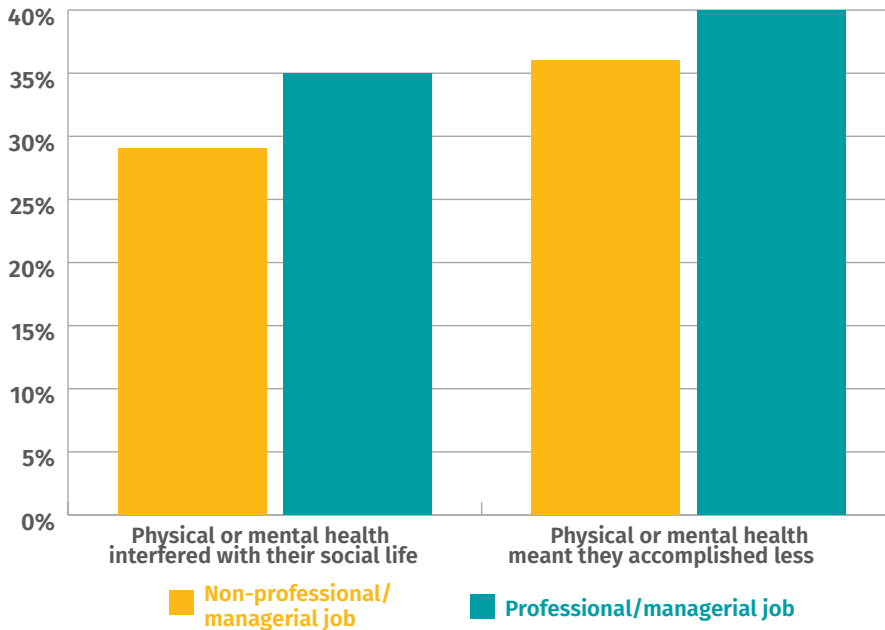
Importantly, this relationship holds true even when controlling for pay, UK region, age and sex (see statistical annex). This suggests that there is a *causal relationship* driving lower wellbeing among younger workers who are overqualified

9. Compared to those who are graduates and in professional/managerial jobs, millennials and centennials who are overqualified are 24 per cent more likely to report that their physical or mental health interfered with their social life (36 per cent compared to 29 per cent), and 14 per cent more likely to report that their physical or mental health meant they accomplished less (40 per cent compared to 35 per cent)

**FIGURE 3.9**

**Comparing among younger workers who are graduates, those who are overqualified are more likely to report that their physical or mental health interferes with their social life, or means they accomplish less**

The proportion of millennials and centennials who are graduates and in work, and report that their physical or mental health interfered with their social life, or that their physical or mental health meant they accomplished less, split by occupation-type (UK) (2015) (%)



Source: IPPR analysis of Understanding Society (2016)

10. Compared to those who are graduates and in professional/managerial jobs, millennials and centennials who are overqualified are 6 percentage points more likely to experience mental health problems (GHQ4+) even when controlling for variables including household income and mental health outcomes during adolescence. This suggests that there is a *causal relationship* driving the increased likelihood of experiencing mental health problems among younger workers who are overqualified.
11. Compared to those who are graduates and in professional/managerial jobs, millennials and centennials who are overqualified are 14 percentage points less likely to report being satisfied with their life so far, *even when controlling for variables including household income and prior life satisfaction*. This suggests that there is a *causal relationship* driving the reduced likelihood of life satisfaction among younger workers who are overqualified.
12. Compared to those who are graduates and in professional/managerial jobs, millennials and centennials who are overqualified are significantly more likely to report an 'external locus of control', and so judge past successes and failures, and their future fortunes, as being due to factors outside their control. This is typically predictive of worse life outcomes (Cobb-Clarke 2015). This was true even when controlling for variables including household income and previous responses regarding 'locus of control', suggesting there is a *causal relationship* driving this response among younger workers who are overqualified.

## ZERO-HOURS CONTRACTS

Our analysis shows how work on a zero-hours contract is, when compared to other forms of work, associated with poorer mental health and wellbeing among millennial and centennials. There is, however, only one key finding from our analysis:

1. Millennials and centennials on zero-hours contracts are 13 percentage points more likely than those in other forms of work to experience mental health problems (GHQ4+) even when controlling for variables including household income and mental health outcomes during adolescence. This suggests that there is a *causal relationship* driving the increased likelihood of experiencing mental health problems among younger workers on zero-hours contracts.

## SUMMARY

Three main forms of contractual flexibility (part-time work, temporary work and work on a zero-hours contract) are associated with poorer mental health and wellbeing among millennials and centennials. This is particularly true among those who are also underemployed and so would prefer to be in full-time and/or permanent work.

There is, however, more of a mixed picture for self-employment, which is associated with both positive and negative mental health and wellbeing outcomes among millennials and centennials when compared to being an employee.<sup>16</sup>

Lastly, being overqualified (a graduate in a non-professional/managerial job) is associated with poorer mental health and wellbeing among millennial and centennials.

Comparing across all of these different groups, we can see variations in the likelihood of experiencing mental health and problems among millennials and centennials (highest among those in temporary work, along with those in part-time work).

