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by Marc Frenette and Tomasz Handler

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Research article

Experiencing NEETEST (not in employment, education or training, excluding short transitions): Determinants and long-term educational and labour market implications

by Marc Frenette and Tomasz Handler

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Abstract

Background: Following the development of the not in employment, education or training, excluding short transitions (NEETEST) indicator (Frenette and Handler 2026), this study examines the socioeconomic determinants of NEETEST, as well as its long-term educational and labour market implications.

Data and methods: Youth aged 20 to 29 years are classified as NEETEST or not in 2017 and are followed for five years thereafter (until 2022) to track their postsecondary enrolment, employment, self-employment and total earnings. Various linked files are used throughout the study, including the T1 Family File; the Longitudinal Worker File; the Postsecondary Student Information System; the 2016 Census of Population; and, for a subsample, the British Columbia kindergarten-to-Grade-12 data. Individuals living on reserve are excluded from the final sample because of lower representation in tax data.

Results: Based on a multivariate framework, this study identified several factors that were positively linked to youth experiencing NEETEST: being in their late 20s (compared with their early 20s) for young women, having no high school diploma, being raised in a family with parental income in the bottom quintile, being a refugee or a sponsored or other non-economic immigrant (for young women), being an off-reserve First Nations person, and experiencing certain difficulties with activities of daily living or long-term conditions. Moreover, experiencing NEETEST in youth was associated with poorer educational and labour market outcomes years later.

Interpretation: Specific groups of youth face a higher risk of experiencing NEETEST, which may lead to poorer long-term educational and labour market outcomes compared with other youth. Although the study leverages a rich array of information on youth, it may lack information on personal circumstances that could materially influence the likelihood of experiencing NEETEST and its long-term implications.

Authors

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

What is already known on this subject?

- Many studies report on the share of youth not in employment, education or training (NEET).
- NEET is a useful indicator for youth who may be potentially at risk for economic and social difficulties.

What does this study add?

- This study develops a complementary measure to NEET that focuses on long-term NEET experiences, while acknowledging caregiving as a productive activity: the NEETEST measure (NEET, excluding short transitions).
- The study also explores the potential socioeconomic determinants of NEETEST, as well as its long-term educational and labour market implications.

Introduction

Background

Youth unemployment, or more broadly, disengagement, is a topic of considerable interest in labour economics and social sciences more generally. Young participants in the labour market are typically more vulnerable to economic fluctuations than older, more experienced workers. The consequences can be long lasting, since periods of inactivity early in one's career can lead to "scarring effects" (e.g., reduced earnings) later in life. Investing in human capital can mitigate these effects, while avoiding such investment can have the opposite effect. The implications of youth detachment from the labour market and the education system are not limited to the individual's own personal circumstances. Reduced long-term earnings trajectories may signal underutilization of potential skills in the labour market, which has implications for business performance, productivity and standards of living more broadly.

A widely used approach to classify youth disengagement is the NEET indicator. The NEET indicator identifies individuals—typically youth aged 15 to 29 years—who are not in employment, education or training. The NEET indicator has many advantages: it is simple to understand and to describe, it is internationally comparable since many international organizations have adopted it, and it captures a broad range of potentially marginalized youth with its dual focus on the labour market and educational activities.

Despite these qualities, the NEET indicator is not without its disadvantages. Two in particular were highlighted by Frenette and Handler (2026). First, as a snapshot (or point-in-time) measure, it may be susceptible to normal labour market or educational transitions faced by youth or individuals more broadly. Second, youth can be engaged in productive activities other than paid employment or education, such as unpaid caregiving or volunteering. To address these gaps, the authors designed a complementary indicator called NEETEST, or not in employment (including unpaid caregiving), education or training, excluding short transitions of less than a year.

The remainder of this article seeks to frame the NEETEST measure in the existing literature on NEET and describe the approach used in this article to operationalize the NEETEST measure. It will then apply

the measure to microdata with the goal of identifying key determinants of NEETEST, as well as the long-term outcomes associated with being NEETEST. Lastly, it will summarize the main findings and discuss possible avenues for future research.

Literature review

Recent data indicate that Canadian youth typically register near-average NEET rates for Organisation for Economic Co-operation and Development (OECD) countries.[1] Among 33 OECD countries (OECD-33)[2] in 2024, 15- to 29-year-old Canadian youth ranked 17th lowest in terms of their NEET rate (11.7%) and were slightly below the overall average of 12.8% across the countries.

Within the group of 15- to 29-year-olds, NEET rates generally increase with age, reflecting the fact that education participation declines with age. In 2024, 6.2% of 15- to 19-year-olds were NEET, compared with 13.0% of 20- to 24-year-olds and 15.0% of 25- to 29-year-olds. This trend was roughly in line with the OECD-33 trend across the age groups.

Youth NEET rates also vary by sex. Among 15- to 29-year-old Canadians in 2024, 12.4% of males were NEET, compared with 11.0% of females. This difference was even larger when measured against the OECD-33 benchmark. While the NEET rate for 15- to 29-year-old Canadian males was 1.3 percentage points above the rate for their OECD-33 counterparts (11.1%), the NEET rate for Canadian females in the same age group was 3.7 percentage points below the female OECD-33 rate for 15- to 29-year-olds (14.7%). Overall, Canadian male youth registered the 21st lowest NEET rate among the OECD-33, while their female counterparts ranked 10th lowest.

Thus, Canadian youth fared reasonably well against most of their OECD counterparts on the NEET scale in 2024. This was true across the age spectrum of youth, but Canadian female youth fared especially well.

Over time, Canadian youth NEET rates have been generally stable since 2000 based on data from the World Bank.[3] For the most part, the youth NEET rate has been between 12% and 14%, with the exception of 2020 (the height of the COVID-19 pandemic), when a rate of 17.9% was registered. Prior to 2000, the youth NEET rate in Canada was much higher, averaging around 16% in the 1990s, around 18% in the 1980s and almost 20% in the late 1970s, when the data series began.

Aside from age and sex, other economic and sociodemographic factors are associated with youth NEET rates in Canada. For example, Layton et al. (2025) looked at recent trends in NEET, finding that certain population groups (e.g., Chinese and especially Black youth) had higher NEET rates than other population groups.

Davidson and Arim (2019) took a deep dive into the correlates of youth NEET rates by leveraging sociodemographic and psychosocial indicators in the Canadian Community Health Survey (CCHS). They looked at three waves of the CCHS during the 2015-to-2017 period and focused on 18- to 29-year-old youth. They found that compared with non-NEET youth, NEET youth were more likely to have poorer self-reported physical and mental health and lower physical activity levels. NEET youth were also more likely to report mood and anxiety disorders and to have suicidal thoughts than their peers. Substance

1. See https://www.oecd.org/en/data/indicators/youth-not-in-employment-education-or-training-neet.html.
2. Data were available for only 33 of the 38 OECD countries in 2024 (data for Chile, Iceland, Japan, Korea and the United States were not available). In general, Canadian youth NEET rates are somewhat lower than those of their U.S. counterparts (see https://data-viewer.oecd.org/?chartId=aa728b72-75ef-4629-ab3c-40fcdd50a2d0 for Canada–U.S. comparisons of NEET rates for earlier years).
3. See https://data.worldbank.org/indicator/SL.UEM.NEET.ZS. Youth are defined as 15- to 24-year-olds in these data.

abuse was also an issue for NEET youth; they were more likely than other youth to be daily cigarette smokers, but equally likely to report illicit drug use in the past year and less likely to engage in binge drinking in the past year. Overall, NEET youth reported lower levels of life satisfaction compared with youth who were not NEET. All of these results held even after accounting for differences in gender, age and educational attainment.

