

YOUNG PEOPLE IN THE HIGHLANDS AND ISLANDS

Socio-economic profile
May 2014



INTRODUCTION

This report provides a socio-economic profile of young people living in the Highlands and Islands. Drawing on 2011 Census data and other statistical sources, the report sets out the available statistics relating to population, migration, education and qualifications, and labour market.

Young people have been defined as those aged 15-29 years old and statistics have been collected for this specific age group wherever possible. Furthermore, to reflect and better understand the differences across the Highlands and Islands region, statistics have been gathered where possible for the following geographies:

- Highlands and Islands.
- Highlands and Islands Enterprise's (HIE's) eight areas – Argyll and the Islands; Caithness and Sutherland; the Inner Moray Firth; Innse Gall; Lochaber, Skye and Wester Ross; Moray; Orkney; and Shetland.
- Highlands and Islands Fragile Areas that consist of 83 individual datazones.
- Highlands and Islands Employment Action Areas that consist of three areas that broadly correspond to Caithness; South Kintyre and Bute; and Forres, Lossiemouth and Elgin.

The report has two main sections.

- The first section provides analysis of what is happening at the Highlands and Islands regional level, with the Scotland figure given where possible as a benchmark.
- The section includes analysis of the Fragile Areas and Employment Action Areas.
- The second section analyses what is happening across HIE's eight areas using the available sub-regional data.

HEADLINE FINDINGS

1. There were 75,256 people aged 15-29 years old living in the Highlands and Islands in 2011. This equates to 16 per cent of the total 466,122 Highlands and Islands population, which is less than the Scotland average proportion of 20 per cent. If the Highlands and Islands had the same proportion of young people as Scotland, it would have 16,100 more residents in the 15-29 age range.
2. Between 2001 and 2011, the number of 15-29 years old living in the Highlands and Islands increased by almost 10 per cent, which was above the total population percentage increases of 8 per cent and the same as the rate of increase across Scotland.
3. While the 15-29 year old population has increased, the net out-migration of young people from the Highlands and Islands continues to be a significant issue. Net out-migration is most apparent amongst 17 to 20 year olds where around a net total of 1,300 from this age group left the Highlands and Islands between 2010 and 2012.
4. School attainment figures show that S4 pupils in the Highlands and Islands have higher attainment than the Scotland average, but the gap has narrowed in recent years due to rising attainment across the rest of Scotland.
5. A higher proportion of Highlands and Islands school leavers enter a positive destination (94 per cent) than the Scotland average (91 per cent). The type of destination also differs with a higher proportion of Highlands and Islands school leavers entering employment than the Scotland average and fewer entering further education, training or unemployment.
6. For the Highlands and Islands school leavers that start at university, only 26 per cent start at the University of the Highlands and Islands (UHI). University leavers are therefore a major contributory factor behind the net out-migration of young people. As a consequence of the 'brain drain' of young people leaving the Highlands and Islands for university and not returning until their 30s, proportionately fewer 16-29 year olds in the Highlands and Islands have graduate-level qualifications than Scotland as a whole.
7. Amongst the 16-19 age group as a whole, 1,750 young people in the Highlands and Islands fell within the More Choices More Chances (MCMC) group in 2011. This amounts to 8 per cent of 16-19 year olds, which is below the Scotland average of 10 per cent.
8. The available labour market indicators show that young people living in the Highlands and Islands have higher economic activity and employment rates than Scotland's young people as a whole. However, the gaps with the Scotland rates have narrowed in recent years.
9. For those in employment, 40 per cent work in retail and hospitality, which are sectors that have a high proportion of lower skilled and lower paid jobs. Compared to Scotland's young employed people as a whole, the Highlands and Islands has proportionately more young people employed in agriculture and fishing, construction, and public administration, education or health services.
10. Youth unemployment levels have increased across all areas but continue to be lower in the Highlands and Islands than across Scotland as a whole. For example, in 2013 their respective 16-29 year old annualised JSA Claimant Count rates were 3.6 per cent and 5.4 per cent.
11. As a measure of worklessness, 10 per cent of 16-24 year olds living in the Highlands and Islands were claiming DWP benefits in August 2013 compared to 12 per cent across Scotland.
12. At the sub-regional level, all eight of HIE's areas have difficulties attracting and retaining young people but the challenges appear to be greatest in Argyll and the Islands and Caithness and Sutherland.

¹For some statistics, data is only available for 16-24 year olds.

²Unless stated, the Highlands and Islands area has been constructed using datazones.

SECTION 1 – REGIONAL ANALYSIS

POPULATION

The 2011 Census showed that of the 466,112 people living in the Highlands and Islands, 75,256 people were aged 15-29 years. Of these:

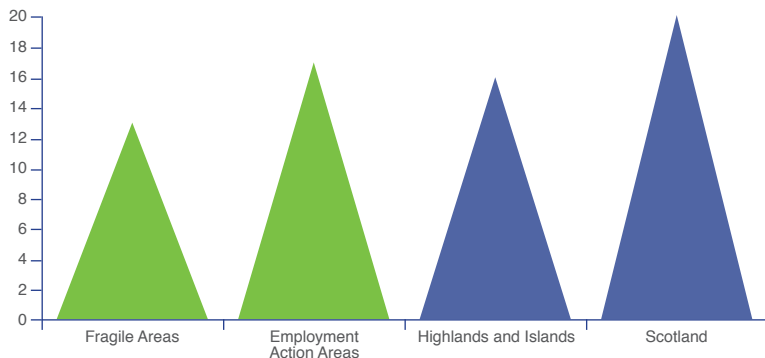
- 7,546 (or 10% of the Highlands and Islands total 15-29 year old population) lived in the Fragile Areas.
- 17,828 (or 24% of the Highlands and Islands total 15-29 year old population) lived across the three Employment Action Areas.

Figure 1 below shows that the proportion of the total population aged 15-29 years old was less than the Scottish average.

The Highlands and Islands average was 16 per cent compared to the Scotland average proportion of 20 per cent. If the Highlands and Islands had the same proportion of young people as Scotland, it would have 16,100 more residents in the 15-29 year old age range.

The proportion of the Fragile Areas' total population aged 15-29 years old was even lower at 13 per cent, while the equivalent proportion for the three Employment Action Areas was 17 per cent.

FIGURE 1: 15-29 YEAR OLD POPULATION AS A PERCENTAGE OF TOTAL POPULATION, 2011



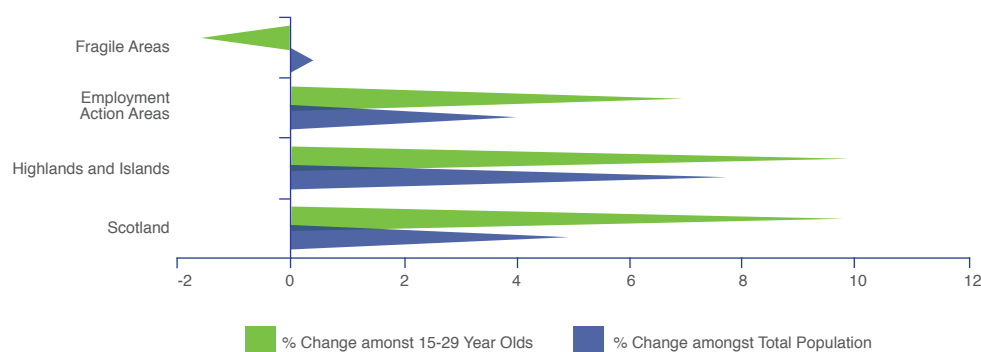
Source: Census 2011

Figure 2 moves beyond the snapshot position set out above and shows how the 15-29 years old and total populations have changed in size across the Highlands and Islands in the 10 years between the 2001 and 2011 Censuses.