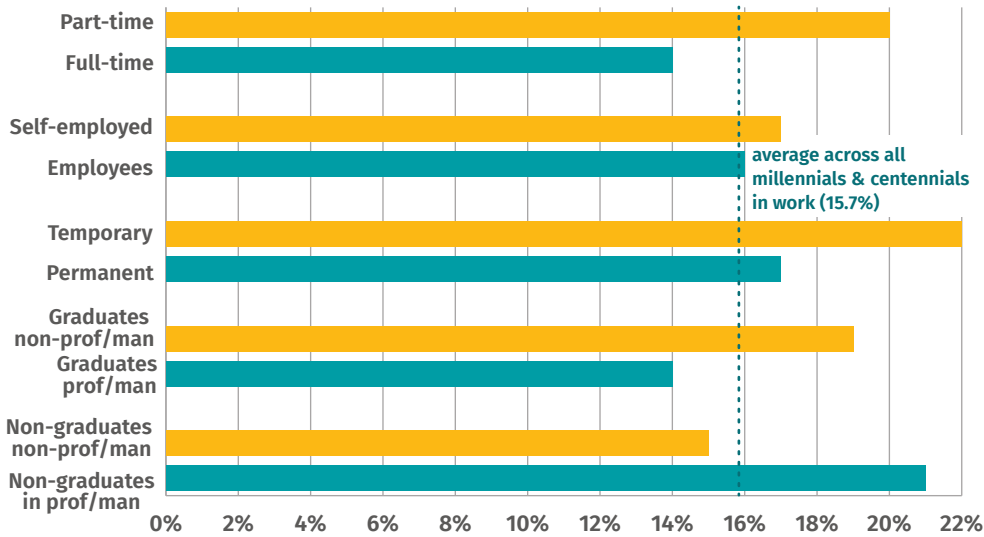
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<sup>16</sup> It is worth noting here that forms of self-employment vary significantly in terms of autonomy, pay and job security. Without disaggregating different types of self-employment, the author urges caution in drawing firm conclusions from this finding.

**FIGURE 3.10**

**The likelihood of experiencing mental health problems varies considerably among younger workers, according to both work-type and qualification level**

*The proportion of millennials and centennials in work and with mental health problems (GHQ4+), split by work characteristics (England) (2014) (%)*



Source: IPPR analysis of Health Survey for England (NatCen 2016)

This chapter has identified an *association* between being in work with certain characteristics and experiencing poorer mental health and wellbeing among millennials and centennials. For a small number of the findings, it is also possible to conclude that certain kinds of work are helping to *cause* poorer mental health and wellbeing outcomes.

However, in order to reach firmer conclusions about causality, we must also explore a number of other factors which might be in play, such as pay and insecurity.

## 4.

# FLEXIBILITY AND CONTROL

The findings in this report have, so far, focused on contractual flexibility and its potential impact on mental health and wellbeing. Part-time and temporary work have been found to be associated with poorer mental health among younger workers, particularly when the result of underemployment, while a more mixed picture has emerged for self-employment. However, there may be other kinds of flexible working that affect mental health and wellbeing in different ways.

This chapter draws on our new analysis of population-level survey data, as well as the qualitative evidence collected through focus groups with employers and millennial and centennial workers, to explore the impacts of other kinds of flexible working (such as temporal and spatial flexibility) on mental health and wellbeing. It asks why we might expect to see different results than we observed when looking only at contractual flexibility. Relatedly, it asks how far we can determine a *causal* relationship in the association we have identified between contractual flexibility and poorer mental health, and what other factors are likely to be in play. And finally, it explores what evidence there is that mental health problems might act as a barrier to people accessing permanent and secure work.

### FLEXIBILITY AND CONTROL

Flexible working is defined as ‘a type of working arrangement which gives some degree of flexibility on how long, where and when employees work. The flexibility can be in terms of working time, working location and the pattern of working.’ (CIPD 2016b). Within this broad definition, different kinds of flexible working (temporal; spatial; contractual) are likely to affect mental health and wellbeing in different ways.

#### *The benefits to mental health of flexible working*

We have seen how part-time and temporary work (forms of contractual flexibility) correlate with poorer mental health among younger workers, particularly when these workers are underemployed. There is, however, a growing body of literature which emphasises the *positive* effects on mental health and wellbeing of other forms of flexibility at work, particularly temporal and spatial flexibility. For example, the Britain’s Healthiest Workplace Study identifies how employees with flexible hours and the ability to work from home report lower absences and greater job satisfaction, and consider themselves to be in better physical and mental health (FT 2016). Similarly, the RSA find a link between flexible working, improved wellbeing and reduced stress, with two thirds of those who have tried flexible working reporting enhanced job satisfaction (Thompson and Truch, 2013). While Smith et al (1998) found evidence of improved mental health among workers able to schedule their own shifts.