Early factors appear to matter as well. Veldman et al. (2024) used a Dutch prospective cohort study with a 15-year follow-up to examine the NEET status of youth at ages 19, 22 and 26. They found that several factors measured at age 11 were positively associated with experiencing NEET status later in life. Low parental socioeconomic status, lower intelligence scores, negative life events and reported internalization of problems (i.e., anxious or depressed behaviour, somatic complaints, and withdrawn or depressed behaviour) were positively associated with experiencing NEET status later in life.

Youth NEET status has a strong regional dimension in Canada. Hango et al. (2021) used the Youth in Transition Survey Cohort A (born in 1984) to examine NEET status at ages 20 and 22. After accounting for differences in sociodemographic characteristics, parental socioeconomic factors, educational experiences and family structure, the authors found that northern youth were more likely to experience NEET than their southern counterparts, while the same held for rural youth, as compared with urban youth.

While many authors have attempted to identify factors associated with the risk of experiencing NEET, very few have considered its long-term consequences. An example is the work of Gutiérrez-García et al. (2017), which followed Mexican youth at two points in time: when they were aged 12 to 17, and again when they were aged 19 to 26. The study found that experiencing NEET in adolescence was correlated with several negative sociodemographic and mental health outcomes in early adulthood even after accounting for baseline disadvantages relative to peers who were not NEET in adolescence. The largest differences between NEET and non-NEET youth were the increased risks of later suicidal behaviours among the former.

Another example is the work of Caniglia (2024), which focused on the long-term association between NEET status among American youth aged 18 to 26 years and their depressive symptoms when they reach early midlife (aged 33 to 43 years). The positive associations persisted even after accounting for early life disadvantages of individuals who experienced NEET.

Neither the Gutiérrez-García et al. (2017) study nor the study by Caniglia (2024) addressed the long-term implications of NEET or its components. However, a study by Ballo et al. (2022) examined the relationship between early work experience and later NEET status. Using Norwegian register data covering the entire 1985 birth cohort, the authors followed the group from ages 16 to 29 years and found that early work experience (in the teen years) was related to a lower NEET risk for the overall group, but more so for young people with disabilities or who experience early school leaving.

Although the concept of NEET provides valuable information to policy makers on youth who may be potentially at risk for economic and social difficulties, it is not without its limitations. Frenette and Handler (2026) pointed to the fact that individuals entirely engaged in unpaid caregiving or volunteering would be classified as NEET. Such activities are arguably productive for society as a whole. Frenette and Handler also pointed to the short-term nature of NEET measurement. The standard approach in the Canadian literature focuses on Labour Force Survey (LFS) data that are based on a given reference week. Workers often go through transitory phases in their careers, experiencing alternating periods of employment, unemployment and workforce inactivity. Youth may be particularly vulnerable to such labour market transitions since they often have the least seniority at their jobs.

At least two studies highlighted both of these limitations of NEET, without actually proposing an alternative definition of NEET. First, Bourbeau and Pelletier (2019) used the September 2018 LFS data, which added (on a one-time basis) questions about the main activities of 15- to 29-year-old respondents over the past 12 months. They found that slightly more than half (52.6%) of youth who were NEET in September 2018 had attended school or worked as their main activity over the past 12 months, suggesting that NEET status can indeed be a transitory situation when viewed from a longer-term lens.

For about one in seven NEET youth in September 2018, caring for children was their main activity over the past 12 months, with a substantial gender divide observed (26.4% among female NEET youth compared with 1.3% among their male counterparts). While 1.0% of NEET youth reported volunteering or caregiving other than for children over the past 12 months, almost one in three (29.1%) had volunteered to some extent over the time period (one-third of whom did so at least once per week), while almost half (48.0%) had provided unpaid help to others over the same time frame (again, one-third of whom did so at least once per week). These results suggest that productive activities such as unpaid caregiving or volunteering, at least when viewed over the long term, are among the important contributions made by youth who experience NEET.

Contini et al. (2019) focused more squarely on the persistence of NEET status over longer periods of time based on the Italian longitudinal sample of the European Union statistics on income and living conditions from 2008 to 2011. They found that more than 40% of 15- to 29-year-old Italian youth reported NEET status for at least 13 months out of 48, and more than 10% did so for (almost) the entire period. Again, this highlights the importance of considering the long-term aspects of NEET.

To address these limitations of NEET, Frenette and Handler (2026) designed an alternative measure to NEET that acknowledges caring as a productive activity and focuses on long-term activities.[4] Youth were NEETEST if they were NEET (excluding unpaid caregiving) for a period of one full year. The analysis was based on the T1 Family File (T1FF), the Longitudinal Worker File (LWF) (a combination of T1 and T4 data, Records of Employment [ROEs], and the Longitudinal Employment Analysis Program) and the Postsecondary Student Information System (PSIS). It focused on 20- to 29-year-olds, since younger individuals may be in high school, based on compulsory school laws, or simply taking a gap year after high school by choice. Overall, the NEETEST rate hovered around 7% to 8% from 2017 to 2022, compared with 13% to 14% for the NEET rate (based on LFS data). The article looked at characteristics associated with NEETEST versus NEET, with 2021 Census data added to NEETEST results. Compared with NEET youth in relevant benchmark categories, 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 (CMAs) and census agglomerations (CAs).

What is missing from the literature is a more in-depth examination of the factors behind the NEETEST status, as well as an exploration of the long-term consequences of being NEETEST. The current study attempts to fill these gaps.

Data and methodology

To better understand the drivers and impacts of youth economic and social vulnerability, this study applies the NEETEST measure, which was first introduced by Frenette and Handler (2026). The subsections below describe the data sources, the construction of the NEETEST identifier, and the analytical methods used to examine background characteristics and long-term outcomes associated with the measure.

4. No Canadian study could be identified that addresses both of these limitations.

Data and analytical samples

This analysis relies on the linkage of several administrative and survey datasets: the T1FF; the LWF; the PSIS; the 2016 Census of Population; and, for a subsample, the British Columbia kindergarten-to-Grade-12 (BC K–12) data.

The T1FF is a comprehensive administrative dataset containing detailed income and other information for approximately 95% of the Canadian population. Derived from individual T1 and T4 tax files and the Canada child benefit file, the T1FF is central to this study for several reasons. First, it forms the sample base, which includes all individuals aged 20 to 29 who can be linked to other datasets via their social insurance number. Second, it contains many of the key variables (described below) used to construct the NEETEST measure and assess long-term outcomes (such as postsecondary enrolment and employment). Third, the T1FF supplies essential background details, such as parental income quintile.[5] Finally, the dataset contains many demographic and socioeconomic variables used in the analysis, such as age, sex, province of residence and community size (derived from postal codes). Communities are classified as either a CMA, a CA or a region outside these areas.

The LWF is an administrative dataset integrating T1 and T4 tax data, ROEs, and the Longitudinal Employment Analysis Program. Crucially for this research, the ROE data include reasons for job separations, which are essential for differentiating productive voluntary non-employment (e.g., for schooling or caregiving) from involuntary non-employment in the NEETEST status classification (more details below).

The PSIS contains comprehensive administrative records of virtually all public postsecondary enrolments (starting in 2009) and graduations (starting in 2010) across Canada. This dataset is one of the sources used to identify postsecondary enrolment and to update the highest level of educational attainment variable initially observed in the census.[6]

The 2016 Census of Population provides key sociodemographic variables not available in tax data, including Indigenous identity, immigrant status, activity limitations (i.e., assessments of various difficulties of daily living or long-term conditions that have lasted or are expected to last for six months or more)[7] and the highest level of education achieved at the time of the census. Individuals living on reserve are excluded from the final sample because of lower representation in tax data (which are required in this analysis).[8]

Finally, the BC K–12 data are a longitudinal administrative dataset tracking student progress in British Columbia from kindergarten through Grade 12. It contains Grade 10 course marks and provincial exam results, as well as an indicator of having completed the academic-level Grade 10 mathematics course. The data also include neighbourhood-level socioeconomic indexes standardized to a mean of 0 and a standard deviation of 1. These additional covariates in the BC K–12 data will necessarily be examined only for the sample that appears in these data.