In the Fragile Areas the number of 15-29 year olds decreased by 1 per cent, while the 15-29 year old population increased by 7 per cent across the three Employment Action Areas.

In both the Highlands and Islands and Scotland the 15-29 year old populations increased by almost 10 per cent, which was above the total population percentage increases of 8 per cent in the Highlands and Islands and 5 per cent across Scotland.

FIGURE 2: PERCENTAGE CHANGE IN 15-29 YEAR OLD AND TOTAL HIGHLANDS AND ISLANDS POPULATIONS, 2001 TO 2011



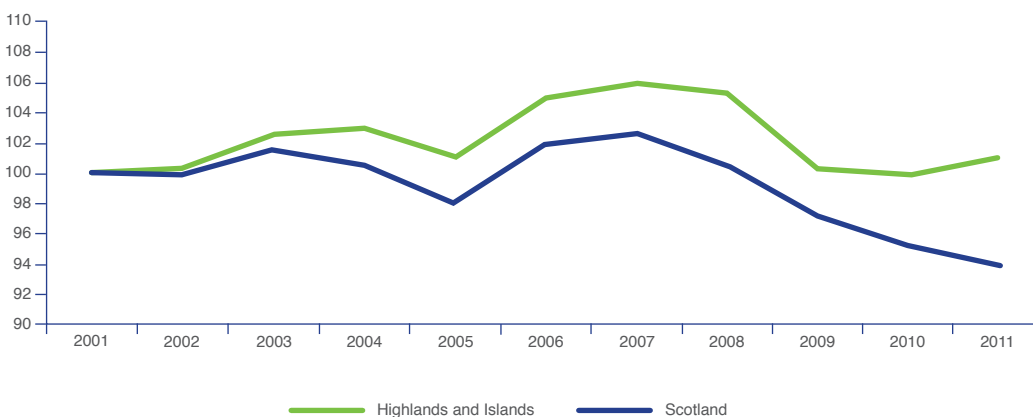
Source: Census 2001 and 2011

The increase in the number of young people aged 15 to 29 living in the Highlands and Islands between 2001 and 2011 has mainly been due to growth in the indigenous population, rather than young people migrating to the Highlands and Islands.

- The number of S4 pupils in the Highlands and Islands was higher for each of the years between 2002 and 2009 inclusive than the number of S4 pupils in 2001.
- Compared to Scotland, the number of S4 pupils in the Highlands and Islands has been proportionately higher for each year, with Scotland seeing a consistent decline in numbers from 2007 to 2011.

To illustrate how the number of children living in the Highlands and Islands has increased, Figure 3 shows the number of S4 pupils between 2001 and 2011 indexed against the 2001 number. With Scotland as the comparator, it shows:

FIGURE 3: NUMBER OF S4 PUPILS (2001 = 100), 2001 TO 2011



Source: Scottish Government Attainment and Leaver Destinations Supplementary Data

Note: Highlands and Islands data refers to Argyll & Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

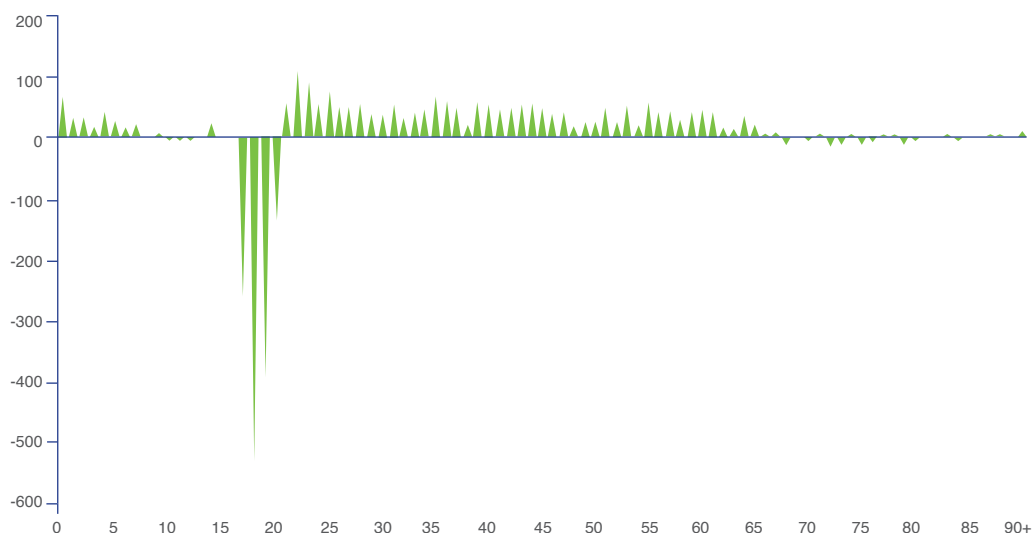
MIGRATION

The number of young people aged 15 to 29 living in the Highlands and Islands has increased between 2001 and 2011 but the number of young people relative to the size of the total population remains small. As indicated above, and as evidenced by General Register Office for Scotland (GROS) migration statistics (which include international migration patterns), the net out-migration of young people – and more specifically net out-migration of 17 to 20 year olds – is the main contributory factor.

Figure 4 shows for the period 2010 to 2012:

- Taking 15 to 29 year olds as a whole, around 725 more young people left the Highlands and Islands than came to live in it.
- Amongst 17 to 20 year olds alone, around 1,300 more young people left the Highlands and Islands than came to live in it.
- The loss of the 17-20 year olds from the Highlands and Islands does appear, however, to be temporary as the numbers are recovered from the cumulative net in-migration of people from the ages of 21 to 44.

FIGURE 4: NET MIGRATION BY AGE IN THE HIGHLANDS AND ISLANDS, 2010-2012 AVERAGE



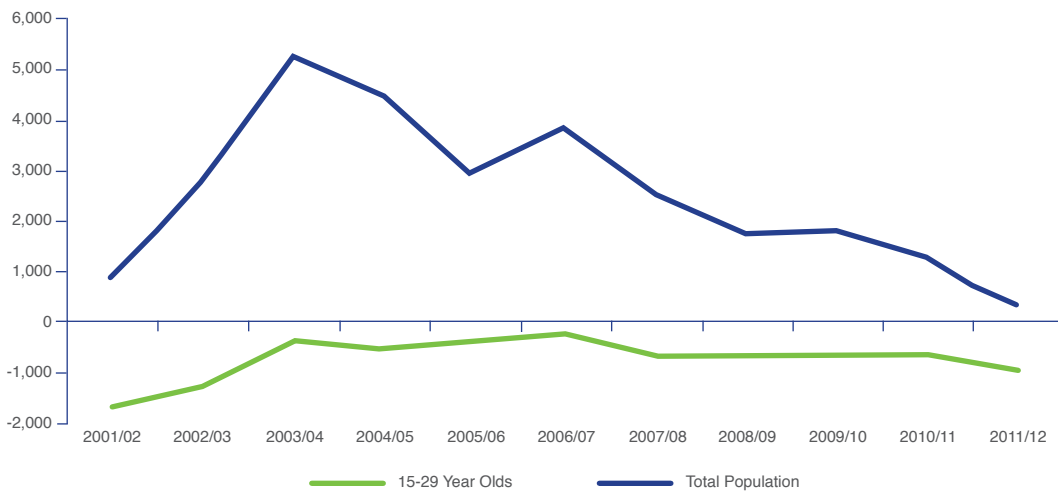
Source: GROS

Note: Highlands and Islands data refers to Argyll and Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

