THE RISE OF GENERATION NEVER IN THE UK

A survey of young, working adults sheds light on how concern over career growth and lack of learning opportunities will impact the life goals of a whole generation
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Foreword

I am lucky to have grown up at a time when most young people could expect to be on their way to a fulfilling career, a marriage, a family, and a home of their own by the age of 35. But today, many young people in the UK and around the world feel that their current skills and career paths don’t position them to reach these milestones.

Coursera’s vision is to help people transform their lives through access to the world’s best education. To achieve that vision, we need to understand when and why people feel limited in their ability to reach their goals. That’s why we commissioned new research into the challenges that employed young professionals face in the UK today.

Our findings are at once troubling and promising. The UK’s young adults – often referred to as ‘millennials’ or ‘Generation Y’ – are in many ways frustrated and drifting, at risk of becoming a lost ‘Generation Never’. They have faced huge economic challenges, including coming of age in the midst of a financial crisis, a highly competitive job market, and a housing market suffering from runaway price inflation. And they continue to face rapid shifts in technology, which threaten to render once cutting-edge skills obsolete in a matter of only a few years.

Despite these challenges, however, these young adults remain engaged and motivated. They are eager to take steps to improve their prospects, if the correct tools – such as career-relevant skills training – are placed within their reach. We hope this new research will provide actionable insights for businesses and education providers to better equip today’s young professionals to achieve their life and career goals.

Rick Levin
CEO, Coursera
Introduction

As studies on millennials have shown1, major events such as wars, economic downturns, and scientific or technological breakthroughs tend to have a particularly deep impact on young adults who are still building the foundations of their lives and careers.

Almost two-thirds of Coursera’s 22 million global learners fall into the young adult age group (between the ages of 22 and 35). To better understand the challenges faced by this generation, Coursera surveyed over 1,000 employed young adults in the UK. Survey respondents were asked a variety of questions about their current perspectives on life and career goals.

The survey results point to the emergence of a ‘Generation Never’ – a phenomenon in the UK of young adults feeling disenfranchised. Only half (57%) of survey respondents felt that their current career enabled them to achieve important life goals, such as owning a home, purchasing a new car, or starting a family. When asked about their prospects for career advancement, four in ten (41%) said that they felt a lack of skills training was holding them back.

However, the results also suggest that this generation is enthusiastic and motivated to develop their skills, and that there is an opportunity for educators and employers to help by improving skills training in the modern workplace. Almost all survey respondents (96%) said that they would consider taking a professional skills course if they felt that doing so would advance their career. Many were concerned, however, about the time and money required to learn new skills, and said that they would need their employer’s support to take advantage of training options.

Research methodology
Coursera commissioned Arlington Research to survey 1,016 adults, aged 22–35, in 2016. 66% of those surveyed were female, and 34% were male. All respondents were employed in the United Kingdom.
2 What characterises Generation Never?

Generation Never is comprised of young professional adults, between 22 and 35 years of age. This generation is distinct from previous generations at this age in that:

• Few are married – only 5% of men and 10% of women aged 25, compared to 60% and 80%, respectively, in 1970²

• Most do not own a home – it is estimated that by 2025, more than half of those under 40 will be living in properties owned by private landlords³

• Most expect to change careers several times during their working life – 91% expect to stay in a job for less than three years⁴

Members of this generation need to upskill constantly just to maintain their career positions in a rapidly-changing economy. Even if their skills stay relevant, they’re facing one of the most competitive job markets – and some of the highest housing prices – in history.

What Generation Never does share with previous generations is a desire to learn and improve their circumstances. Today’s young professionals have what it takes to build successful lives and careers for themselves, but given their current outlook and circumstances, they may need more support than generations past.

Feeling stuck in Generation Never

CASE STUDY: RACHAEL HUGHES

Rachael Hughes, 28, studied Biology at Leeds University, completed a PGCE at Goldsmiths University, London, and went on to become a secondary school teacher. After six years as a teacher, Rachael found that her job wasn’t allowing her to achieve her life goal of owning her own home, so she quit teaching to pursue a new career. She hoped to find an office job in her hometown of Newcastle, and to earn enough to save for her future.

However, changing career paths wasn’t as easy as Rachael had hoped. She ended up with a temporary supply teaching job just to make ends meet. After a year of searching in Newcastle, she decided to move back to London.

Now, at the age of 28, Rachael is renting in London with no plans to save for a mortgage. She worries constantly about her future. She has found a new job at a tech company, but she’s had to start from scratch, learning new skills in an entirely new field in order to progress in her career. Although the new job feels like a big step, she’s not measurably closer to achieving her key life goals.