5. Parental income was adjusted, or “equivalized,” by dividing by the square root of family size to derive a per capita measure of income that also accounts for economies of scale associated with family size. Parental income was captured when the individuals were 17 years old. If no parental income information was available in that year, the algorithm looked at parental income in nearby years: at 16 years old, then 18, 15 and 19, in that order. Income quintiles were calculated relative to other parents with at least one similar-aged child within the same tax year.
6. The highest level of educational attainment variable needed an update because the reference year is 2017 and the census took place in 2016.
7. These measures relate strictly to difficulties in activities of daily living, which are used as filter questions for the postcensal Canadian Survey on Disability to ultimately derive disability indicators. See Cloutier et al. (2018) for more details.
8. Based on the 2016 Census of Population, 66.4% of individuals aged 20 to 29 years living on reserve could be linked to the 2016 T1FF, compared with 87.2% for 20- to 29-year-olds living off reserve.

Measures and definitions

NEETEST status

The reference year for the NEETEST status is 2017, the earliest year for which the measure can be constructed because of data limitations.[9] NEETEST status is determined through a process of elimination. Initially, the entire sample is treated as potentially NEETEST. Individuals are then removed from this group if administrative records show evidence of employment, education, or other productive activities such as caregiving or parental leave. Specifically, an individual is reclassified as non-NEETEST if they meet any of the following criteria during the reference year:

- Employment: The individual had valid T4 wages and salaries, gross self-employment income from any source, or other employment income in the 2017 T1FF, or had valid T4 wages and salaries in the 2017 LWF.[10,11]
- Education: The individual was registered as a full-time or part-time student in the PSIS during the 2017/2018 academic year or claimed tuition tax credits in the 2017 T1FF.
- Parental or maternity leave: The individual was identified as being on leave in 2017. This status was proxied using T1FF family data; an individual was considered to be on leave if the family had a child younger than 1 year and the individual's total employment insurance (EI) benefits exceeded regular EI benefits.
- Caregiving: The individual claimed caregiver tax credits in the 2017 T1FF.
- Voluntary job separation for productive purposes: The individual had a job separation record in the 2017 LWF where the stated reason was return to school, pregnancy, parental leave or compassionate care.

Outcome measures

To assess the long-term consequences of experiencing NEETEST, the paper examines four outcomes over a five-year follow-up period (2018 to 2022):

- Postsecondary enrolment: A binary indicator of postsecondary enrolment based on full-time or part-time registration in the PSIS during the relevant academic year (e.g., the 2018 outcome reflects the 2018/2019 school year), or on the presence of tuition tax credits claimed during the outcome year.
- Employment: A binary indicator of the presence of T4 employment income, other employment income or gross self-employment income from any source in the T1FF.
- Self-employment: A binary indicator of the presence of gross self-employment income from any source in the T1FF.
- Earnings: The sum of T4 wages and salaries (the higher value between the T1FF and LWF), net self-employment income (T1FF), and other employment income (T1FF). This variable is calculated only for individuals classified as employed.

9. The calculation of the NEETEST measure requires caregiver tax credits, which were not in place prior to 2017.
10. In principle, employees must report T4 wages and salaries on their tax return if they receive a T4 slip.
11. Tax-exempt employment income, which is available to Indigenous people doing work that is sufficiently connected to a reserve (even if they live off reserve), is included on the T4 slip under "other information" and is included in the employment income measure in this study.

Analytical methodology

The analysis focuses on the determinants of NEETEST, as well as the long-term outcomes associated with NEETEST. Bivariate results will be presented as a starting point, but the main goal of the analysis will be multivariate analysis, as the process of becoming NEETEST and its long-term consequences are likely highly complex and multidimensional.[12] In all cases, the results will be disaggregated by sex.

To identify the determinants of NEETEST, linear probability models (LPMs)[13,14] are estimated by regressing the binary NEETEST status on a set of various socioeconomic background characteristics.

The analysis then uses linear regression models for all four outcomes to examine the long-term implications of NEETEST. LPMs are again used for the binary outcome variables (postsecondary enrolment, employment and self-employment), while ordinary least squares regression is applied to earnings. These models regress each outcome measured in 2022 on NEETEST status in 2017, along with various socioeconomic background characteristics. All four outcomes are also derived for each year from 2018 to 2022, but these are analyzed only in a bivariate approach.

Results

NEETEST status

The analysis begins with NEETEST rates shown separately across various socioeconomic characteristics (Table 1). Overall, 5% of men and 8% of women aged 20 to 29 years were NEETEST in 2017. For men, the rate was the same for those in their early and late 20s. However, 9% of women in their late 20s were NEETEST, compared with 6% of women in their early 20s.

12. Despite the use of multivariate analysis with a rich set of covariates, it is important to view the results presented in this article as descriptive or correlative, as opposed to causal or even quasi-causal.
13. LPMs are simply ordinary least squares regression models applied to a binary outcome. The coefficients are interpreted as marginal probability effects.
14. Marginal probability effects estimated by LPMs can produce different results from those derived from logit or probit models. In this study, marginal probability effects were generally very similar across all three models in a quantitative sense and always produced qualitatively similar results.

Table 1
Percentage who are NEETEST by socioeconomic characteristics

	Men	Women
	percent	
Overall	5	8
Age		
20 to 24	5	6
25 to 29	5	9
Highest level of educational attainment		
No high school diploma	20	35
High school diploma	5	8
Trades certificate or diploma	2	7
College or cegep certificate or diploma	2	4
University certificate or diploma below a bachelor's degree	2	4
Bachelor's degree	2	3
University certificate, diploma or degree above a bachelor's degree	2	3
Parental income		
Bottom quintile	8	9
Second quintile	5	6
Third quintile	4	4
Fourth quintile	3	3
Top quintile	3	2
Missing parental income	7	14
Province or territory of residence		
Newfoundland and Labrador	7	10
Prince Edward Island	3	5
Nova Scotia	6	8
New Brunswick	5	10
Quebec	5	6
Ontario	6	8
Manitoba	5	10
Saskatchewan	6	10
Alberta	4	9
British Columbia	5	7
Yukon	3	6
Northwest Territories	9	13
Nunavut	14	19
Community size		
Not a census metropolitan area or census agglomeration	6	10
Census agglomeration	6	9
Census metropolitan area	5	7

Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017.

Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System and 2016 Census of Population.

Table 1
Percentage who are NEETEST by socioeconomic characteristics (continued)

	Men	Women
	percent	
Immigrant status		
Immigrant	5	11
Economic	5	6
Sponsored	5	18
Refugee	7	16
Other immigrant	10	25
Non-permanent resident	3	7
Not an immigrant	5	7
Indigenous identity		
Indigenous	12	19
First Nations (North American Indian)	15	23
Métis	9	13
Inuk (Inuit)	14	18
Multiple Indigenous responses	10	20
Indigenous responses not included elsewhere	13	13
Non-Indigenous	5	7
Difficulties in activities of daily living or long-term conditions		
No difficulties or long-term conditions reported	3	6
Difficulty seeing	4	7
Difficulty hearing	4	8
Difficulty walking, using stairs, using their hands or fingers, or doing other physical activities	12	13
Difficulty learning, remembering or concentrating	7	11
Emotional, psychological or mental health conditions	8	7
Other health problem or long-term condition that has lasted or is expected to last for six months or more	6	7
Any two of the above	16	13
Any three of the above	29	23
Any four of the above	40	32
Any five of the above	45	40
All of the above	46	37
Not stated	7	10

Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017.
Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System and 2016 Census of Population.