Figure 5 again shows the challenge of youth out-migration from the Highlands and Islands but it also shows that over time the levels of youth out-migration have reduced:

- Net out-migration of 15-29 year olds reduced from 1,643 net out-migrants in 2001/02 to just 243 net out-migrants in 2006/07. Since then the numbers have however increased to 958 net out-migrants in 2011/12.
- The Highlands and Islands total population has benefited from net in-migration and this peaked in 2003/04 with 5,335 net in-migrants. Since then numbers have fallen to 248 net in-migrants in 2011/12.
- In summary, the data suggests that youth out-migration remains a challenge but this may now form part of a wider challenge of increasing in-migration levels to the Highlands and Islands across all age groups.

FIGURE 5: ANNUAL NET MIGRATION OF 16-29 YEAR OLDS AND ALL AGES IN THE HIGHLANDS AND ISLANDS, 2001/02 TO 2011/12



Source: GROS

Note: Highlands and Islands data refers to Argyll and Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

PROJECTIONS

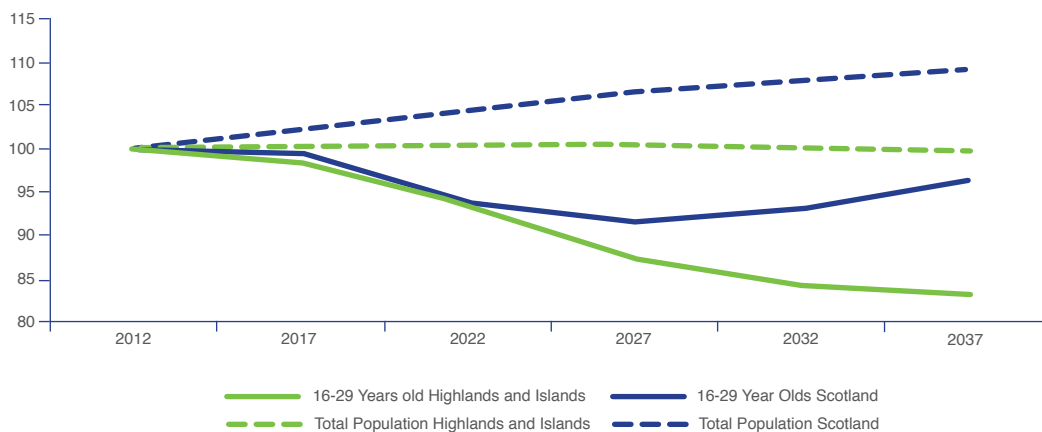
Population projections need to be interpreted with caution as they are generated based on demographic characteristics and past trends and do not take into account policy initiatives or wider developments. Furthermore, past projections have typically underestimated the rate of growth in the Highlands and Islands. Notwithstanding these caveats, 2012-based population projections for 2012 to 2037 show that the increase in the number of young

people living in the Highlands and Islands shown in Figure 2 is not projected to continue and is instead projected to decrease quite sharply:

- The number of 16-29 year olds in the Highlands and Islands is projected to decrease by 17% between 2012 and 2037. The number of young people across Scotland will also decline in the next 10-15 years but then rebound from 2027 onwards.

- For the total population, the Highlands and Islands population size is projected to stay stable. In contrast the Scotland population is projected to increase by 9 per cent by 2037.

FIGURE 6: 16 TO 29 YEAR OLDS AND TOTAL POPULATION PROJECTIONS (INDEX: 2012 = 100), 2012 TO 2037



Source: GROS (2012-based projections)

Note: Highlands and Islands data refers to Argyll and Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

EDUCATION AND QUALIFICATIONS

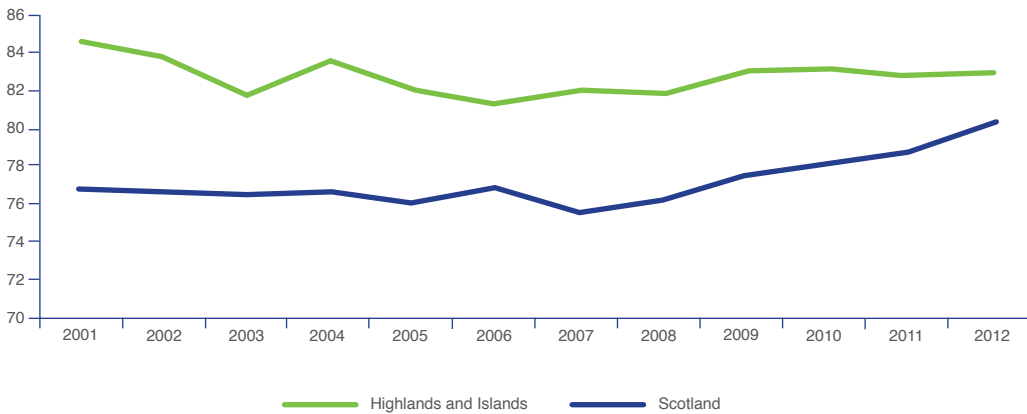
To provide some context to the labour market statistics presented later in the report, this section analyses the key education and qualification trends of young people living in the Highlands and Islands. The data from the Scottish Government, Skills Development Scotland and the Annual Population Survey therefore act as a proxy for the skills and aspirations of the young people.

SCHOOL ATTAINMENT

Beginning with educational attainment at school, Figure 7 shows the percentage of the S4 pupil roll achieving 5 awards at SCQF Level 4. The key findings are:

- The Highlands and Islands has had consistently higher school attainment than Scotland as a whole.
- Over time the gap has narrowed due to improved attainment across the rest of Scotland and, in 2011/12, the Highlands and Islands had 83 per cent of its S4 roll achieving 5 awards at SCQF Level 4 and Scotland 80 per cent.

FIGURE 7: PERCENTAGE OF S4 ROLL ACHIEVING 5 AWARDS AT SCQF LEVEL 4, 2001 TO 2012



Source: Scottish Government Attainment and Leaver Destinations Supplementary Data

Note: Highlands and Islands data refers to Argyll and Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

SCHOOL LEAVER DESTINATIONS

On leaving school, 94 per cent of Highlands and Islands school leavers entered a positive destination in 2012/13, which was above the 91 per cent for Scotland. Figure 8 shows the breakdown by destination type and shows the Highlands and Islands profile is quite distinct from the Scotland profile. For example:

- A higher proportion in the Highlands and Islands entered employment (30 per cent) than the Scottish average (20 per cent). It is likely, however, that many of these jobs are low-paid, low-skilled entry level jobs that may have limited progression opportunities into higher value jobs.
- A lower proportion entered further education (24 per cent) than the Scottish average (28 per cent).
- The Highlands and Islands also had a lower proportion in training or unemployed than Scotland as a whole.