#### *Who’s in control?*

All forms of flexibility at work lead to increased control for either the employer or the worker with respect to where, when or how work is undertaken (Joyce et al, 2010). It is possible for flexible working arrangements to be instigated by either the worker or the employer, and so be the result of either choice or coercion. For example, an individual may choose to work flexitime in order to organise the working day around childcare requirements, or move into part-time work in order to achieve a better

work-life balance. On the other hand, an employer might choose to increase the number of employees on fixed-term contracts in order to meet a specific production deadline or as a way of protecting against future uncertainty.

The challenge in finding an appropriate balance between choice and control for the employer and the worker was highlighted by the Taylor Review, which identified the problem of 'one-sided flexibility' and called on employers 'to think carefully about how much flexibility they can reasonably expect from their workers' (Taylor Review 2017). It was also highlighted during our engagement with employers:

*'From a business perspective ... we would like to find whatever (is) is the 'golden middle' between the demands of the employee and employer.'*

Private-sector employer representative

As well as finding an association between poorer mental health and contractual flexibility, underemployment and overqualification, our analysis identifies an association between mental health and control in the workplace. Millennials and centennials who reported that they 'never' have a choice in deciding how to go about their work were the most likely to experience mental health problems (GHQ4+), to have been diagnosed with depression, and to report being extremely anxious or depressed (compared to those who reported greater levels of control).

It is likely that spatial and temporal flexibility at work is associated with improved mental health because, at least in part, it can often lead to greater control for the employee. If someone is free to choose where and when they work, for at least some of the time, they might be expected to see improvements to job satisfaction and wellbeing. The association between self-employment and more positive mental health could, therefore, be partly explained by the worker being in control of when and where they work, as described during our focus groups:

*'I used to find the worst thing was being at work and trying to pretend you are busy when sometimes you are not. I'd rather go home, and I can do that (now that I'm self-employed), whereas I couldn't (when) working for someone else.'*

Focus group participant (age 35, self-employed)

However, as made clear by another participant, flexible working locations and times, even for the self-employed, do not come without risks for job satisfaction and wellbeing.

*'I was a (freelance) editor for about five years. When (I was) freelance, there were so many times when I got back from work (early), which sounds great, but then it was, like, 'oh, I'm going to go mad here by myself, nine hours a day.'*

Focus group participant (age 26, self-employed)

### *Underemployment*

While it is possible that contractual flexibility can enhance control for the employee, or at least not restrict it, we have seen how a significant number of young people enter into temporary or part-time work despite a preference for permanent and/or full-time work. In chapter three we saw how this is associated with lower levels of happiness and life satisfaction among millennials and centennials, as well as a higher likelihood of experiencing poorer mental health. The risk of underemployment among young people in part-time or temporary work, and the detrimental impact that this can have on wellbeing, was also highlighted during our focus groups:

*'I am taking on (temporary) work to tide me over and to get some money so that I can go and do an internship in my (chosen) field, and be able to support myself (financially) while doing that. But the problem is that I am taking on (temporary) work all the time. And then something else comes up, and then I am like 'oh well, maybe I need a little bit more money', so then I will take that (job) on, and then take another one on. I have been doing that for about nine months now and I am not really saving any money. I am just going from job to job constantly feeling like I am not doing what I should be doing. I feel like I am not fulfilling what I should be doing..., and that makes me not enjoy my job because I am, like, 'well, I shouldn't really be here, I should be doing something different, but I'm not'.*

Focus Group participant (age 24, on temporary contract)

### Overqualification

Where young people experience diminished job satisfaction while in work characterised by contractual flexibility, this may also be linked to them being overqualified, as described by another focus group participant:

*'It was a climate-change job, and my degree was in geography, so I went in thinking that I would get to use all of my skills, and it was basically just admin work. I was managing some volunteers ... but I was told I wasn't allowed to have a voice, so I had to help them do great things but I couldn't contribute myself. So I would write the minutes and things like that but it wasn't like using your mind or anything.'*

Focus group participant (age 25, full-time employee)

## OTHER WORKPLACE FACTORS

An ability to exercise control in how, where and when one works is not the only workplace factor that can affect mental health and wellbeing. There are a number of other factors that are likely to play a role in explaining the association we have observed between part-time and temporary work and poorer mental health.

### Line-manager relationships

Our analysis explored the extent to which there is a link between the presence or absence of support from line managers and mental health and wellbeing among millennials and centennials.

Those who reported that they 'never' or 'seldom' get help or support from a line manager were more likely to experience mental health problems (GHQ4+) and both diagnosed and undiagnosed depression. 91 per cent of those who 'often' receive help and support from their line manager report overall good health, while this is true for only 81 per cent of those who report 'never' receiving such help and support. The potential for a good line-manager relationship to alleviate stress and improve wellbeing was highlighted during our focus groups:

*'A couple of managers I've had in the past..., you'll have performance reviews every month, but they are capable of taking that conversation out on a wider basis, and you just feel like you have got a deeper relationship with that person. And you'll come out of it feeling quite energized... I'd find, because they would take a genuine interest ... in situations where I have had a good relationship with my boss, even though you are under a lot of pressure, it just makes it that much more palatable because you feel like they are on your side. If you work with somebody and it's a bit 'you (versus) them', that can just make whatever pressure you are under worse.'*

Focus group participant (age 35, self-employed)

Only 1 in 10 people who experience unacceptably high levels of pressure at work feel that they can discuss the issue with their line manager (Legal and General 2017). If left unchecked, workload pressures are the biggest contributor to work-related mental health problems, which, in turn, can often go unnoticed by line managers. Almost half (49 per cent) of people in work say they would not discuss mental health with their line manager, while almost 1 in 3 line managers (32 per cent) lack the confidence to recognise symptoms of mental health problems in staff (Business in the Community 2016). Together, this suggests the absence of a strong-line manager relationship can contribute to the development of work-related mental health problems, which can then worsen where employees and line managers do not feel able to talk to one another.