NEETEST rates varied substantially by highest level of educational attainment. By far, youth with no high school diploma were the most likely to have experienced NEETEST—20% of men and 35% of women. In a distant second place were youth with a high school diploma, with 5% of men and 8% of women being NEETEST. Rates were considerably lower for postsecondary graduates. For young men, there was very little variation across the different postsecondary education levels (2% for each level), whereas for young women, rates among postsecondary graduates were highest for trades certificate or diploma holders (7%) and lowest for those with a bachelor's degree or above (3%).

Youth from families in the bottom parental income quintile registered higher NEETEST rates than those from higher income families (8% for young men and 9% for young women). Above the lowest income quintile, NEETEST rates generally declined with higher parental income, but only moderately—they ranged from 3% to 5% for young men and from 2% to 6% for young women.[15]

15. Parental income could not be identified for about one-quarter of the sample (25% for men and 28% for women). This group was most similar to youth in the bottom income quintile with regard to NEETEST rates.

The highest NEETEST rates in the country were registered in two of the territories (14% for young men and 19% for young women in Nunavut, and 9% for young men and 13% for young women in the Northwest Territories). NEETEST rates were notably lower in all other parts of the country, led by Prince Edward Island (3% among young men and 5% among young women).

NEETEST rates were also higher outside CMAs, particularly for young women. While 7% of young women living in CMAs experienced NEETEST, 9% of their counterparts living in CAs and 10% of those not living in CMAs or CAs (commonly referred to as rural areas) were in the same situation. For young men, the NEETEST rate was only slightly higher (6%) outside CMAs compared with CMAs (5%).

The results by immigrant status were also highly dependent on sex. For young men, NEETEST rates were the same for immigrants and non-immigrants (5%), although higher rates were registered among refugees (7%) and other immigrants (10%). For young women, NEETEST rates were considerably higher for immigrants (11%) compared with non-immigrants (7%). However, rates varied considerably among young immigrant women—6% among economic immigrants, 18% among sponsored immigrants, 16% among refugees and 25% among other immigrants. For young men, NEETEST rates were slightly lower among non-permanent residents (3%) compared with non-immigrants (5%); for young women, NEETEST rates were the same for both groups (7%).

NEETEST rates were considerably higher for Indigenous people compared with those who did not report an Indigenous identity. Almost one in six young off-reserve First Nations men (15%) were NEETEST, compared with 5% of young non-Indigenous men. Young Inuit men (14%) and young Métis men (9%) also registered above-average NEETEST rates. The patterns across Indigenous identity were similar for young women, but generally higher than their male counterparts.

One potential factor behind youth experiencing NEETEST could be difficulties or long-term conditions that affect activities of daily living. The results in Table 1 tend to support this, particularly for certain types of difficulties or conditions, and even more so when multiple difficulties or conditions are present. For example, 12% of young men who reported difficulty walking, using stairs, using their hands or fingers, or doing other physical activities were NEETEST, compared with 3% of their counterparts who reported no difficulties or long-term conditions. Among young men who reported any two of the listed difficulties or conditions, 16% were NEETEST, while 29% who reported any three were NEETEST. While much rarer, almost half of young men who reported any five or more of the listed difficulties or conditions were NEETEST. Again, the same general patterns emerged for young women.

As is evident from Table 1, there are plenty of potential factors that could determine the probability of experiencing NEETEST. To better gauge which matter and which do not, a multivariate framework is required. In Table 2, a binary indicator of NEETEST status was regressed on all of the characteristics shown in Table 1. The results indicate that some of the strong bivariate relationships shown in Table 1 were not retained once other factors were taken into account.

Table 2
Regression of NEETEST status on socioeconomic characteristics

	Men		Women	
	Coefficient	Standard error	Coefficient	Standard error
Age (reference: 20 to 24)				
25 to 29	0.01 ***	0.00	0.05 ***	0.00
Highest level of educational attainment (reference: no high school diploma)				
High school diploma	-0.11 ***	0.00	-0.23 ***	0.00
Trades certificate or diploma	-0.14 ***	0.00	-0.25 ***	0.00
College or cegep certificate or diploma	-0.14 ***	0.00	-0.28 ***	0.00
University certificate or diploma below a bachelor's degree	-0.14 ***	0.00	-0.28 ***	0.00
Bachelor's degree	-0.13 ***	0.00	-0.29 ***	0.00
University certificate, diploma or degree above a bachelor's degree	-0.14 ***	0.00	-0.30 ***	0.00
Parental income (reference: bottom quintile)				
Second quintile	-0.02 ***	0.00	-0.02 ***	0.00
Third quintile	-0.03 ***	0.00	-0.02 ***	0.00
Fourth quintile	-0.03 ***	0.00	-0.03 ***	0.00
Top quintile	-0.03 ***	0.00	-0.03 ***	0.00
Missing parental income	0.00 *	0.00	0.03 ***	0.00
Province or territory of residence (reference: Ontario)				
Newfoundland and Labrador	0.01 **	0.00	0.01 *	0.00
Prince Edward Island	-0.02 ***	0.00	-0.03 ***	0.01
Nova Scotia	-0.01 *	0.00	-0.02 ***	0.00
New Brunswick	-0.01 ***	0.00	0.01 **	0.00
Quebec	-0.01 ***	0.00	-0.03 ***	0.00
Manitoba	-0.01 ***	0.00	0.00	0.00
Saskatchewan	-0.01 **	0.00	0.00	0.00
Alberta	-0.02 ***	0.00	-0.01 ***	0.00
British Columbia	-0.01 ***	0.00	-0.02 ***	0.00
Yukon	-0.04 ***	0.01	-0.06 ***	0.01
Northwest Territories	-0.01	0.01	-0.04 ***	0.01
Nunavut	0.00	0.01	-0.03 *	0.01
Community size (reference: not a census metropolitan area or census agglomeration)				
Census agglomeration	0.00	0.00	-0.01 ***	0.00
Census metropolitan area	0.01 ***	0.00	-0.02 ***	0.00
Immigrant status (reference: not an immigrant)				
Immigrant				
Economic	0.01 ***	0.00	0.01 ***	0.00
Sponsored	-0.01 ***	0.00	0.08 ***	0.00
Refugee	0.01 *	0.00	0.05 ***	0.00
Other immigrant	0.03	0.02	0.11 **	0.03
Non-permanent resident	-0.01 ***	0.00	0.00	0.00
Indigenous identity (reference: non-Indigenous)				
First Nations (North American Indian)	0.05 ***	0.00	0.08 ***	0.00
Métis	0.01 ***	0.00	0.02 ***	0.00
Inuk (Inuit)	0.03 **	0.01	-0.01	0.01
Multiple Indigenous responses	0.00	0.02	0.06 **	0.02
Indigenous responses not included elsewhere	0.05 **	0.02	0.04 *	0.02
Difficulties in activities of daily living (reference: no difficulties or long-term conditions reported)				
Difficulty seeing	0.00 *	0.00	0.00	0.00
Difficulty hearing	0.00	0.00	0.00	0.01
Difficulty walking, using stairs, using their hands or fingers, or doing other physical activities	0.08 ***	0.01	0.05 ***	0.01
Difficulty learning, remembering or concentrating	0.02 ***	0.00	0.02 ***	0.00
Emotional, psychological or mental health conditions	0.04 ***	0.00	0.01 ***	0.00
Other health problem or long-term condition that has lasted or is expected to last for six months or more	0.03 ***	0.00	0.01 ***	0.00
Any two of the above	0.11 ***	0.00	0.04 ***	0.00
Any three of the above	0.22 ***	0.00	0.12 ***	0.00
Any four of the above	0.33 ***	0.01	0.19 ***	0.01
Any five of the above	0.38 ***	0.02	0.25 ***	0.01
All of the above	0.38 ***	0.03	0.22 ***	0.02
Not stated	0.03 ***	0.01	0.02 *	0.01

† significantly different from reference category ($p < 0.10$)
* significantly different from reference category ($p < 0.05$)
** significantly different from reference category ($p < 0.01$)
*** significantly different from reference category ($p < 0.001$)

Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017.

Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System and 2016 Census of Population.

For example, the results in Table 2 suggest that young women living in the Northwest Territories and in Nunavut were less likely to experience NEETEST than their counterparts living in Ontario when differences in socioeconomic characteristics are taken into account. For young men, no significant differences remained between those living in the Northwest Territories and in Nunavut, compared with their counterparts living in Ontario. In fact, when comparing young men and women with similar socioeconomic backgrounds in a multivariate approach, the probability of experiencing NEETEST was

about the same in both territories (the Northwest Territories and Nunavut) compared with most other jurisdictions.

The relationship between NEETEST status and Indigenous identity was much smaller in Table 2, although the difference in the estimated probability between off-reserve First Nations youth and non-Indigenous youth was still considerable (5 percentage points for young men and 8 percentage points for young women).

The other relationships were largely retained, albeit to varying degrees. A clearer relationship emerged between age and NEETEST status—both men and (especially) women in their late 20s were more likely to be NEETEST than their counterparts in their early 20s. Multivariate relationships between NEETEST status and highest level of educational attainment, parental income, and difficulties in activities of daily living or long-term activities were somewhat smaller compared with their bivariate counterparts. Multivariate relationships between NEETEST rates and community size and immigrant status were roughly the same compared with their bivariate counterparts, except in the case of immigrant status among women (where the relationship was somewhat smaller in the multivariate case).

The BC K–12 data provide an excellent opportunity to investigate the potential role of academic performance in experiencing NEETEST. As a first step, the same model was estimated on the BC K–12 sample (i.e., without including variables unique to the BC K–12 data). Results are shown in Table 3 and broadly align with those shown in Table 2 for the national sample, at least from a qualitative perspective.[16]

16. The interpretation of the coefficients on the province or territory of residence variables used (but not shown) in the models in Table 3 is different compared with the interpretation of the analogous Table 2 coefficients, since anyone living outside British Columbia would have necessarily moved at some point in the former case.

Table 3
Regression of NEETEST on socioeconomic characteristics, British Columbia kindergarten-to-Grade-12 sample

	Men		Women	
	Coefficient	Standard error	Coefficient	Standard error
Age (reference: 20 to 24)				
25 to 29	0.01 ***	0.00	0.04 ***	0.00
Highest level of educational attainment (reference: no high school diploma)				
High school diploma	-0.05 ***	0.01	-0.09 ***	0.01
Trades certificate or diploma	-0.07 ***	0.01	-0.10 ***	0.01
College or cegep certificate or diploma	-0.06 ***	0.01	-0.11 ***	0.01
University certificate or diploma below a bachelor's degree	-0.07 ***	0.01	-0.11 ***	0.01
Bachelor's degree	-0.06 ***	0.01	-0.12 ***	0.01
University certificate, diploma or degree above a bachelor's degree	-0.06 ***	0.01	-0.13 ***	0.01
Parental income (reference: bottom quintile)				
Second quintile	-0.01 **	0.00	-0.01 *	0.00
Third quintile	-0.02 ***	0.00	-0.02 ***	0.00
Fourth quintile	-0.02 ***	0.00	-0.02 ***	0.00
Top quintile	-0.02 ***	0.00	-0.02 ***	0.00
Missing parental income	-0.01	0.00	0.01 **	0.00
Community size (reference: not a census metropolitan area or census agglomeration)				
Census agglomeration	0.00	0.00	-0.01 †	0.01
Census metropolitan area	-0.01 *	0.01	-0.03 ***	0.01
Immigrant status (reference: not an immigrant)				
Immigrant				
Economic	0.02 ***	0.00	0.02 ***	0.00
Sponsored	0.01	0.01	0.02 †	0.01
Refugee	0.01	0.01	0.00	0.01
Other immigrant	x	x	x	x
Non-permanent resident	x	x	0.02	0.02
Indigenous identity (reference: non-Indigenous)				
First Nations (North American Indian)	0.00	0.01	0.03 **	0.01
Métis	0.00	0.01	0.00	0.01
Inuk (Inuit)	x	x	x	x
Multiple Indigenous responses	x	x	x	x
Indigenous responses not included elsewhere	x	x	x	x
Difficulties in activities of daily living (reference: no difficulties or long-term conditions reported)				
Difficulty seeing	0.01	0.01	0.00	0.00
Difficulty hearing	x	x	x	x
Difficulty walking, using stairs, using their hands or fingers, or doing other physical activities	0.05 *	0.02	x	x
Difficulty learning, remembering or concentrating	0.00	0.01	-0.01	0.01
Emotional, psychological or mental health conditions	0.03 ***	0.01	0.02 ***	0.00
Other health problem or long-term condition that has lasted or is expected to last for six months or more	0.02 **	0.01	0.00	0.01
Any two of the above	0.05 ***	0.01	0.02 ***	0.01
Any three of the above	0.08 ***	0.01	0.04 ***	0.01
Any four of the above	0.15 ***	0.03	0.11 ***	0.02
Any five of the above	0.20 ***	0.05	0.16 ***	0.04
All of the above	x	x	x	x
Not stated	x	x	0.02	0.02

x suppressed to meet the confidentiality requirements of the *Statistics Act*

* significantly different from reference category ($p < 0.05$)

** significantly different from reference category ($p < 0.01$)

*** significantly different from reference category ($p < 0.001$)

† significantly different from reference category ($p < 0.10$)

Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017. The regressions also include province or territory of residence indicators and high school fixed effects.

Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System, 2016 Census of Population and British Columbia kindergarten-to-Grade-12 data.

Results from a similar model with additional covariates unique to the BC K–12 data are shown in Table 4. The results indicate no substantial change in the coefficients reported in Table 3. Importantly, the coefficients associated with the additional covariates (the academic achievement results and the neighbourhood socioeconomic indexes) were either statistically not significant or empirically small. This was the case even when the highest level of educational attainment variables were excluded from the model.

Table 4
Regression of NEETEST status on socioeconomic characteristics, British Columbia kindergarten-to-Grade-12 sample