FIGURE 8: SCHOOL LEAVER DESTINATIONS (%), 2012/13



Source: Scottish Government statistics

Note: Highlands and Islands data refers to Argyll and Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

Focusing on the 35 per cent of the Highlands and Islands school leavers who entered **higher education**, further analysis available from Community Planning Partnership reports published by Skills Development Scotland show that:

- 1,609 Highlands and Islands school leavers started at a university in 2012/13.
- Of these, 423 or 26 per cent started at the University of the Highlands and Islands (UHI).
- The remaining 1,186 or 74 per cent went to a university beyond the Highlands and Islands.
- The higher education starts data reinforce the migration figures presented in Figures 4 and 5 in pointing towards a ‘brain drain’ of young people moving away from the Highlands and Islands for university.

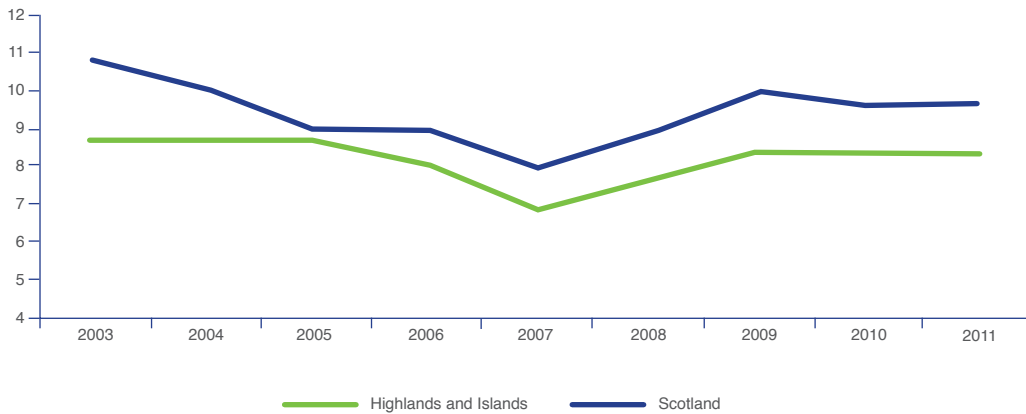
MORE CHOICES MORE CHANCES GROUP

A number of young people struggle to make the transition from school to further education or the workplace. In Scotland these young people aged 16-19 years old are called the More Choices More Chances (MCMC) group.

- In the Highlands and Islands, Scottish Government statistics estimate that there were 1,750 young people aged 16-19 years old who fell within this group in 2011. This amounts to 8 per cent of the 16-19 year old age group, and below the Scotland average of 10 per cent.

- Figure 9 shows how the Highlands and Islands MCMC rate has been consistently lower than the Scotland rate. Both rates were falling up to the onset of the economic recession in 2008, which led to both rates increasing before levelling out since 2009.

FIGURE 9: MORE CHOICES MORE CHANCES GROUP AS PERCENTAGE OF 16-19 YEAR OLDS, 2003 TO 2011



Source: Skills Development Scotland SLDR 2012/13 Initial Destination Figures

Note: Highlands and Islands data refers to Argyll & Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

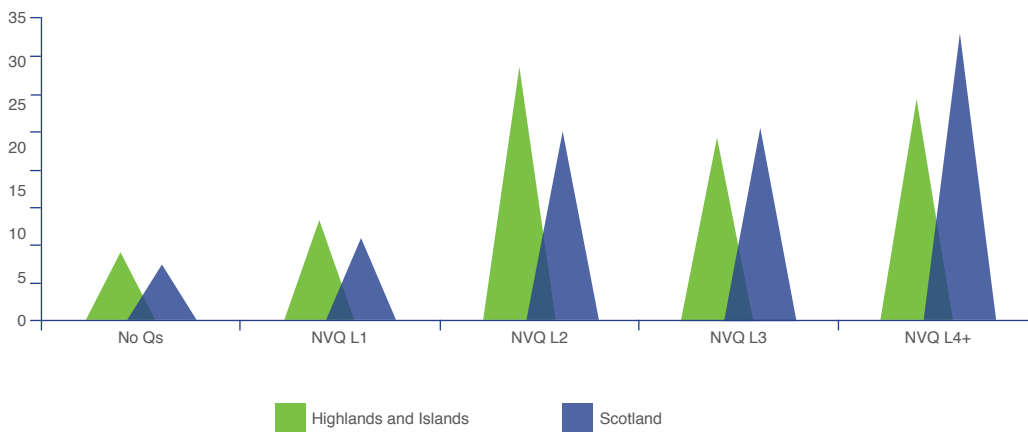
QUALIFICATIONS

For 16-29 year olds as a whole, Figure 10 presents Annual Population Survey data on the highest qualifications held by this age group. It shows that proportionately:

- Fewer 16-29 year olds living in the Highlands and Islands have graduate level (NVQ Level 4 and above) qualifications than 16-29 year olds across Scotland (26 per cent compared to 33 per cent respectively).
- More 16-29 year olds living in the Highlands and Islands have NVQ Level 1 or 2 qualifications or no formal qualifications than 16-29 year olds across Scotland.

Given that the Highlands and Islands has consistently had higher school attainment levels than Scotland as a whole, the lower proportion of 16-29 year olds with NVQ Level 4 qualifications is not due to lower ability or capacity to achieve more advanced qualification levels. Instead the difference can be explained by the high proportion of 17-20 year olds migrating away from the Highlands and Islands for university and not returning until their 30s or 40s. Therefore other parts of Scotland benefit from leavers' increased education and skills until they return to the Highlands and Islands.

FIGURE 10: HIGHEST QUALIFICATIONS HELD BY 16-29 YEAR OLDS (PERCENTAGE), 2013



Source: Annual Population Survey (excluding trade apprenticeship and other qualifications)

Note: Highlands and Islands data refers to Argyll & Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

LABOUR MARKET

To analyse the youth labour market in the Highlands and Islands, statistics have been gathered around economic activity, employment rate, industry of employment, unemployment and worklessness.

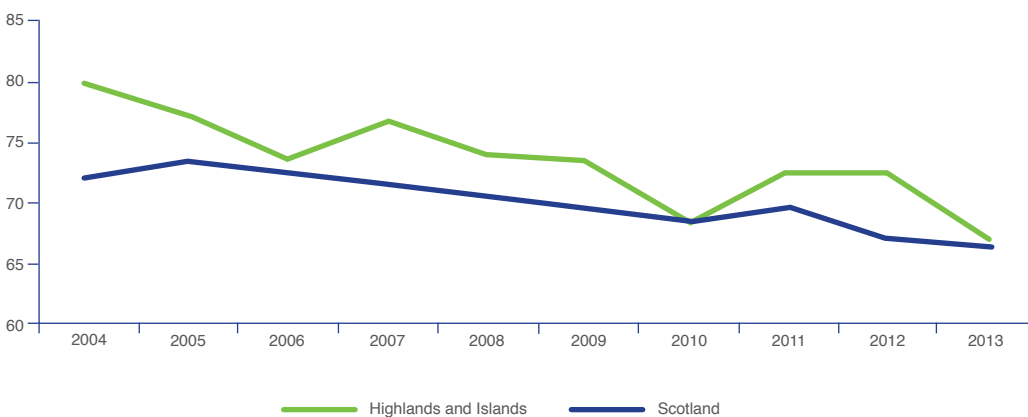
Economic Activity

Beginning with the economic activity rate of 16-24 year olds living in the Highlands and Islands, Figure 11 shows that:

- Since 2004 the Highlands and Islands rate has fallen from 80 per cent to 67 per cent in 2013.