Part of the difference we have observed between levels of mental health and wellbeing among those in part-time or temporary work compared to the self-employed could, therefore, be linked to the potential for the latter to replace potentially damaging line-manager relationships with relationships based on greater levels of autonomy and respect, as described by one participant during our focus groups:

*'I think it is a respect thing as well, especially when you are freelance. (When) I go in, they are not going to give me the bullshit they would for (an employee) because they are paying more... money for your time in a condensed (period). So you go in and it's more, just 'let's do the work'. So that's nice... I mean, who wants to just sit in an office and do nothing for (a certain) amount of time? Whereas me, I can just get things done and go home. So you get that when you are freelance as well. That's the relationship between bosses and (freelancers. It's based on) respect.'*

Focus group participant (age 26, self-employed)

#### *Job insecurity*

Our analysis also explored the extent of any link between mental health and perceived job insecurity. We compared the mental health of younger workers who believed they had no chance of losing their job, some chance of losing their job, and more than a 50 per cent chance of losing their job. Those who believed themselves to have more than a 50 per cent chance of losing their job were found to be twice as likely to experience mental health problems (GHQ4+) compared to those with no chance of losing their job (24 per cent compared to 12 per cent). They are also more than twice as likely to fall within the bottom 10 per cent nationally in relation to mental wellbeing (15 per cent compared to 7 per cent).

The proportion of employees who were satisfied with their job security fell from 65 per cent to 59 per cent between 2004 and 2011, according to the Workplace Employment Relations Study (van Wanrooy et al 2012), with many of those affected likely to be younger workers. What is more, previous studies have identified a *causal* link between job insecurity and poorer mental health (Green 2015; Sverke et al 2002).

#### *Pay*

Finally, our analysis explored the extent of any link between mental health and pay. We found young people in low-paid work (below the 25th percentile in the wage distribution) were more likely to experience poorer mental health. 21 per cent of young people in low-paid work experience mental health problems (GHQ4+) compared to 16 per cent among those in higher-paid work (above the 25th percentile in the wage distribution).

*Getting older, I didn't enjoy my retail jobs as much because I was realising that I was working for no money. (In) the jobs that I am*



*doing now I get paid more – a fair amount more for less work. So I am happier because I ... have got a lot more money and I'm not working (as much).*

Focus group participant (age 24, on temporary contract)

We asked the participants in our focus groups to rank several factors relating to their working lives according to their importance. When taking individual responses together, income was found to be the most important, while temporal and spatial flexibility were the least important. While no firm conclusions should be drawn from such a small sample, this does suggest that, while flexibility is often focused on as a priority for millennials and centennials, it remains less so than the basics of pay and doing interesting work day-to-day.

**TABLE 4.1**

**Our small sample of millennial and centennial workers suggests they consider income to be the most important factor relating to their work and health, while flexible working times and locations are the least important**

*Ranking of factors related to work and health among millennials and centennials in work (n=24)*

Work / health factor	Average ranking (out of 10) <sup>1</sup>
1	Income 2.9
2	Interesting and fulfilling work 3.6
3	Work/life balance 3.9
4	Mental health 4.9
5	Training and progression opportunities 5.3
6	Physical health 5.4
7	Job security and benefits 5.5
8	Good relationship with manager / employer 5.7
9	Flexible working times 7.2
10	Flexible working location 8.4

