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# The NEETEST youth: Not in employment, education or training, excluding short transitions



by Marc Frenette and Tomasz Handler

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# ***The NEETEST youth: Not in employment, education or training, excluding short transitions***

by Marc Frenette  and Tomasz Handler

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Recent evidence has pointed to a weakening (i.e., “slackening”) of the youth labour market, or indications that there are increasingly more young job seekers than there are jobs available for youth. Indeed, the September 2025 unemployment rate for youth (those aged 15 to 24 years) was 14.6%— the highest rate since September 2010 (excluding the COVID-19 pandemic years of 2020 and 2021).<sup>1</sup> This reignites longstanding concerns associated with unproductive youth,<sup>2</sup> who may be at risk for economic and social difficulties. On a broader scale, this situation may have long-term ramifications for the economy and society.

A standard way of identifying at-risk youth is through the concept of “not in employment, education or training” (NEET).<sup>3</sup> This measure is informative because it estimates the stock of at-risk youth over specified periods (often short), which could be closely correlated with time-varying determinants such as economic conditions. However, NEET is measured at a snapshot date<sup>4</sup> (generally with the Labour Force Survey), which could capture short-term transitions between jobs or schooling (i.e., normal frictions in the labour market). Moreover, with few exceptions, youth who provide care for their own children or others are classified as NEET.<sup>5</sup> Yet caregiving is often a form of paid employment, so it is clearly a form of productive activity. As such, caregiving (even if unpaid) could arguably be excluded from any measure of being potentially at risk for economic and social difficulties.<sup>6</sup>

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1. See <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028701>. Note that youth unemployment stood at 14.1% in February 2026.
  2. In this article, the term “unproductive” refers to not being involved in activities that are useful for the economy or society, such as being employed, being in school, providing care (even if not for pay) or being civically engaged.
  3. See <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710019601> for NEET trends.
  4. Average rates over several snapshot dates are produced, rather than following individuals over time. See Statistics Canada (2025) for more details.
  5. In the Labour Force Survey, people on parental leave would not be included in the NEET indicator (because they would be employed, but on leave).
  6. Youth can also be productive by being civically engaged through volunteering, political activities, activism, etc. Such dimensions of productive life are not considered here because of data limitations.

This short article proposes a narrower alternative to NEET that addresses both concerns. Youth are considered not in employment, education or training, excluding short transitions (NEETEST), if they were NEET (excluding unpaid caregiving) for a period of one full year.<sup>7</sup> To do so, the article leverages the T1 Family File (T1FF), the Longitudinal Worker File (a combination of T1 files, T4 files, Record of Employment files and the Longitudinal Employment Analysis Program) and the Postsecondary Student Information System (PSIS).<sup>8</sup> Specifically, youth are NEETEST if, during a full calendar year, they did not work (i.e., they did not claim T4 wages and salaries, gross self-employment income, or other employment income on their T1 tax form and they did not receive a T4 slip from their employer), they were not at school (i.e., they did not claim tuition credits on their T1 tax form, did not appear in the PSIS data as enrollees and did not have a job separation to return to school based on their Record of Employment) and they did not provide care for others (i.e., they did not claim the Canada caregiver credit<sup>9</sup> on their T1 tax form; were not on maternity or parental leave;<sup>10</sup> and did not have a job separation for pregnancy, parental leave or compassionate care based on their Record of Employment). The article focuses on youth aged 20 to 29 because younger individuals may be in high school, given compulsory school laws, or taking a gap year after high school by choice. The analysis is also limited to individuals living in the provinces because the Labour Force Survey does not provide complete coverage in the territories.