- During this period, the Highlands and Islands rate has generally been above the Scotland rate but in 2013 (as in 2010) the rates are almost identical.
- The decrease in economic activity rates, and consequent increase in economic inactivity rates, is likely to be a result of more young people continuing in full-time education rather than entering or actively seeking employment.

FIGURE 11: ECONOMIC ACTIVITY RATE OF 16 TO 24 YEAR OLDS, 2004 TO 2013



Source: Annual Population Survey

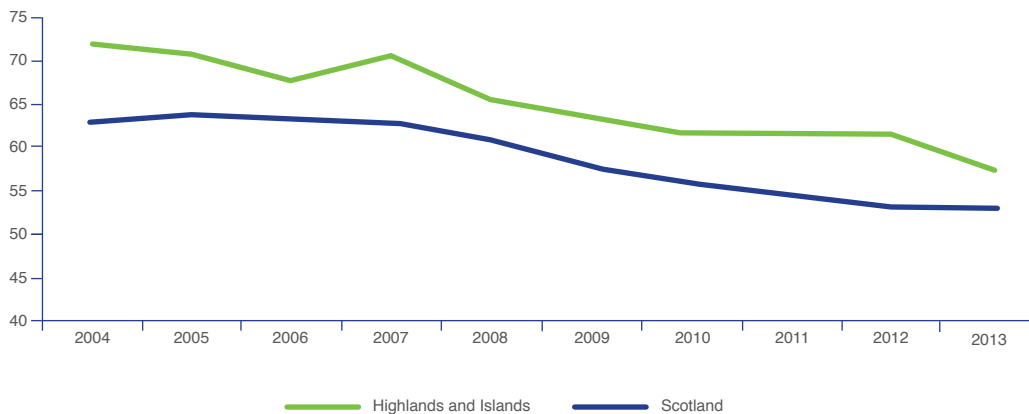
Note: Highlands and Islands data refers to Argyll & Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

EMPLOYMENT

The employment rate measures the proportion of the population who are in employment. For the 16-24 year old population, Figure 12 shows:

- Since 2004 the Highlands and Islands rate has fallen from 72 per cent to 57 per cent in 2013.
- During this period, the Highlands and Islands rate has consistently been above the Scotland rate by approximately 7 percentage points. However, the gap had narrowed in 2013 with the Highlands and Islands rate at 57 per cent and the Scotland rate at 53 per cent.

FIGURE 12: EMPLOYMENT RATE OF 16 TO 24 YEAR OLDS, 2004 TO 2013



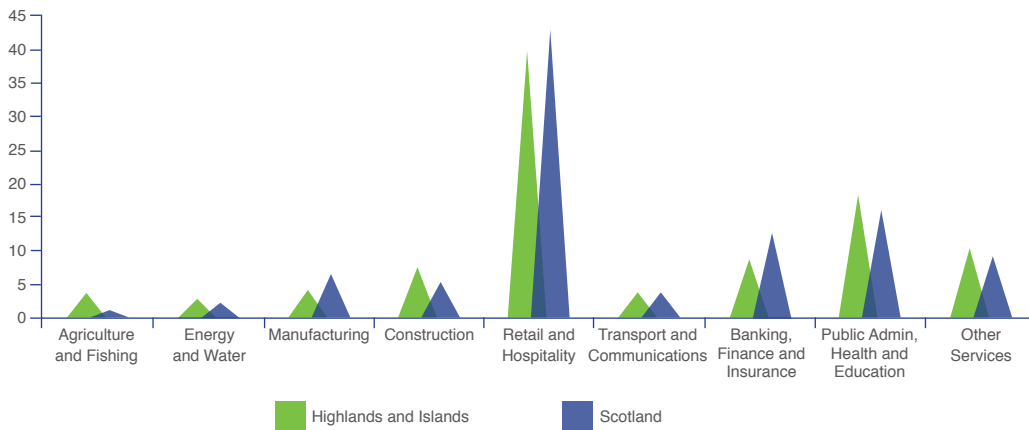
Source: Annual Population Survey

Note: Highlands and Islands data refers to Argyll & Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

In terms of the jobs that young employed people in the Highlands and Islands work in, Annual Population Survey data presented in Figure 13 shows that:

- Some 40 per cent of the Highlands and Islands young employed people work in retail and hospitality, which is marginally lower than the 43 per cent across Scotland. Retail and hospitality are often lower skilled and lower paid jobs.
- A further 19 per cent work in public administration, education or health services.
- Compared with Scotland's young employed people as a whole, the Highlands and Islands has proportionately:
 - More young people employed in agriculture and fishing; construction; and public administration, education or health services.
 - Fewer young people employed in manufacturing; retail and hospitality; and banking, finance and insurance services.

FIGURE 13: 16-24 YEAR OLDS EMPLOYMENT BY INDUSTRY (PERCENTAGE), 2013



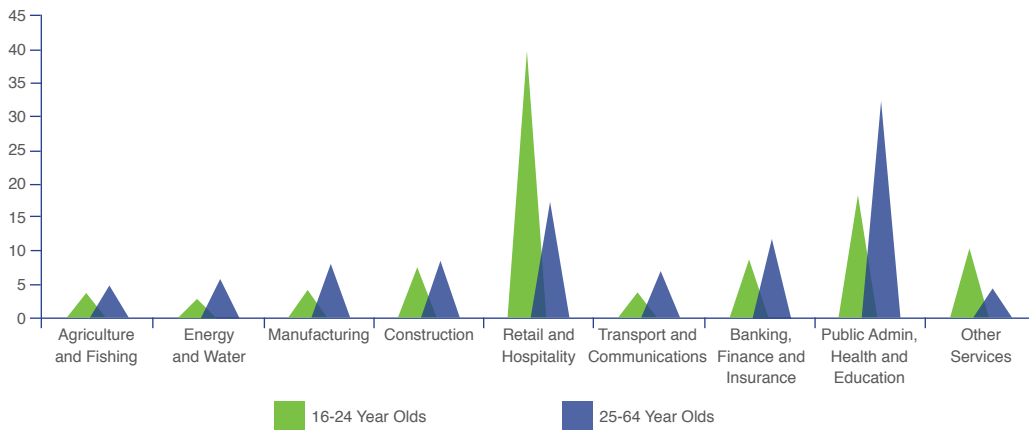
Source: Annual Population Survey

Note: Highlands and Islands data refers to Argyll & Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

Comparing the industries that the Highlands and Islands young employed people work in with those worked in by the Highlands and Islands employed 25-64 year old population, Figure 14 shows that proportionately:

- More young employed people work in retail and hospitality (40 per cent compared with 17 per cent); and other services (11 per cent compared with 4 per cent) than the 25-64 year old population as a whole.
- Fewer young employed people work in energy and water; manufacturing; transport and communications; banking, finance and insurance services; and public administration, education or health services than the employed 25-64 year old population as a whole.

FIGURE 14: HIGHLANDS AND ISLANDS 16-24 AND 25-64 YEAR OLDS EMPLOYMENT BY INDUSTRY (PERCENTAGE), 2013



Source: Annual Population Survey

Note: Highlands and Islands data refers to Argyll and Bute, Eilean Siar, Highland, Moray, Orkney and Shetland local authority areas.