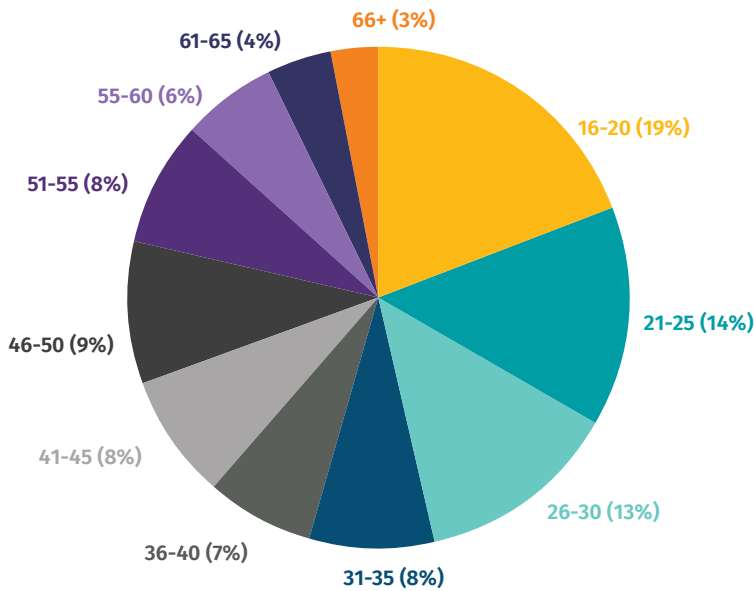
Source: IPPR

Millennials and centennials are more likely than older workers to be in low-paid work. In 2015, more than half (55 per cent) of employees in low-paid work were aged 16-35, with low-pay particularly concentrated among the youngest workers (Clarke and D'Arcy 2016). This is, though, unsurprising due to the logic of pay and progression. Older workers with many years of experience and expertise can be expected, on the whole, to earn more than younger colleagues starting out on their careers.

**FIGURE 4.1**

**Almost half (47 per cent) of all workers who are in low-pay are aged 16-30**

*Proportion of workers who are paid below two thirds of median hourly earnings (excluding overtime and pay premia) (2015) (Great Britain) (%)*



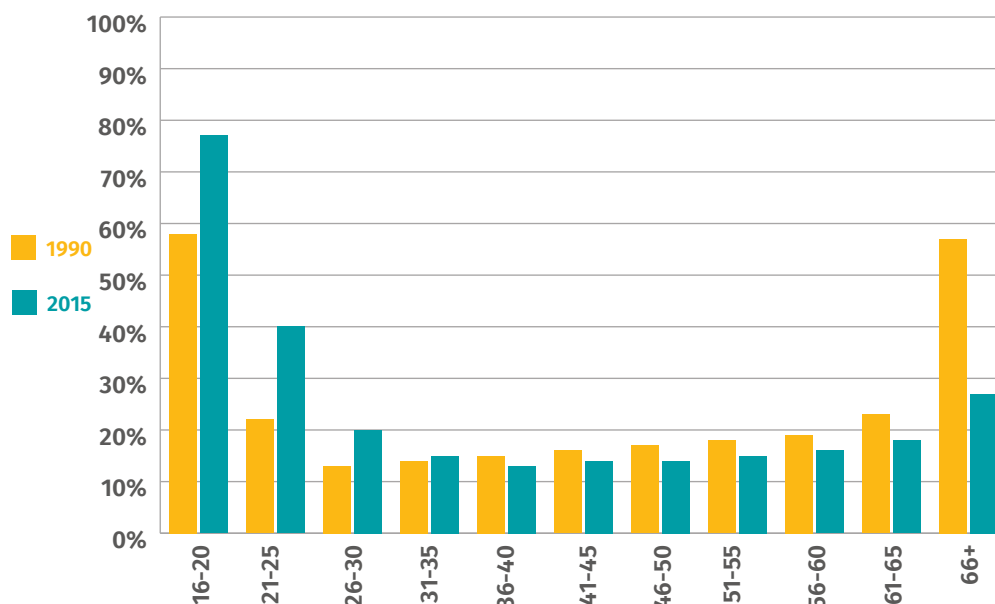
Source: Resolution Foundation (2016)

However, this logic cannot explain why millennials and centennials are also more likely than previous generations of younger workers to be in low-paid work. For employees aged 16-20, 21-25, 26-30 and 31-35, the proportion in low paid work in 2015 was higher than in 1990, while the proportion for every older age group was lower in 2015. For some groups of younger workers, there was a particularly steep increase during that time. For example, for employees aged 21-25, there was an 82 per cent increase in the proportion in low-paid work, with 40 per cent of these workers in low-paid work by 2015 (ibid).

**FIGURE 4.2**

**Between 1990 and 2015, low-pay has become increasingly concentrated among younger workers**

*Proportion of workers who are paid below two thirds of median hourly earnings (excluding overtime and pay premia) (1990 and 2015) (Great Britain) (%)*



Source: Clarke and D’Arcy (2016)

**UNDERSTANDING CAUSALITY**

Chapter three identified an *association* between poorer mental health and certain work-characteristics (contractual flexibility, being overqualified, being underemployed) among millennials and centennials.

For the majority of our findings, it is not possible to draw firm conclusions about causality, although for a small number the results hold true even when controlling for other variables, including pay. This suggests that, in this small number of cases, it is the specific work characteristics which are *causing* poorer mental health and wellbeing outcomes among younger workers.

However, it is likely that other factors correlated with poor mental health – such as a lack of control, job insecurity, poor line-manager relationships and low-pay – are also in play, and potentially driving the correlation between poorer mental health and part-time and temporary work.

It may also be that the younger workers in part-time and temporary work are more likely to experience stresses and pressures that aren’t directly work-related, but brought about by socioeconomic disadvantage and complex lives, such as housing problems. Again, it could be factors such as these which are driving the correlation between poorer mental health and part-time and temporary work.

Lastly, the correlation could also be explained, in part, if having poorer mental health and wellbeing leads people to transition into work characterised by contractual flexibility (rather than vice versa). For example, there is some evidence that transition from permanent to temporary employment is preceded by poorer

mental health, and that people with poor mental health are therefore *selected* into temporary work, rather than temporary work *causing* poor mental health (Dawson et al 2015).