	Men		Women	
	Coefficient	Standard error	Coefficient	Standard error
Age (reference: 20 to 24)				
25 to 29	0.01 ***	0.00	0.04 ***	0.00
Highest level of educational attainment (reference: no high school diploma)				
High school diploma	-0.05 ***	0.01	-0.07 ***	0.01
Trades certificate or diploma	-0.06 ***	0.01	-0.09 ***	0.01
College or cegep certificate or diploma	-0.06 ***	0.01	-0.09 ***	0.01
University certificate or diploma below a bachelor's degree	-0.06 ***	0.01	-0.09 ***	0.01
Bachelor's degree	-0.05 ***	0.01	-0.09 ***	0.01
University certificate, diploma or degree above a bachelor's degree	-0.05 ***	0.01	-0.10 ***	0.01
Parental income (reference: bottom quintile)				
Second quintile	-0.01 **	0.00	-0.01 †	0.00
Third quintile	-0.02 ***	0.00	-0.02 ***	0.00
Fourth quintile	-0.02 ***	0.00	-0.01 **	0.00
Top quintile	-0.02 ***	0.00	-0.01 ***	0.00
Missing parental income	-0.01 †	0.00	0.01 *	0.00
Community size (reference: not a census metropolitan area or census agglomeration)				
Census agglomeration	0.00	0.00	-0.01	0.01
Census metropolitan area	-0.01	0.01	-0.03 ***	0.01
Immigrant status (reference: not an immigrant)				
Immigrant				
Economic	0.02 ***	0.00	0.02 ***	0.00
Sponsored	0.01	0.01	0.02 †	0.01
Refugee	0.00	0.01	-0.01	0.01
Other immigrant	x	x	x	x
Non-permanent resident	x	x	0.02	0.02
Indigenous identity (reference: non-Indigenous)				
First Nations (North American Indian)	0.00	0.01	0.02 *	0.01
Métis	0.00	0.01	0.00	0.01
Inuk (Inuit)	x	x	x	x
Multiple Indigenous responses	x	x	x	x
Indigenous responses not included elsewhere	x	x	x	x
Difficulties in activities of daily living (reference: no difficulties or long-term conditions reported)				
Difficulty seeing	0.01	0.01	0.00	0.00
Difficulty hearing	x	x	x	x
Difficulty walking, using stairs, using their hands or fingers, or doing other physical activities	0.05 *	0.02	x	x
Difficulty learning, remembering or concentrating	-0.01	0.01	-0.02 †	0.01
Emotional, psychological or mental health conditions	0.03 ***	0.01	0.02 ***	0.00
Other health problem or long-term condition that has lasted or is expected to last for six months or more	0.02 **	0.01	0.01	0.01
Any two of the above	0.05 ***	0.01	0.02 ***	0.01
Any three of the above	0.08 ***	0.01	0.04 ***	0.01
Any four of the above	0.15 ***	0.03	0.10 ***	0.02
Any five of the above	0.20 ***	0.05	0.15 ***	0.04
All of the above	x	x	x	x
Not stated	x	x	0.02	0.02

x suppressed to meet the confidentiality requirements of the Statistics Act

* significantly different from reference category ($p < 0.05$)

** significantly different from reference category ($p < 0.01$)

*** significantly different from reference category ($p < 0.001$)

† significantly different from reference category ($p < 0.10$)

Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017. Neighbourhood socioeconomic indexes are standardardized to have a mean of 0 and a standard deviation of 1. The regressions also include province or territory of residence indicators and high school fixed effects.

Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System, 2016 Census of Population and British Columbia kindergarten-to-Grade-12 data.

Table 4
Regression of NEETEST status on socioeconomic characteristics, British Columbia kindergarten-to-Grade-12 sample (continued)

	Men		Women	
	Coefficient	Standard error	Coefficient	Standard error
Grade 10 provincial exam and course mark quintiles (reference: bottom quintile)				
Science provincial exam				
Second quintile	-0.01	0.00	-0.01	0.00
Third quintile	0.00	0.00	-0.01 *	0.00
Fourth quintile	0.00	0.00	-0.01 †	0.01
Top quintile	0.00	0.01	-0.01 *	0.01
Science course mark				
Second quintile	0.00	0.00	0.00	0.00
Third quintile	-0.01	0.00	0.00	0.01
Fourth quintile	-0.01	0.00	0.01	0.01
Top quintile	-0.01	0.01	0.00	0.01
English provincial exam				
Second quintile	0.00	0.00	0.00	0.00
Third quintile	-0.01 **	0.00	0.00	0.00
Fourth quintile	-0.01 *	0.00	-0.01 *	0.00
Top quintile	-0.01 *	0.00	-0.01	0.01
English course mark				
Second quintile	0.00	0.00	-0.02 **	0.01
Third quintile	-0.01	0.00	-0.02 **	0.01
Fourth quintile	0.00	0.00	-0.02 **	0.01
Top quintile	-0.01	0.00	-0.02 **	0.01
Math provincial exam				
Second quintile	0.00	0.00	-0.01	0.00
Third quintile	0.00	0.00	-0.01	0.00
Fourth quintile	0.00	0.00	-0.01 †	0.00
Top quintile	0.00	0.00	0.00	0.01
Math course mark				
Second quintile	0.00	0.00	0.00	0.00
Third quintile	0.00	0.00	0.00	0.00
Fourth quintile	0.00	0.00	0.00	0.00
Top quintile	0.01	0.00	0.00	0.01
Finished the academic-level Grade 10 math course (reference: no)				
Yes	-0.01 †	0.00	-0.02 ***	0.00
Neighbourhood socioeconomic indexes				
Education	0.00	0.00	0.00	0.00
Occupation	0.00	0.00	0.00	0.00
Economic	0.00	0.00	0.00	0.00
Family	0.00	0.00	0.00	0.00
Community	0.00	0.00	0.00 *	0.00

† significantly different from reference category ($p < 0.10$)
* significantly different from reference category ($p < 0.05$)
** significantly different from reference category ($p < 0.01$)
*** significantly different from reference category ($p < 0.001$)

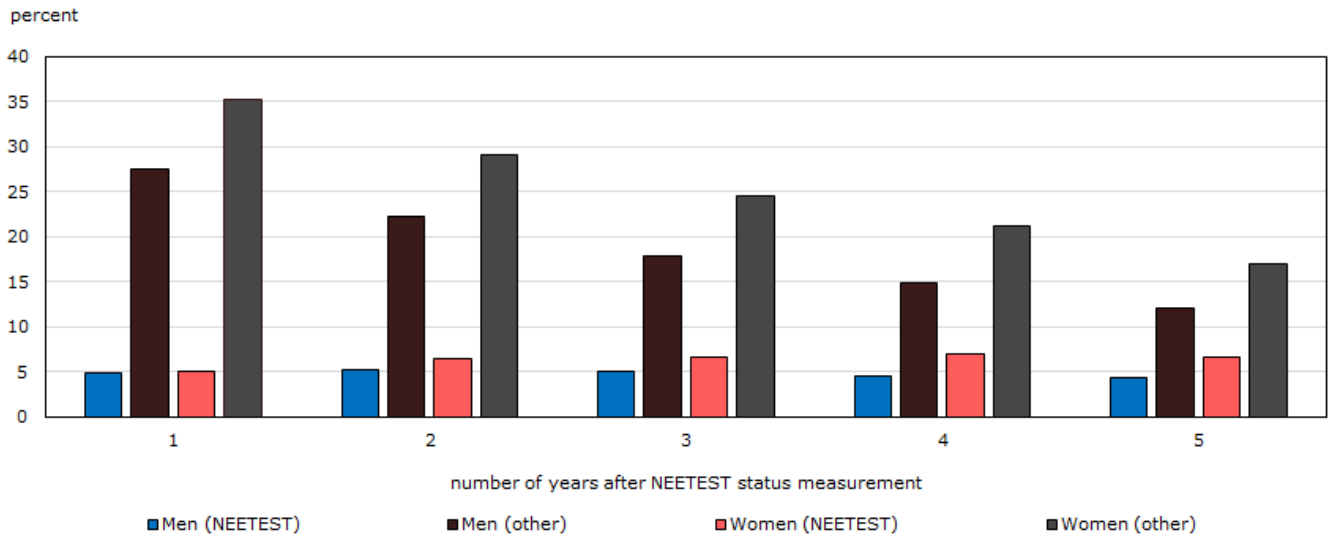
Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017. Neighbourhood socioeconomic indexes are standardardized to have a mean of 0 and a standard deviation of 1. The regressions also include province or territory of residence indicators and high school fixed effects.

Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System, 2016 Census of Population and British Columbia kindergarten-to-Grade-12 data.