UNEMPLOYMENT

Using the Jobseekers Allowance (JSA) Claimant Count to measure unemployment levels, there was a monthly average of **2,408 JSA claimants aged 16-29 years old in the Highlands and Islands in 2013**. Of these:

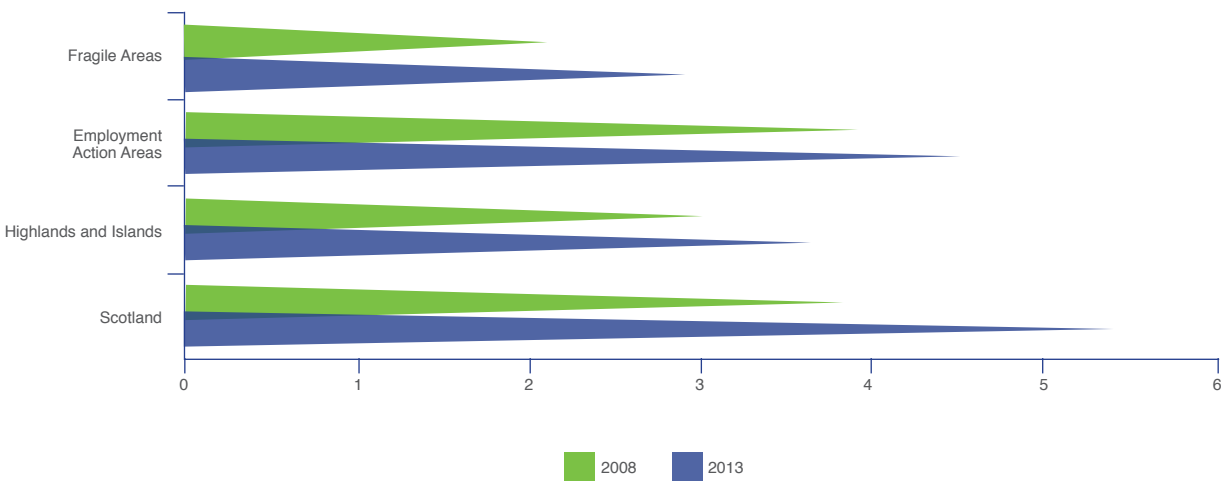
- 200 (or 8% of the Highlands and Islands 16-29 year old JSA Claimants) lived in Fragile Areas.
- 707 (or 29% of the Highlands and Islands 16-29 year old JSA Claimants) lived across the three Employment Action Areas.

By proportion of the 16-29 year old population, Figure 15 shows that:

- Youth unemployment levels have increased across Scotland since the onset of the recession. Nevertheless, youth unemployment levels continue to be lower in the Highlands and Islands than across Scotland as a whole. For example, in 2013 their respective 16-29 year old annualised JSA Claimant Count rates were 3.6 per cent and 5.4 per cent.

- Across the three Employment Action Areas the rate was 4.5 per cent, although this hides differences between the individual Employment Action Areas. For example, the 2013 rates were:
 - 8.0 per cent in the South Kintyre and Bute Employment Action Area.
 - 5.6 per cent in the Caithness Employment Action Area.
 - 3.1 per cent in the Forres, Lossiemouth and Elgin Employment Action Area.
- The rate in the Fragile Areas was 2.9 per cent.

FIGURE 15: 16-29 YEAR OLD JSA CLAIMANT COUNT RATE, 2008 AND 2013



Source: NOMIS Claimant Count data (Annualised data)

OUT OF WORK BENEFITS

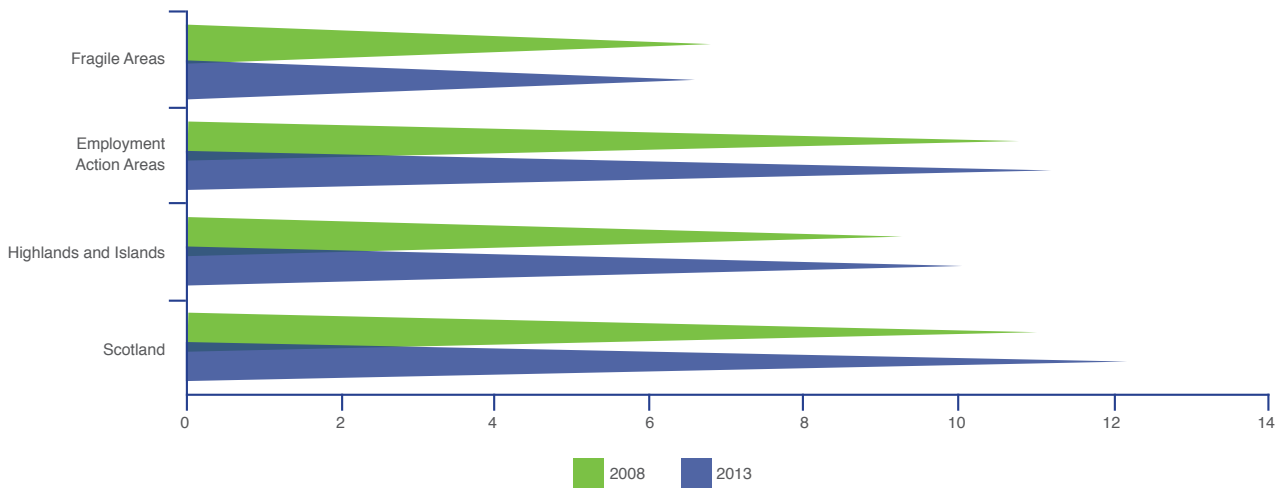
A wider measure of unemployment, or more accurately worklessness, is the number of claimants of Department for Work and Pensions (DWP) benefits. The benefits include JSA, Employment and Support Allowance (ESA) and Income Support. Using this wider measure, there were **4,440 young people aged 16-24 years old in the Highlands and Islands who were claiming DWP benefits in August 2013**. This wider group is therefore around double the size of the JSA claimants group. Of the 4,440 claimants:

- 320 (or 7% of the Highlands and Islands 16-24 year old claimants) lived in Fragile Areas.
- 1,190 (or 27% of the Highlands and Islands 16-24 year old claimants) lived across the three Employment Action Areas.

By proportion of the 16-24 year old population, Figure 16 shows that:

- The Highlands and Islands rate was 10 per cent in 2013, compared to 12 per cent across Scotland.
- Across the three Employment Action Areas the rate was 11 per cent. Again this hides differences between the individual Employment Action Areas, with the rates as follows:
 - 16 per cent in the South Kintyre and Bute Employment Action Area.
 - 15 per cent in the Caithness Employment Action Area.
 - 9 per cent in the Forres, Lossiemouth and Elgin Employment Action Area.
- The rate in the Fragile Areas was 7 per cent.

FIGURE 16: 16-24 YEAR OLD DWP BENEFITS CLAIMANT RATE, 2008 AND 2013



Source: DWP WPLS data (August 2013 data)

Note: Data refers to total DWP benefits claimants and not total out-of-work benefits claimants.

SECTION 2 – SUB-REGIONAL ANALYSIS

Having set out the regional picture for young people living in the Highlands and Islands, this section uses the available sub-regional statistics^{3,4} to show the conditions in each of the eight Highlands and Islands Enterprise areas. The statistics are presented in a single summary table (see Figure 17) to allow for ease of comparison across the areas.