## SUMMARY

Flexible working is a broad concept that encompasses a range of different work conditions and characteristics. Previous research has identified a positive correlation between certain kinds of flexible working (such as temporal and spatial flexibility) and positive mental health, while our analysis has shown there to be correlation between contractual flexibility (part-time and temporary work) and poorer mental health.

In looking to explain how flexibility at work can be linked to mental health in different ways, the effect of flexibility on determining the level of *control* for the employee is crucial. Temporal and spatial flexibility often improve control for the employee, while contractual flexibility risks diverting control away from the employee and towards the employer.

The correlation between poorer mental health and contractual flexibility, underemployment and overqualification among younger workers could also be explained by the extent to which other work-related factors – such as line-manager relationships, job insecurity and low-pay – are in play. For example, millennials and centennials are more likely to be in low-paid, insecure work compared to previous generations of younger workers.

This would suggest that it is the extent to which part-time and temporary work is based on business models involving low-pay and insecurity, and where employees are denied sufficient levels of control over their working lives, which could contribute to poorer mental health among younger workers.

# CONCLUSIONS

The UK labour market has come to consist of a greater number of people working flexibly. This relates, firstly, to an increasing number of people who are able to take advantage of flexible working practices, such as flexitime and remote working. These often provide workers with greater control over their working lives, and have been associated with improvements in health and wellbeing.

However, it also relates to a growth in the number of people in work characterised by *contractual* flexibility, such as part-time or temporary work (as well as growing numbers of people who are self-employed, including those working in the gig economy). If long-term trends continue, we can expect to see more people working in jobs with these characteristics. This risks leading to higher levels of underemployment, as the reduced availability of more permanent or secure work sees more people working fewer hours than they would otherwise like.

An increasingly flexible labour market has coincided with entry into the workforce of millennials and centennials, who are therefore marginally more likely than previous generations of younger workers to be in part-time or temporary work, or be self-employed, at the outset of their working lives.

While having the potential to benefit from the advantages of some forms of flexible work, millennials and centennials are at increased risk of losing out from access to more permanent, secure and fulfilling work. Younger workers in part-time and temporary work are more likely to experience poorer mental health and wellbeing, while those who are self-employed experience more positive mental health and wellbeing. Similarly, younger workers who are underemployed and/or overqualified experience poorer mental health. This association is likely to be explained, in part, by part-time and temporary work being linked to the presence of factors that lead young people to experience increased stresses and pressures, such as low-pay and job insecurity. However, in some cases, even where these factors are controlled for, part-time and temporary workers still experience poorer wellbeing.

Importantly, an increasingly flexible labour market – and a growing number of employers choosing to employ young people on temporary or part-time contracts – risks more young people having less control over where, when and how they work. Where flexibility leads to a less security for employees, employers might expect to see increased levels of poorer mental health and wellbeing.

On the one hand, the labour market is evolving in a way which could bring benefits to young people's mental health, through widening access to flexible forms of working such as flexitime and remote working. On the other, the increased likelihood that millennials and centennials are in part-time or temporary work (as well as being underemployed and/or overqualified) is resulting in them being less able to take advantage of these benefits. Instead, for a significant number of young people today, their experiences of work would appear to be putting their mental health at greater risk.

Employers and government should therefore work together to promote better quality jobs which combine both flexibility and control for employees. As well as helping to boost mental health and wellbeing, this will help to stem the flow of younger workers onto out-of-work sickness benefits and improve productivity, therefore benefitting the UK's overall economic performance.

## OPPORTUNITIES FOR ACTION

Based on these findings, there are a number of opportunities for action for both employers and central and local government:

### *Employers*

- **Every company with over 50 employees should create a ‘workers’ forum’ in order to ensure that employees – including those on flexible contracts – have sufficient influence over their working lives.** These forums would provide employees with a voice and the mechanism to exert influence over policies which affect job quality and their working life, such as working conditions, job design and training practices (Lawrence and McNeil 2014).
- **Employers should take steps to promote positive mental health in the workplace, create more open work cultures, and provide support for employees who experience problems** (Davies et al 2017). This should include:
  - Initiatives to raise awareness and reduce stigma (including by signing the Time to Change pledge)
  - Providing training for line managers and others, taking advantage of the government’s manifesto commitment to widen access to programmes such as Mental Health First Aid
  - Monitoring rates of sickness absence systematically to identify trends in health problems experienced by the workforce, thereby enabling employers to put in place reasonable adjustments to workplace practices and the physical working environment.