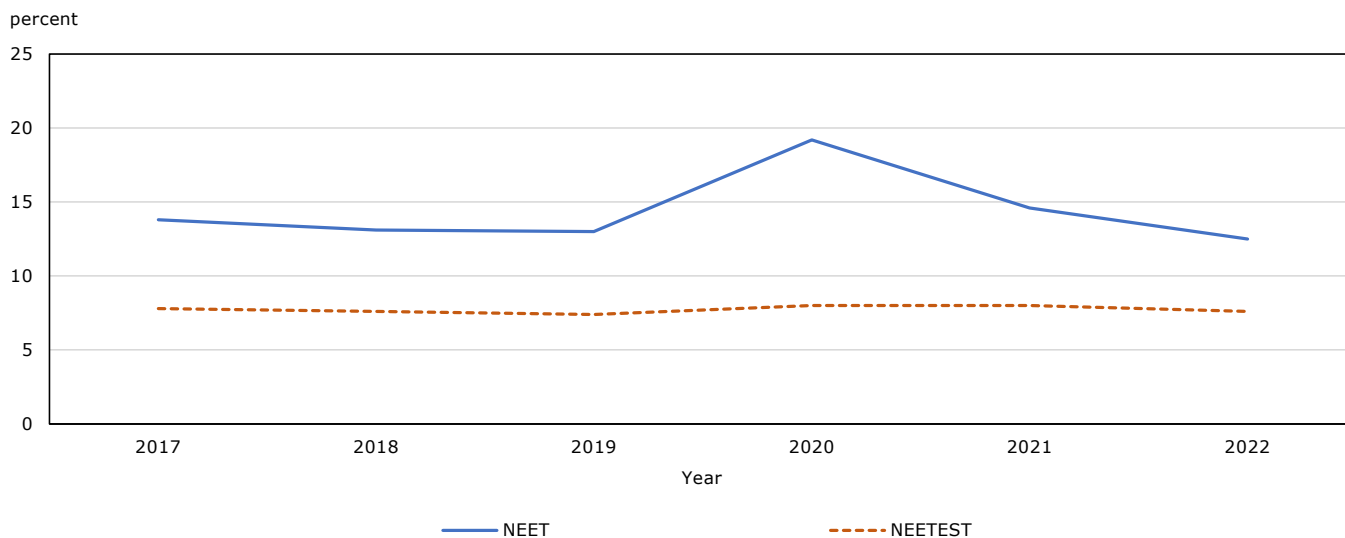
The analysis consists of two parts. First, the annual NEET and NEETEST rates are shown for all available years (2017 to 2022). This is followed by a basic profile of NEET and NEETEST youth in 2022, based on various socioeconomic characteristics that can be measured with the 2021 Census of Population: gender, age, highest level of educational attainment,<sup>11</sup> province of residence and community size (census metropolitan area [CMA], census agglomeration [CA], or not a CMA or CA).<sup>12</sup>

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7. See Contini et al. (2019) for an analysis of the persistence of the NEET state, and Bourbeau and Pelletier (2019) for an analysis of the main activities of NEET youth in the previous 12 months (including childcare).
  8. The PSIS captures formal school activities of registered apprentices. Moreover, registered apprentices are primarily involved in work activities rather than schooling, such that tax data would also include them.
  9. The Canada caregiver credit has been available since 2017. It is a non-refundable credit, so if no taxes are owing, there is no benefit to claiming the credit (and it cannot be transferred to a spouse who has taxes owing). However, having a job is not the only reason to have taxes owing. For example, people can collect employment insurance or draw investment income—both of which are taxable forms of income and do not require employment.
  10. Maternity or parental leave is not directly measured in the data, but it is assigned in this article if individuals claimed employment insurance (EI) benefits related to sickness, injury, pregnancy, birth or the adoption of a child on their T1 tax form and have a child under the age of 1 (to increase the chances that the EI benefits were related to pregnancy, birth or the adoption of a child, as opposed to a sickness or injury).
  11. The highest level of educational attainment was based on the 2021 Census of Population, as well as 2021 and 2022 graduation data in the PSIS.
  12. The same samples are used in both analyses. For the NEETEST measure, all individuals had to appear in the T1FF, which generally covers more than 95% of the population. The T1FF population consists of tax filers (including employed individuals and people who were not employed but still filed taxes, e.g., to report employment insurance benefits or to claim a credit), non-filing spouses and non-filing children (identified from the Canada child benefit file, birth files and a historical children file). Some individuals in the T1FF do not have a Social Insurance Number (SIN), which is required to link to other datasets. In the final sample, these individuals were excluded. Nevertheless, the overall NEETEST rates (based on employment, education and caregiving information in the T1FF) were virtually unchanged when individuals with no SIN were included in the sample (results available upon request).

## About 7% to 8% of youth in their 20s were NEETEST: They did not work, attend school or provide care for others throughout a given year

Chart 1 compares the percentage of youth aged 20 to 29 who were NEET or NEETEST, from 2017 to 2022. Generally, almost twice as many youth were considered NEET, compared with NEETEST. This is not surprising because NEET is a snapshot measure, while NEETEST is an annual measure. Moreover, the NEETEST measure excludes individuals who provide care for others.

**Chart 1**  
**Percentage of youth aged 20 to 29 who are NEET or NEETEST**



**Notes:** NEET = not in employment, education or training; NEETEST = not in employment, education or training, excluding short transitions.

**Sources:** Statistics Canada, Labour Force Survey (NEET) and T1 Family File, Longitudinal Worker File, Postsecondary Student Information System, and 2021 Census of Population (NEETEST).

Over the period of study, the NEET rate was usually 13% to 14%. The exception was during the COVID-19 pandemic, when several retail stores and restaurants (where many youth were employed) had to close or limit their operations for safety measures. The NEET rate jumped from 13.0% in 2019 to 19.2% in 2020 and remained relatively high in 2021 (14.6%).

By contrast, the NEETEST rate was more stable over the period, ranging from 7% to 8% throughout. The NEETEST rate rose slightly during the pandemic, from 7.4% in 2019 to 8.0% in 2020 and 2021. The relative stability of the NEETEST measure over time may not be entirely surprising, given its annual—rather than monthly—approach to measurement. The fact that the lockdowns related to the pandemic began around mid-March 2020 meant that youth could work as usual in the first two and a half months of 2020, and by 2021, many lockdown measures had eased.