Reading across these statistics, all areas have difficulties attracting and retaining young people but the challenges appear to be greatest in:

- Argyll and the Islands – due to its relatively small 15-29 year old population, projected decline in 16-29 year olds, and high 16-29 year old JSA claimant count rate relative to the Highlands and Islands as a whole.
- Caithness and Sutherland – due to its high 16-29 year old JSA claimant count rate relative to the Highlands and Islands as a whole.

The key findings from Figure 17 for the eight area offices are outlined below.

Argyll and the Islands

- In 2011, 9,795 young people aged 15-29 years old were living in Argyll and the Islands. This represented a small increase of 3 per cent from 2001, and made up 4 per cent of the 15-29 year old population increase across the Highlands and Islands.
- Argyll and the Islands has a relatively small 15-29 year old population. Young people in this age range constituted just 14 per cent of its total population in 2011.
- Between 2010 and 2012, there was net out-migration of 200 young people aged 15-29 years old from Argyll and the Islands. However, the number was even greater amongst 17-20 year olds with 240 net out-migrants.
- Looking forward, 2012-based population projections indicate that the number of 16-29 year olds living in Argyll and the Islands will decrease by 25 per cent between 2012 and 2037.

- School attainment and destinations statistics in Argyll and the Islands are in line with the Highlands and Islands average.
- Youth unemployment levels are higher in Argyll and the Islands than the Highlands and Islands as a whole. The Argyll and the Islands 16-29 year old JSA claimant count rate was 4.8 per cent in 2013, compared to 3.6 per cent across the Highlands and Islands.
- However, it should be noted that the Argyll and the Islands 16-24 year old DWP benefits claimant rate (9 per cent) was below the Highlands and Islands rate (10 per cent).

Caithness and Sutherland

- In 2011, 6,197 young people aged 15-29 years old were living in Caithness and Sutherland. This represented an increase of 7 per cent from 2001, and made up 6 per cent of the 15-29 year old population increase across the Highlands and Islands.
- 15-29 year olds make up 16 per cent of the Caithness and Sutherland population, which is the same proportion as the Highlands and Islands as a whole.
- Across the Highland Council area (due to data availability):
 - Between 2010 and 2012, there was net out-migration of 194 young people aged 15-29 years old from Highland Council area. However, the number was even greater amongst 17-20 year olds with 585 net out-migrants.
 - Looking forward, 2012-based population projections indicate that the number of 16-29 year olds living in the Highland Council area will decrease by 13 per cent between 2012 and 2037.
 - School attainment and destinations statistics in the Highland Council area are lower than the Highlands and Islands average.
- For Caithness and Sutherland, youth unemployment levels are higher than the Highlands and Islands as a whole. The Caithness and Sutherland 16-29 year old JSA claimant count rate was 5.4

- per cent in 2013, compared to 3.6 per cent across the Highlands and Islands.
- The Caithness and Sutherland 16-24 year old DWP benefits claimant rate (13 per cent) is also higher than the Highlands and Islands rate (10 per cent).

Inner Moray Firth

- In 2011, 25,968 young people aged 15-29 years old were living in the Inner Moray Firth. This represented a significant increase of 17 per cent from 2001, and made up 57 per cent of the 15-29 year old population increase across the Highlands and Islands.
- 15-29 year olds make up 17 per cent of the Inner Moray Firth population, which is a marginally larger proportion than the Highlands and Islands as a whole (16 per cent).
- Across the Highland Council area (due to data availability):
 - Between 2010 and 2012, there was net out-migration of 194 young people aged 15-29 years old from Highland Council area. However, the number was even greater amongst 17-20 year olds with 585 net out-migrants.
 - Looking forward, 2012-based population projections indicate that the number of 16-29 year olds living in the Highland Council area will decrease by 13 per cent between 2012 and 2037.
 - School attainment and destinations statistics in the Highland Council area are lower than the Highlands and Islands average.
- For the Inner Moray Firth, youth unemployment levels are marginally lower than the Highlands and Islands as a whole. The Inner Moray Firth 16-29 year old JSA claimant count rate was 3.4 per cent in 2013, compared to 3.6 per cent across the Highlands and Islands.
- However, it should be noted that the Inner Moray Firth 16-24 year old DWP benefits claimant rate (11 per cent) was above the Highlands and Islands rate (10 per cent).

³Some statistical datasets are only available at local authority area level. For these statistics, Highland Council area data has been used for Caithness and Sutherland, the Inner Moray Firth, and Lochaber, Skye and Wester Ross.

⁴Annual Population Survey data has not been presented in the sub-regional analysis because of the low confidence levels related to the survey data.

Innse Gall

- In 2011, 4,072 young people aged 15-29 years old were living in Innse Gall. This represented a small increase of 1 per cent from 2001, and made up 1 per cent of the 15-29 year old population increase across the Highlands and Islands.
- 15-29 year olds make up 15 per cent of the Innse Gall population, which is a marginally smaller proportion than the Highlands and Islands as a whole (16 per cent).
- Between 2010 and 2012, there was net out-migration of 97 young people aged 15-29 years old from Innse Gall.
- Looking forward, 2012-based population projections indicate that the number of 16-29 year olds living in Innse Gall will decrease by 38 per cent between 2012 and 2037.
- School attainment and destinations statistics in Innse Gall are better than the Highlands and Islands average.
- Youth unemployment levels are marginally higher in Innse Gall than the Highlands and Islands as a whole. The Innse Gall 16-29 year old JSA claimant count rate was 3.8 per cent in 2013, compared to 3.6 per cent across the Highlands and Islands.
- The Innse Gall 16-24 year old DWP benefits claimant rate (11 per cent) was also above the Highlands and Islands rate (10 per cent).

Lochaber, Skye and Wester Ross

- In 2011, 5,493 young people aged 15-29 years old were living in Lochaber, Skye and Wester Ross. This represented a small increase of 2 per cent from 2001, and made up 1 per cent of the 15-29 year old population increase across the Highlands and Islands.
- Lochaber, Skye and Wester Ross has a relatively small 15-29 year old population. Young people in this age range constituted just 14 per cent of its total population in 2011.
- Across the Highland Council area (due to data availability):
 - Between 2010 and 2012, there was net out-migration of 194 young people aged 15-29 years old from Highland Council area. However, the number was even greater amongst 17-20 year olds with 585 net out-migrants.
 - Looking forward, 2012-based population projections indicate that the number of 16-29 year olds living in the Highland Council area will decrease by 13 per cent between 2012 and 2037.
 - School attainment and destinations statistics in the Highland Council area are lower than the Highlands and Islands average.

- For Lochaber, Skye and Wester Ross, youth unemployment levels are lower than the Highlands and Islands as a whole. The Lochaber, Skye and Wester Ross 16-29 year old JSA claimant count rate was 3.2 per cent in 2013, compared to 3.6 per cent across the Highlands and Islands.
- The Lochaber, Skye and Wester Ross 16-24 year old DWP benefits claimant rate (7 per cent) was also below the Highlands and Islands rate (10 per cent).