### *Government*

- **Central and local government should work with employers to ensure that younger workers do not become trapped in low-skilled, low-paid work.** People in low-skilled work are less likely than those in higher-skilled occupations to be offered employer-sponsored training. To help tackle this:
  - Local government should develop ‘progression agreements’ whereby public funding is provided in exchange for employers guaranteeing progression for employees who complete identified courses or qualifications (Dromey and McNeil, 2017)
  - Central government should introduce a new Personal Training Credit to widen access to lifelong learning and give individuals more control over their future careers. The credit would focus resources on those who need most support, with up to £700 per-year available for low-skilled, low-paid staff. It would be accessible through a virtual account, along with information on courses available and their outcomes (ibid).
- **Government should establish a new national mission to boost job quality.** The Department for Work and Pensions should move beyond simply reporting on the employment rate, and report also on the quality of work. The promotion and protection of mental health and wellbeing should be a key component in measures of job quality, which should be established through consultation with stakeholders (ibid).
- **Government should pilot an expanded Fit for Work service.** In keeping with its manifesto commitment to encourage new products and incentives to improve mental health and wellbeing support available to employees, this would provide full sickness support for smaller employers lacking their own occupational health and counselling provision. This service should be offered free to small employers with fewer than 50 employees, at cost-price for medium-sized firms, and at a commercial rate for larger firms (Davies et al, 2017).

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# STATISTICAL ANNEX

Millennials and centennials are defined throughout this report as those born during or after 1982.

## DESCRIPTIVE ANALYSIS

The four surveys analysed in chapter three are as follows:

Annual Population Survey (ONS 2017d) – All data is for 2015/16, and for people aged 16-34 (UK wide). It is based on original IPPR analysis of the Annual Population Survey (2016). Any data given as a score (rather than as a percentage) is out of 10 (with the exception of ratings for ‘general health’, which are out of 5). It compares:

- **Part-time work:** people in part-time jobs to those aged 16-34 and in full-time jobs
- **Self-employment:** people who are self-employed to those aged 16-34 who are employees
- **Temporary work:** people in temporary jobs to those aged 16-34 and in permanent jobs
- **Overqualification:** people who are degree-qualified to those who are not degree-qualified (within and across these two groups, it also examines whether people work in professional/managerial jobs, or non-professional/managerial jobs).

Health Survey for England (NatCen 2016) – All data here is for 2014, and for people aged 16-32 (England only). It is based on original IPPR analysis of the Health Survey for England (2014). It compares:

- **Part-time work:** people in part-time jobs to those in full-time jobs
- **Self-employment:** people who are self-employed to those who are employees
- **Temporary work:** people in temporary jobs to those in permanent jobs
- **Overqualification:** people who are degree-qualified to those who are not degree-qualified. Within and across these two groups, it also examines whether people work in professional/managerial jobs, or non-professional/managerial jobs.

Understanding Society (2015) – All data in this section is for 2015, and compares people aged 16-33 (UK wide). It is based on original IPPR analysis of the Understanding Society (US) survey (2015). It compares:

- **Temporary work:** people in temporary jobs to those aged 16-33 and in permanent jobs
- **Overqualification:** people who are degree-qualified to those who are not degree-qualified (within and across these two groups, it also examines whether people work in professional/managerial jobs, or non-professional/managerial jobs).

Next Steps (UCL-IOE-CLS 2017) – All data is for 2015, and is for people aged 24-25 (England only). It is based on original IPPR analysis of the Next Steps Age 25 Survey (formerly the longitudinal study of young people in England (LSYPE)). It compares:

- **Part-time work:** people in part-time jobs to those in full-time jobs
- **Temporary work:** people in temporary jobs to those in permanent jobs

- **Zero-hours contracts:** people on zero-hours contracts to those not on zero-hours contracts
- **Overqualification:** people who are degree qualified to those who are not degree-qualified (within and across these two groups, it also examines whether people work in professional/managerial jobs, or non-professional/managerial jobs).

A full breakdown of the source for each piece of evidence given in chapter three is as follows:

*Part-time work*

1. Annual Population Survey
2. Health Survey for England
3. Health Survey for England
4. Health Survey for England
5. Health Survey for England
6. Health Survey for England
7. Health Survey for England
8. Annual Population Survey
9. Annual Population Survey

*Self-employment*

1. Annual Population Survey
2. Health Survey for England
3. Health Survey for England
4. Health Survey for England
5. Health Survey for England
6. Health Survey for England
7. Health Survey for England
8. Health Survey for England

*Temporary work*

1. Annual Population Survey
2. Health Survey for England
3. Annual Population Survey
4. Annual Population Survey
5. Annual Population Survey
6. Understanding Society

*Overqualification*

1. Annual Population Survey
2. Health Survey for England
3. Health Survey for England
4. Health Survey for England
5. Health Survey for England
6. Health Survey for England
7. Health Survey for England
8. Annual Population Survey
9. Understanding Society
10. Next Steps

## 11. Next Steps

## 12. Next Steps

### *Zero-hours contracts*

#### 1. Next Steps

The number of respondents represented in each of the graphs displayed in chapter three are as follows (n=):

- Figure 3.1 - 1123; 757
- Figure 3.2 - 757
- Figure 3.3 - 1,140
- Figure 3.4 - 1,136
- Figure 3.5 - 1,124
- Figure 3.6 - 758
- Figure 3.7 - 758
- Figure 3.8 - 1,141
- Figure 3.9 - 1,137
- Figure 3.10 - 5,207
- Figure 3.11 - 59,916
- Figure 3.12 - 358; 248
- Figure 3.13 - 248
- Figure 3.14 - 363
- Figure 3.15 - 358
- Figure 3.16 - 2,133
- Figure 3.17 - 129; 545; 238; 120; 4,988; 947; 1,051; 73; 770; 353

### **MODELLING**

Among the four population-level surveys identified above, two – the Annual Population Survey and Next Steps – had sufficiently large sample sizes to allow for the construction of statistical models which plot work characteristics against health and wellbeing outcomes.