## Compared with NEET youth, NEETEST youth were relatively more concentrated among women, older youth, individuals with no postsecondary education, youth from Manitoba and Saskatchewan, and youth outside census metropolitan areas and census agglomerations

How different are NEETEST youth from NEET youth? Table 1 paints a basic socioeconomic profile of both groups of youth in 2022.

**Table 1**  
**Percentage of youth aged 20 to 29 who are not in employment, education or training, including or excluding short transitions, by socioeconomic characteristics, 2022**

	NEET	NEETEST
Overall	12.5	7.6
<b>Gender</b>		
Men	12.5	6.7
Women	12.4	8.5
<b>Age</b>		
20 to 24	12.6	6.5
25 to 29	12.4	8.6
<b>Highest level of educational attainment</b>		
No high school diploma	35.4	28.6
High school diploma	15.7	7.6
Trades certificate or diploma	10.1	3.7
College or CEGEP certificate or diploma	9.6	3.2
University certificate or diploma below a bachelor's degree	11.2	3.2
Bachelor's degree	9.1	2.6
University certificate, diploma or degree above a bachelor's degree	7.7	2.4
<b>Province of residence</b>		
Newfoundland and Labrador	17.3	8.7
Prince Edward Island	12.4	4.7
Nova Scotia	13.1	7.4
New Brunswick	16.2	7.9
Quebec	9.7	5.6
Ontario	13.4	7.7
Manitoba	12.9	12.5
Saskatchewan	12.6	13.2
Alberta	13.3	8.9
British Columbia	11.8	6.6
<b>Community size</b>		
Census metropolitan area	11.9	6.8
Census agglomeration	13.8	8.4
Not a census metropolitan area or census agglomeration	15.0	12.4

**Notes:** NEET = not in employment, education or training; NEETEST = not in employment, education or training, excluding short transitions.

**Sources:** Statistics Canada, Labour Force Survey (NEET), and T1 Family File, Longitudinal Worker File, Postsecondary Student Information System, and 2021 Census of Population (NEETEST).

While 8.5% of young women aged 20 to 29 were NEETEST in 2022, 6.7% of their male counterparts were NEETEST that year. By contrast, the NEET rates were almost the same for men (12.5%) and women (12.4%), even though the definition of NEET includes individuals providing caregiving (which is more common among women), while the opposite is true for the NEETEST definition.

The pattern by age group was similar. NEET rates were more or less the same for those aged 20 to 24 (12.6%) and 25 to 29 (12.4%). However, the NEETEST rate was higher for the older group (8.6%) than for the younger one (6.5%).

NEETEST youth were also relatively more concentrated among individuals with lower levels of educational attainment, especially those with no postsecondary credentials. For example, 15.7% of high school graduates (with no further completed education) were NEET, compared with 9.1% of bachelor's degree graduates (resulting in a ratio of 1.7:1). By contrast, 7.6% of high school graduates were NEETEST, compared with 2.6% of bachelor's degree graduates (resulting in a ratio of 2.9:1).

Geographically, Quebec registered the lowest NEET rate (9.7%), while the highest rates could be found in Newfoundland and Labrador (17.3%) and New Brunswick (16.2%). All other provinces registered NEET rates from 11.8% to 13.4%. Based on the NEETEST rate, Quebec ranked second lowest, at 5.6%, behind Prince Edward Island (4.7%). Most other provinces posted substantially lower NEETEST rates compared with their respective NEET rates, except for Manitoba (12.5%) and Saskatchewan (13.2%)—both similar to their respective NEET rates.

Finally, NEET and NEETEST rates varied considerably by community size. While 11.9% of youth in CMAs were NEET, 15.0% of youth outside CMAs or CAs were in the same situation (resulting in a ratio of 1.3:1). By contrast, 6.8% of youth in CMAs were NEETEST, compared with 12.4% of youth outside CMAs or CAs in the same situation (resulting in a ratio of 1.8:1).

## **Discussion**

This article compared two complementary approaches to quantifying youth potentially at risk for economic and social difficulties. Overall, almost twice as many youth were considered NEET, compared with NEETEST, over most of the period of study (2017 to 2022). Moreover, the NEET rate was more sensitive to large economic fluctuations; this is not surprising given that it is measured at a point in time rather than over a full year (as with the NEETEST measure). Youth who were NEETEST were relatively more concentrated among women, older youth, individuals with no postsecondary education, youth from Manitoba and Saskatchewan, and youth outside CMAs and CAs.

These differences in the characteristics of NEET and NEETEST youth, particularly by province of residence and community size, may be because of differences in other characteristics, economic factors, education or caregiving opportunities, etc. A useful avenue for future research would be to further investigate these differences based on a broader set of factors within a multivariate framework.

## **Authors**

Marc Frenette and Tomasz Handler are with the Economic and Social Analysis and Modelling Division, Analytical Studies and Modelling Branch, at Statistics Canada.

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