“I didn’t expect finding a job to be so challenging. I’ve got a lot of experience under my belt, but I’m now in a position where I am starting at the bottom of the career ladder again. I hope to work my way up the ladder quickly, but my original hopes for buying a house are definitely now not in the near future.”
3 Fears for the future

Only half (57%) of those surveyed feel their current career enables them to achieve important life goals

Our study found that many young people feel ill-prepared to achieve milestones traditionally associated with becoming an adult. Specifically, among those surveyed:

- 22% feel they are not financially able to move out of the family home
- 37% feel they can’t afford a wedding
- 31% say they can’t afford to pay into a pension, and 36% aren’t able to pay off debts such as student loans
- 50% don’t feel on track to purchase a new car

What is holding this age group back from achieving their goals for financial stability? According to our survey results, the barriers are primarily related to opportunities for career progression:

- 43% of those surveyed don’t feel satisfied that their current career enables them to achieve goals like owning a new car or paying off debt
- 41% feel that a lack of training is holding them back in their career, while 30% pointed to a lack of skills

Do you feel ill-prepared financially to achieve the following traditional ‘life goals’?

<table>
<thead>
<tr>
<th>Life Goal</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own a brand new car</td>
<td>50%</td>
</tr>
<tr>
<td>Go on regular foreign holidays</td>
<td>46%</td>
</tr>
<tr>
<td>Be ready to start and support a family</td>
<td>38%</td>
</tr>
<tr>
<td>Afford a wedding</td>
<td>37%</td>
</tr>
<tr>
<td>Pay off debts such as student loans</td>
<td>36%</td>
</tr>
<tr>
<td>Be financially independent</td>
<td>34%</td>
</tr>
<tr>
<td>Progress your career and reach your full potential</td>
<td>32%</td>
</tr>
<tr>
<td>Afford to pay into a pension</td>
<td>31%</td>
</tr>
<tr>
<td>Afford to pay for a masters degree</td>
<td>28%</td>
</tr>
<tr>
<td>Live independently</td>
<td>26%</td>
</tr>
<tr>
<td>Move out of the family home</td>
<td>22%</td>
</tr>
</tbody>
</table>
4 Changing work requirements

Over a third (39%) feel that their skills are becoming less relevant or outdated in their current career

The world of work is undergoing significant changes, driven by scientific and technological advances. According to our research, young professionals are concerned about keeping up; in particular:

• 39% of those surveyed – some of whom completed their university degrees as recently as a few years ago – felt that their skills were becoming less relevant or outdated in their current career

• 26% said that they were already concerned about competing with a younger, better-equipped generation following in their wake

When asked about the specific skills that they feel they lack, nearly half (41%) of respondents said that they needed to build leadership skills, and a similar number (42%) were concerned about people management skills. Surprisingly for a generation growing up in the online world, a third (32%) think they need to improve their digital skills, 23% mentioned data analysis skills, and a fifth (18%) believe they lack programming skills.

What skills do you feel you need to build on in order to keep up with the changing work environment?

- Leadership: 42%
- People management: 42%
- Digital skills: 32%
- Project management: 30%
- Communication: 25%
- Data analysis: 23%
- Team work and collaboration: 19%
- Programming: 18%
- IT security: 17%
- Other: 13%
- Writing: 12%

32% feel they lack digital skills
5 Perceived barriers are holding Generation Never back

96% would consider taking a course to broaden their skillset if they felt it would advance their career...

...but they are held back by the perception that upskilling is too costly (28%) and time-consuming (24%)

96% would consider taking a course to broaden their skillset.

What barriers do you feel are preventing you from taking such a course?

- Can’t afford course fees: 28%
- No spare time: 24%
- Can’t leave job to study: 17%
- Inadequate training offered by current employer: 10%
- Unsure what course to take to get the skills I need: 10%
- Not nearby a reputable institution: 8%
- Unsure what educational establishments are able to meet requirements: 3%

Positively, an overwhelming majority of survey respondents (96%) said that they would consider taking a course to broaden their skillset if they felt it would advance their career. However, many feel that upskilling is beyond their budget; cost is cited as the biggest barrier to enrolling in a course by almost a third (28%) of respondents. And given that many professional courses do require a considerable financial investment, it’s easy to see why – in the UK, an on-site course in coding can set a person back £8,000³, and a MBA from a university can cost as much as £73,000⁴.

The second biggest barrier to taking a course is time. A quarter (24%) of those surveyed cited time as their primary concern, and most rigorous professional training programs do require a significant time commitment – an MBA² generally takes 12 months to complete full time, and even IT skills courses tend to take 10–12 weeks⁵. However, the total time requirement may be less of an issue than the fact that the rigid structure of traditional programs – most of which require students to attend scheduled, in-person classes – makes learning while holding a job or caring for a family extremely challenging or impossible.