Long-term outcomes associated with NEETEST status

What are the long-term implications of having experienced NEETEST in 2017, when youth were 20 to 29 years old? Men and women who were NEETEST in 2017 were considerably less likely to enroll in a postsecondary institution in the following five years compared with their counterparts who were not NEETEST in 2017 (Chart 1). However, the gap between the two groups narrowed over time for both men and women. For example, 5.1% of women who were NEETEST in 2017 enrolled in a postsecondary institution one year later, compared with 35.2% of their counterparts who were not NEETEST in 2017. At the five-year mark, the gap had declined considerably (6.6% of women who previously experienced NEETEST in 2017 enrolled in a postsecondary institution in that year, compared with 17.0% of women who had not experienced NEETEST in 2017). Among men, 4.4% of those who previously experienced NEETEST in 2017 enrolled in a postsecondary institution five years later, compared with 12.0% among those who had not experienced NEETEST in 2017.

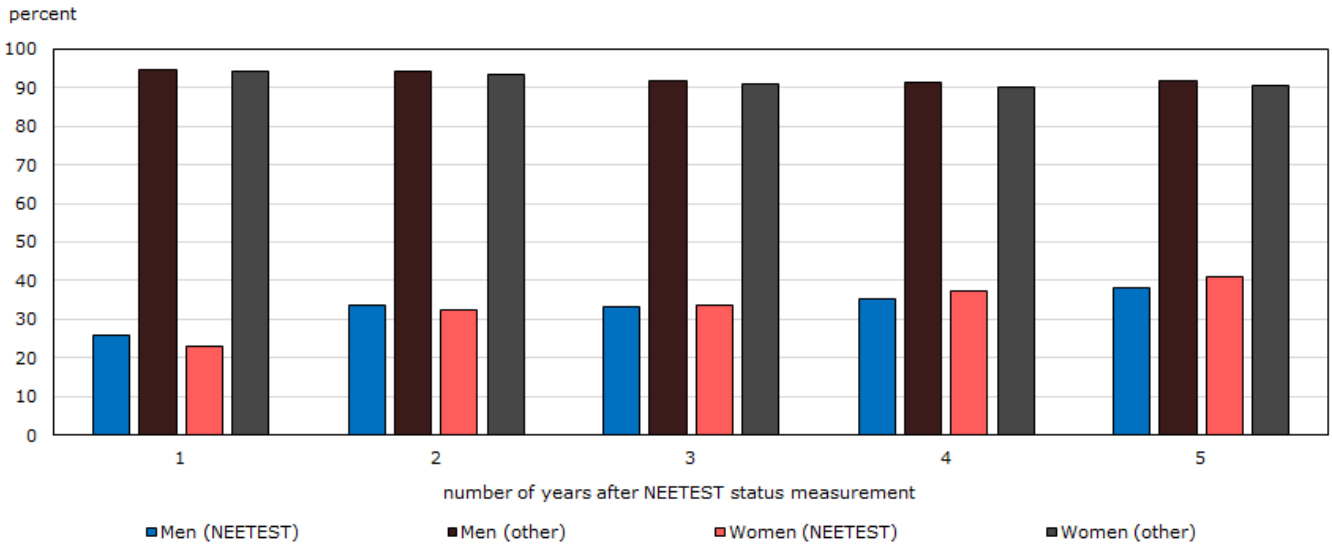
Chart 1
Postsecondary enrolment rates by number of years after NEETEST status measurement



Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017.
Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System and 2016 Census of Population.

The same patterns held for employment rates for men and women (Chart 2). Those who were NEETEST in 2017 were far less likely to be employed afterwards compared with those who were not NEETEST in 2017, although the gap declined over time. For example, at the five-year point, 38.2% of formerly NEETEST men held a job in that year, compared with 91.9% of other men, while 41.0% of formerly NEETEST women held a job in that year, compared with 90.6% of other women.

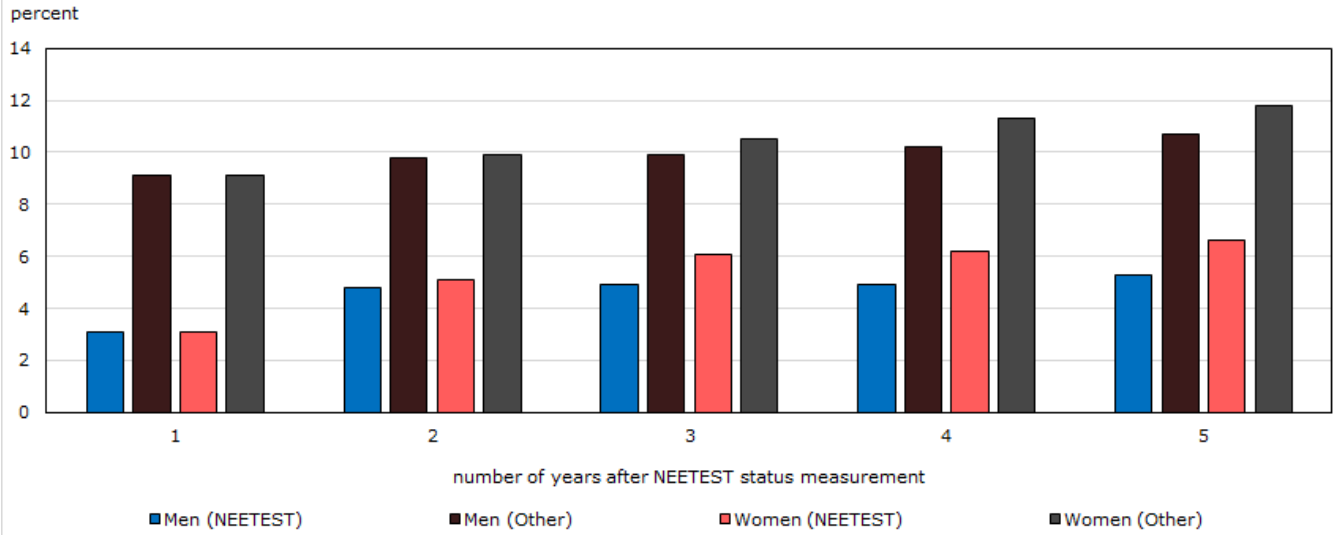
Chart 2
Employment rates by number of years after NEETEST status measurement



Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017.
Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System and 2016 Census of Population.

Formerly NEETEST men and women were also much less likely to be self-employed in the years that followed, although the gap did not materially decline over time in both cases (Chart 3). At the five-year mark, 5.3% of formerly NEETEST men were self-employed, compared with 10.7% of other men, while 6.6% of formerly NEETEST women were self-employed, compared with 11.8% of other women.

