



# Policy Paper 2

## Title: Addressing Financial Insecurity Among Younger Generations

**Introduction** Financial insecurity poses significant barriers to the well-being and inclusion of younger generations in Europe. Young people face numerous economic challenges, including high unemployment rates, low wages, restrictive working conditions, unpaid internships, and soaring housing costs. This paper identifies the root causes of financial instability among young people and proposes actionable solutions to empower them with economic security and opportunities.

### 1. Challenges Faced by Young People

#### 1.1 Youth Unemployment

- **Problem:** Youth unemployment rates are significantly higher than those of other age groups. According to the International Labour Organization (ILO), the global youth unemployment rate is 14.4%, nearly three times higher than the adult unemployment rate.
- **Impact:** Prolonged unemployment leads to skills stagnation, financial dependency, and reduced career prospects.

#### 1.2 Low Wages for Young Workers

- **Problem:** Young workers often receive lower wages due to limited experience and lower bargaining power.
- **Variability:** Wage policies differ across countries, creating disparities in income security among young workers.

#### 1.3 Work Restrictions

- **Problem:** Restrictions on working hours, particularly for full-time students, limit their ability to earn sufficient income.
- **Impact:** Financial dependency and reduced flexibility to meet living costs.

#### 1.4 Prevalence of Unpaid Internships

- **Problem:** Unpaid internships exploit young people, exacerbating financial strain and creating inequities in access to career opportunities.
- **Impact:** Limits professional growth and contributes to financial inequality.

#### 1.5 High Cost of Rent

- **Problem:** Rising urban rent costs make it difficult for young people to afford housing.
- **Impact:** Forces young adults to remain dependent on family or live in inadequate conditions.



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## 2. Proposed Solutions

### 2.1 Housing Policies

1. **Subsidized Housing:** Offer government subsidies for housing to enable young people to afford rent and move out of family homes.
2. **Renovation Programs:** Fund the renovation of old housing to create affordable and livable spaces for young people.
3. **Increased Housing Supply:** Launch programs to build affordable housing blocks tailored to younger generations.

### 2.2 Enhancing Employability

1. **Financial Incentives:** Provide subsidies or tax incentives for companies hiring young workers at livable wages.
2. **Vocational Training:** Integrate practical, job-oriented training into school curricula to prepare students for the workforce.
3. **Apprenticeships:** Promote partnerships between government, private industry, and educational institutions to create paid apprenticeships.

### 2.3 Addressing Wage Inequity and Exploitation

1. **Regulated Wages:** Legislate fair minimum wages for young workers to prevent exploitation.
2. **Career Growth Opportunities:** Encourage companies to implement clear progression pathways for young employees.

### 2.4 Flexible Working Hours

1. **Amended Labor Laws:** Modify labor laws to allow students and young workers flexible hours without risking financial stability.
2. **Part-Time Jobs with Benefits:** Promote part-time jobs that offer competitive wages and basic benefits.

### 2.5 Paid Internship Practices

1. **Legislation for Paid Internships:** Mandate payment for internships to ensure equitable opportunities for all young people.
2. **Certification Programs:** Develop certification programs for companies adhering to ethical internship practices.
3. **Government Grants:** Allocate funding to small businesses to support paid internship programs.

## 3. Implementation Plan

### 3.1 Housing Policies

- Collaborate with local governments and private sectors to subsidize housing programs.
- Administer housing programs through local housing authorities and social welfare agencies.



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### **3.2 Employability Initiatives**

- Partner with educational institutions to integrate vocational and technical training into school curricula.
- Secure public and private funding to support apprenticeship programs.

### **3.3 Wage Policies**

- Advocate for legislative reforms to establish and enforce fair minimum wages for young workers.
- Work with labor unions and advocacy groups to ensure compliance with wage regulations.

### **3.4 Flexible Work Models**

- Conduct pilot programs to evaluate the effectiveness of flexible working hours on student well-being and financial stability.
- Engage with student organizations and employers to design adaptable working models.

### **3.5 Internship Regulations**

- Develop legislative frameworks to require paid internships.
- Provide financial incentives for companies offering internships that meet fair wage standards.

## **4. Expected Outcomes**

### **4.1 Increased Employability**

- Financial incentives and training programs will increase youth employment rates.
- Apprenticeships will provide valuable skills and stable career opportunities.

### **4.2 Improved Wage Equity**

- Legislative reforms will ensure fair wages and prevent the exploitation of young workers.
- Tax incentives for fair-wage employers will encourage ethical practices.

### **4.3 Better Housing Access**

- Subsidized housing programs and new construction will increase affordable living options.
- Renovated buildings will create more livable housing for young people.

### **4.4 Enhanced Work-Life Balance**

- Flexible working hours will help students balance education, work, and personal life.

### **4.5 Equitable Internship Practices**

- Paid internships will ensure young people from all backgrounds can access career opportunities without financial strain.



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**Conclusion** Addressing financial insecurity among younger generations requires a multi-pronged approach, focusing on employability, housing, wage equity, and ethical work practices. By implementing the proposed solutions, we can ensure young people have the financial stability and opportunities needed to thrive in their personal and professional lives. Collaboration among governments, educational institutions, and private sectors is essential to achieving these goals.