Moray

- In 2011, 16,254 young people aged 15-29 years old were living in Moray. This represented a substantial increase of 9 per cent from 2001, and made up 20 per cent of the 15-29 year old population increase across the Highlands and Islands.
- 15-29 year olds make up 17 per cent of the Moray population, which is a marginally larger proportion than the Highlands and Islands as a whole (16 per cent).
- Between 2010 and 2012, there was net out-migration of 195 young people aged 15-29 years old from Moray. However, the number was even greater amongst 17-20 year olds with 248 net out-migrants.
- Looking forward, 2012-based population projections indicate that the number of 16-29 year olds living in Moray will decrease by 15 per cent between 2012 and 2037.
- School attainment and destinations statistics in Moray are broadly in line with the Highlands and Islands average.
- Youth unemployment levels are marginally lower in Moray than the Highlands and Islands as a whole. The Moray 16-29 year old JSA claimant count rate was 3.5 per cent in 2013, compared to 3.6 per cent across the Highlands and Islands.
- The Moray 16-24 year old DWP benefits claimant rate (10 per cent) was the same as the Highlands and Islands rate.

Orkney

- In 2011, 3,487 young people aged 15-29 years old were living in Orkney. This represented a substantial increase of 20 per cent from 2001, and made up 9 per cent of the 15-29 year old population increase across the Highlands and Islands.
- 15-29 year olds make up 16 per cent of the Orkney population, which is the same proportion as the Highlands and Islands as a whole.
- Between 2010 and 2012, there was minimal net out-migration of 6 young people aged 15-29 years old from Orkney. However, the number was more significant amongst 17-20 year olds with 66 net out-migrants.

- Looking forward, 2012-based population projections indicate that the number of 16-29 year olds living in Orkney will decrease by 19 per cent between 2012 and 2037.
- School attainment statistics in Orkney are better than the Highlands and Islands average, and similar proportions of school leavers enter a positive destination.
- Youth unemployment levels are significantly lower in Orkney than the Highlands and Islands as a whole. The Orkney 16-29 year old JSA claimant count rate was 2.2 per cent in 2013, compared to 3.6 per cent across the Highlands and Islands.
- The Orkney 16-24 year old DWP benefits claimant rate (8 per cent) was also below the Highlands and Islands rate (10 per cent).

Shetland

- In 2011, 3,999 young people aged 15-29 years old were living in Shetland. This represented an increase of 4 per cent from 2001 and made up 2 per cent of the 15-29 year old population increase across the Highlands and Islands.
- 15-29 year olds make up 17 per cent of the Shetland population, which is a marginally larger proportion than the Highlands and Islands as a whole (16 per cent).
- Between 2010 and 2012, there was net out-migration of 34 young people aged 15-29 years old from Shetland. However, the number was even greater amongst 17-20 year olds with 77 net out-migrants.
- Looking forward, 2012-based population projections indicate that the number of 16-29 year olds living in Shetland will decrease by 17 per cent between 2012 and 2037.
- School attainment statistics in Shetland are better than the Highlands and Islands average, and the same proportion of school leavers enter a positive destination.
- Youth unemployment levels are significantly lower in Shetland than the Highlands and Islands as a whole. The Shetland 16-29 year old JSA claimant count rate was 1.7 per cent in 2013, compared to 3.6 per cent across the Highlands and Islands.
- The Shetland 16-24 year old DWP benefits claimant rate (8 per cent) was also below the Highlands and Islands rate (10 per cent).

FIGURE 17: SUMMARY SUB-REGIONAL TABLE

	ARGYLL AND THE ISLANDS	CAITHNESS AND SUTHERLAND	INNER MORAY FIRTH	LOCHABER, SKYE AND WESTER ROSS	MORAY	INNSE GALL	ORKNEY	SHETLAND	HIGHLANDS AND ISLANDS
POPULATION									
Total 15-29 year old population, 2011	9,795	6,197	25,968	5,493	16,254	4,072	3,487	3,999	75,265
% of Highlands and Islands 15-29 year old population, 2011	13%	8%	35%	7%	22%	5%	5%	5%	100%
15-29 year olds as % of total population, 2011	14%	16%	17%	14%	17%	15%	16%	17%	16%
% change in 15-29 year old population, 2001-2011	+3%	+7%	+17%	+2%	+9%	+1%	+20%	+4%	+10%
MIGRATION									
15-29 year old net migration, 2010-2012	-200	-194	-195	-97	-6	-34	-726		
17-20 year old net migration, 2010-2012	-240	-585	-248	-97	-66	-77	-1,313		
Total net migration, 2010-2012	+116	+680	+46	+68	+122	+46	+1,078		
POPULATION PROJECTIONS									
% change in 16-29 year old population, 2012-2037	-25%	-13%	-15%	-38%	-19%	-17%	-17%		
% change in total population, 2012-2037	-14%	+5%	-2%	-11%	+6%	+8%	-1%		
EDUCATION AND QUALIFICATIONS									
% of S4 pupils achieving 5 awards at SCQF Level 4, 2011/12	83%	81%	84%	86%	87%	87%	83%		
% of school leavers entering a positive destination, 2012/13	93%	93%	94%	96%	93%	94%	94%		
More Choices More Chances group as % of 16-19 year olds, 2011	8%	9%	9%	6%	NA	6%	8%		
UNEMPLOYMENT									
16-29 year old JSA claimants, 2013	471	282	753	162	489	127	64	60	2,408
% of Highlands and Islands 16-29 year old JSA claimants, 2013	20%	12%	31%	7%	20%	5%	3%	2%	100%
16-29 year old JSA claimant count rate, 2013	4.8%	5.4%	3.4%	3.2%	3.5%	3.8%	2.2%	1.7%	3.6%
OUT OF WORK BENEFITS									
16-24 year old DWP benefits claimants, Aug 2013	635	475	1,565	245	930	240	160	190	4,440
% of Highlands and Islands 16-24 year old DWP benefits claimants, Aug 2013	14%	11%	35%	6%	21%	5%	4%	4%	100%
16-24 year old DWP benefits claimant rate, Aug 2013	9.4%	13.3%	10.8%	7.4%	9.7%	10.6%	8.1%	8.2%	10.0%

Note: Highland Council data has been presented for Caithness and Sutherland, Inner Moray Firth, and Lochaber, Skye and Wester Ross for the migration, population projections, and education and qualifications indicators.

CONCLUSIONS

The report's analysis shows that the number of young people in the Highlands and Islands has been increasing but still remains small relative to total population size. This 'deficit' of young people is most apparent in Argyll and the Islands, Lochaber, Skye and Wester Ross, and the Highlands and Islands Fragile Areas as a whole. A significant contributory factor behind the 'deficit' of young people is the net out-migration of 17-20 year olds, many of whom leave for university. However, the loss of 17-20 year olds does appear to be temporary with people returning to the Highlands and Islands in their 20s and 30s.

In terms of the skills and aspirations of young people in the Highlands and Islands, school educational attainment and positive school destination figures are higher than the Scotland average – albeit the gaps are closing and the types of school destinations entered differ with more entering employment in the Highlands and Islands. For the 15-29 year old age group as a whole, however, the Highlands and Islands has fewer people with graduate-level qualifications and this reflects the 'brain drain' of young people moving away for university.

The labour market statistics show that young people living in the Highlands and Islands have higher economic activity and employment rates, and lower unemployment and worklessness rates, than Scotland as a whole. However, the pattern is not the same across the Highlands and Islands with youth unemployment higher in Caithness and Sutherland and Argyll and the Islands.

For 16-24 year olds who are in work, the main industries of employment for young people in the Highlands and Islands are retail and hospitality and public sector services, which are no different from Scotland's young people as a whole. Nevertheless, the quality of the jobs held by young people remains a concern as many of the jobs will be lower-skilled, lower paid and with limited progression opportunities.

FURTHER INFORMATION

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