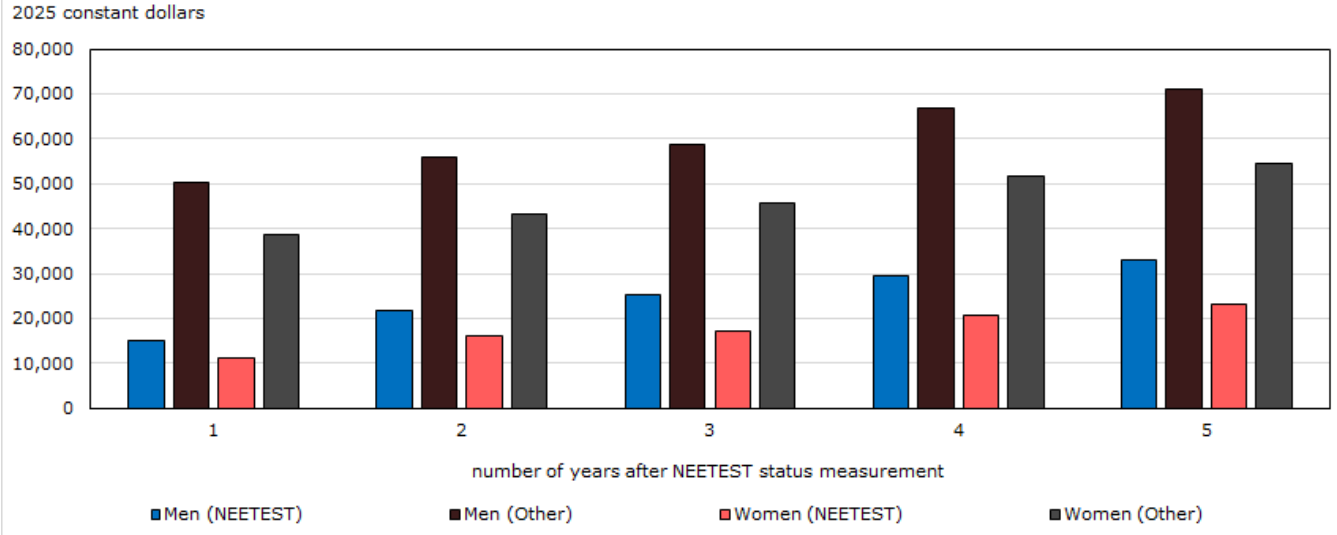
Chart 3
Self-employment rates by number of years after NEETEST status measurement



Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017.
Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System and 2016 Census of Population.

How did NEETEST men and women fare in terms of earnings in later years, compared with their counterparts who did not experience NEETEST? The results in Chart 4 suggest sizable and persistent earnings differences among individuals who worked during the year in question. After one year, NEETEST men earned $14,900, on average, compared with $50,200 for other men (a difference of $35,300). After five years, NEETEST men's average earnings improved considerably ($33,100), but so did the average earnings of other men ($70,900), resulting in a similar difference ($37,800). The trends were similar for women, but the earnings gap was somewhat smaller throughout the period.

Chart 4
Mean total earnings by number of years after NEETEST status measurement



Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017.
Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System and 2016 Census of Population.

The multivariate relationships between the outcomes shown in Chart 1 to Chart 4 and the NEETEST status measured in 2017 appear in Table 5. Results focus on five years after NEETEST status measurement (i.e., in 2022).

Table 5
Relationship between NEETEST status and outcomes five years later from regression analyses

	Men		Women	
	Coefficient	Standard error	Coefficient	Standard error
Overall sample				
Postsecondary enrolment	-0.05 ***	0	-0.07 ***	0
Employment	-0.48 ***	0	-0.43 ***	0
Self-employment	-0.04 ***	0	-0.03 ***	0
Total earnings	-25,400 ***	500	-19,600 ***	200
British Columbia kindergarten-to-Grade-12 sample (same covariates as in overall sample)				
Postsecondary enrolment	-0.07 ***	0.01	-0.08 ***	0.01
Employment	-0.41 ***	0.02	-0.37 ***	0.01
Self-employment	-0.03 **	0.01	-0.01 †	0.01
Earnings	-25,400 ***	3,500	-21,100 ***	1,000
British Columbia kindergarten-to-Grade-12 sample (same covariates as in overall sample plus added variables from British Columbia kindergarten-to-Grade-12 data)				
Postsecondary enrolment	-0.07 ***	0.01	-0.06 ***	0.01
Employment	-0.41 ***	0.02	-0.37 ***	0.01
Self-employment	-0.03 **	0.01	-0.01	0.01
Earnings	-25,300 ***	3,600	-19,700 ***	1,100

** significantly different from reference category ($p < 0.01$)
*** significantly different from reference category ($p < 0.001$)
† significantly different from reference category ($p < 0.10$)
Notes: NEETEST = not in employment, education or training, excluding short transitions. NEETEST status is measured in 2017. Earnings are expressed in constant 2025 dollars.
Sources: Statistics Canada, T1 Family File, Longitudinal Worker File, Postsecondary Student Information System, 2016 Census of Population and British Columbia kindergarten-to-Grade-12 data.

Beginning with the overall (national) sample in the top third of Table 5, the coefficients largely reflect the trends that emerged from the charts in a qualitative sense. From a quantitative perspective, the differences in outcomes between NEETEST and other individuals were somewhat smaller after taking into account differences in socioeconomic characteristics.[17] NEETEST men were 5 percentage points less likely to have enrolled in a postsecondary institution compared with other men, while NEETEST women were 7 percentage points less likely than other women. The gaps were much larger with regard to employment—48 percentage points for men and 43 percentage points for women. For self-employment rates, the differences stood at 4 percentage points for men and 3 percentage points for women. Finally, the estimated earnings differences were $25,400 for men and $19,600 for women.

Switching to the BC K–12 sample with the same covariates (middle third of the table) or with added covariates (bottom third of the table) had little to no meaningful impact on these results.

Thus, despite accounting for differences in a very wide array of socioeconomic characteristics and academic performance measures, substantial differences in long-term outcomes remain between youth who experienced NEETEST and those who did not.

Conclusion

Summary

This study identified several factors that were positively linked to youth experiencing NEETEST in a multivariate framework: being in their late 20s (compared with their early 20s) for young women, having no high school diploma, being raised in a family with parental income in the bottom quintile, living in a

17. The same characteristics employed in the regressions examining the NEETEST outcome were used.

rural area, being a refugee or a sponsored or other non-economic immigrant (for young women), being an off-reserve First Nations person, and experiencing certain difficulties with activities of daily living or long-term conditions.

Moreover, experiencing NEETEST in youth was associated with poorer educational and labour market outcomes years later, again in a multivariate framework. Specifically, youth who experienced NEETEST were less likely, five years later, to enrol in a postsecondary institution, be employed and be self-employed, compared with other youth. Previously NEETEST youth who were employed five years later also earned considerably less, on average, than other youth.

Interpretation

The study took a deep dive into the socioeconomic factors associated with experiencing NEETEST and, furthermore, linked the NEETEST experience with important long-term educational and labour market implications. It is critical to consider the multivariate approach employed when interpreting the results. For example, the bivariate analysis of NEETEST status identified the Northwest Territories and Nunavut as the jurisdictions with the highest NEETEST rates in Canada. However, when comparing youth with similar socioeconomic backgrounds in a multivariate approach, the probability of experiencing NEETEST was about the same in both territories compared with most other jurisdictions.

Limitations

Although the study leverages a rich array of information on youth, it may lack information on personal circumstances that could materially influence the likelihood of experiencing NEETEST and its long-term implications. This list may include factors such as limited educational or labour market opportunities in one's local area, constrained geographic mobility, life circumstances, discrimination, or motivational issues. The study also excludes all individuals living on reserve because of lower representation in tax data (which were required in this analysis).

Another limitation relates to the fact that individuals in the sample who stay home for at least a full calendar year to take care of young children after parental leave will be classified as NEETEST. This is because it is not possible to determine whether the parent stayed home to take care of a child or because they could not find employment. This could potentially explain the higher NEETEST rates observed among young women compared with young men.

Future work

Exploring the dynamics behind the NEETEST state is a useful avenue for future work in the area. For example, to what extent is NEETEST a transient or persistent state? Longer NEETEST spells may have more detrimental implications. Importantly, how do youth exit the NEETEST state? Do they do so by returning to school or by finding a job? Is moving out of a community necessary to escape NEETEST? Answers to these questions may be beneficial to inform programs designed to reduce youth NEETEST rates.

While this study explored differences in NEETEST rates across several socioeconomic and demographic characteristics, all of the analyses were conducted for men and women separately. Overall, NEETEST rates were higher for young women than for young men, despite both groups registering similar NEET rates based on earlier studies. Understanding what is behind the gap in NEETEST rates between men and women is another useful direction for future research in the area.

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