52% respondents said that either the cost or the time commitment was preventing them from taking such a course.
The perception that upskilling involves an unrealistic investment of time and money may be what’s holding many young people back. With only 14% of young professionals strongly agreeing that they are satisfied with the training and learning opportunities offered by their employer, time and cost barriers mean that for many, months or years can go by with no appreciable skills growth.

14%

Only 14% feel wholly satisfied with the training options currently offered in their workplace, and over a quarter (26%) said they receive no training at all.
6 Tips for employers and employees

What do these results mean for employers in the modern workplace?

TIPS FOR EMPLOYERS

• **Invest in learning and development at your company.** Talented young adults value learning and development programmes very highly – in our study, over two-thirds (69%) of respondents said that development opportunities provided by an employer would be one of their top three factors to consider when looking for a new job.

• **Understand and invest in your employees’ long-term goals.** Doing this will help you retain young professionals who might otherwise be inclined to job-hop after a few years.

• **Create clear pathways for learning and advancement.** Make it clear that continued learning is expected, and that skills growth will be recognised and rewarded.

TIPS FOR EMPLOYEES

• **Control your future by taking control of your career.** It’s estimated that 65% of tomorrow’s jobs don’t exist today. So it’s never too late (or too early) to rethink your career path. If your career isn’t working for you now, change it for the future.

• **Talk to your employer about your development path.** Work with your employer to ensure there is a clear growth strategy for where you work. Set the expectation that you are willing to learn new skills in order to advance.

• **Don’t wait for your employer to deliver training to you.** Take advantage of the increasing number of flexible, low-cost education resources – such as online courses – to develop your career skills without investing the time or cost required by a full university degree programme.

69% of respondents said that development opportunities provided by an employer would be one of their top three factors when looking for a job.
Escaping from Generation Never

CASE STUDY: SAM MORROW

Sam Morrow, 29, from Cambridge, thought he’d found his dream job when he signed a contract to travel the world as a drummer. After a few years, however, he realised that his drummer’s salary wasn’t going to enable him to achieve his other life goals. With help from Coursera, Sam improved his digital skills and became a web application developer.

Sam’s journey began when he learned that many of his fellow musicians were looking for help creating professional websites. Hoping that he could develop new technical skills while also staying close to the entertainment industry, he enrolled in Stanford University’s Startup Engineering course on Coursera.

At first, Sam wasn’t even sure if he’d be able to finish the assignments. He’d struggled in a traditional classroom, and had never felt challenged in a way that motivated him to learn. But on Coursera, with the freedom to pursue his own interests at his own pace, he quickly developed a passion for coding. The flexibility of the online courses also allowed him to learn in the free time he already had while on tour with his band.

After adding his new skills to his resume, he applied for a job at the BBC, where his industry-specific knowledge impressed interviewers. He accepted an offer to work with the company as a developer, and he’s since then moved to a startup, where he builds major web applications and has more than doubled his salary.
Many young people in the UK today feel stuck in their lives and careers. A significant percentage are not in a financial position to start a family, own a home, or even purchase a new car – milestones that many previous generations took for granted.

Our research suggests that for most members of this ‘Generation Never’, financial uncertainty is tied to the inability to progress down a stable career path. Even as these young professionals enter the job market for the first time, the rapid pace of technological change is already threatening to render their hard-earned skills obsolete. Many flit between jobs and industries, following each new trend or opportunity as it arises, and sacrificing progress toward their larger life goals as they re-boot their careers over and over again.

Despite these challenges, this generation has remained eager to learn. They are drawn to growth and development, and are more than willing to grapple with new knowledge and skills if the effort will pay off in progress toward their life and career goals. There is therefore a tremendous opportunity for employers to actively support younger employees in building the skills they need to succeed. In doing so, employers will also be able to develop loyal, adaptable workforces that can produce consistent business value even in the face of rapid technological change.

Furthermore, professional development programmes are rapidly becoming less costly, both in terms of time and money, for employers and employees. Online courses, now offered by a range of providers on almost every conceivable topic, provide a flexible, accessible, and affordable way for employees to build new skills – without taking time off work to pursue an advanced degree.

In short, although the challenges facing young professionals in the UK today are indeed great, the opportunities are still greater. With thoughtful investment from both companies and individuals, there is still time for ‘Generation Never’ to become ‘Generation Now’.

Notes
1. Pew Research Center, Generations Online (Jan, 2009)
2. The Telegraph, Will Generation Y ever tie the knot? (July, 2014)
3. PWC, UK housing market outlook: the continuing rise of Generation Rent (July, 2015)
5. TechWorld, Google Code-in, Codecademy, Decoded (July, 2016)
6. The Complete University Guide, MBA (October, 2016)
7. The Complete University Guide, MBA (October, 2016)
8. TechWorld, Google Code-in, Codecademy, Decoded (July, 2016)