#### *Annual Population Survey*

The model constructed for the Annual Population Survey data controls for age, sex, weekly pay and UK region.

Table A1 states the model co-efficients. Estimates that are statistically different from 0 at the 5 per cent significance level are highlighted in blue cells.<sup>17</sup>

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<sup>17</sup> A positive score for anxiety should be taken as a negative indicator for wellbeing, whereas a positive score for all other dependant variables should be taken as positive indicators.

**TABLE A1**

**Statistical model plotting wellbeing measures against part-time and temporary work, and qualifications levels, among millennials and centennials (2015/16) (UK-wide)**

Model	1	2	3	4	5	6	7	8
<i>Dependent variable</i>	<b>Happiness</b>		<b>Anxiety</b>		<b>Things done in life are worthwhile</b>		<b>Life satisfaction</b>	
<i>With control variables</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Number (N)</i>	16,724	16,724	16,724	16,724	16,724	16,724	16,724	16,724
<b>Part-time workers (ref: full-time workers)</b>								
Could not find a full-time job	-0.17	-0.10	0.24	0.15	-0.42	-0.32	-0.40	-0.22
Did not want a full-time job / student	0.07	0.15	0.22	0.04	0.30	0.35	0.09	0.25
<b>Temporary workers (ref: permanent workers)</b>								
Could not find a permanent job	-0.10	-0.09	0.17	0.17	-0.48	-0.44	-0.50	-0.46
Did not want a permanent job	-0.03	-0.04	0.24	0.28	-0.15	-0.11	0.08	0.06
<b>Overqualification (ref: non-graduates in non-prof/man jobs)</b>								
Non-graduate in prof/man job	0.16	0.13	0.03	0.04	0.27	0.22	0.16	0.11
Graduate in prof/man job	0.14	0.11	0.50	0.47	0.29	0.19	0.19	0.10
Graduate in non-prof/man job	0.04	0.05	0.32	0.27	-0.15	-0.16	-0.18	-0.16

**Source: IPPR analysis of Annual Population Survey (ONS 2017d)**

*Next Steps (Age 25 Survey)*

The model constructed for Next Steps (Age 25 Survey) data controls for month of birth, month of interview, sex, English region, household income, and family social class at age 14.

The model explores:

- mental health problems (GHQ4+) among young people in different kinds of work, and –in addition to the above controls – also controls for GHQ score at ages 15 and 17
- life satisfaction among young people in different kinds of work, and – in addition to the above controls – also controls for life satisfaction at age 20
- ‘locus of control’ among young people in different kinds of work, and – in addition to the above controls – also controls for locus of control at age 20.

Table A2 states the model co-efficients.

- Estimates that are statistically different from 0 at the 1 per cent significance level are highlighted in blue cells
- Estimates that are statistically different from 0 at the 5 per cent significance level are highlighted in green cells
- Estimates that are statistically different from 0 at the 10 per cent significance level are highlighted in orange cells
- Estimates that are not statistically significantly are not highlighted.

**TABLE A2**

**Statistical model plotting mental health and wellbeing measures against part-time work, temporary work, work on zero-hours contracts, and qualifications levels, among people born in 1989-90 (2017) (England)**

Model	1	2	3	4	5	6
<i>Dependent Variable</i>	<b>Mental health problems (GHQ4+)</b>		<b>Satisfied with life so far</b>		<b>Locus of control (standardised)</b>	
<i>With control variables</i>	No	Yes	No	Yes	No	Yes
<i>Number (N)</i>	2418	2418	2418	2418	2418	2418
<b>Part-time workers (ref: full-time workers)</b>						
Part-time workers	3.9%	1.9%	-3.5%	-7.0%	3.9%	10.3%
<b>Temporary workers (ref: permanent workers)</b>						
Temporary workers	2.2%	-0.6%	-8.8%	-5.5%	12.7%	2.0%
<b>Workers on zero-hours contracts (ref: workers not on zero-hours contracts)</b>						
Workers on zero-hours contracts	10.5%	13.1%	-9.0%	-7.2%	6.3%	6.4%
<b>Overqualification (ref: graduate in professional/managerial jobs)</b>						
Non-graduate in prof/man job	3.1%	3.3%	-5.0%	-4.2%	6.1%	10.4%
Non-graduate in non- prof/man job	1.3%	2.7%	-9.4%	-7.8%	3.2%	6.2%
Graduate in non- prof/man job	7.3%	6.2%	-16.6%	-14.2%	20.0%	15.7%

**Source: IPPR analysis of Next Steps (UCL-IOE-CLS 2017)**



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