Press release: Adults skills gap

Adult training is often only available for workers who are already highly paid or highly skilled, a new report from the Social Mobility Commission reveals today (29 January 2018).

The <u>Adult Skills Gap report</u> shows that the poorest adults with the lowest qualifications are the least likely to access adult training — despite being the group who would benefit most. Men in routine and manual occupations are the least likely to learn new skills.

About 30% of those employed in managerial and professional occupations participated in training in the last 3 months compared to 18% in routine and manual jobs. This follows earlier research showing that half (49%) of adults from the lowest socio-economic group receive no training at all after leaving school.

In contrast, high-skilled workers tend to benefit from 'a virtuous circle' of frequent in-work training and pay increases, says the research carried out by the Institute for Employment Research, Warwick University. Professional or managerial workers are twice as likely to be sent on courses as other workers, while graduates are 3 times as likely to access training as those with no qualifications.

An individual's background also has an impact. Workers whose parents came from disadvantaged backgrounds are less likely to benefit from adult training — which can impact on social mobility. Employees from more privileged backgrounds are more likely than other low-skilled workers to take advantage of in-work learning to rise up the ranks.

Dame Martina Milburn, Chair of the Social Mobility Commission, said:

Too many employers are wasting the potential of their employees by not offering training or progression routes to their low and midskilled workers.

Both employers and the government need to act to address this problem. They should start by increasing their investment in training, to bring it closer to that of international competitors, and prioritise this to those with low or no skills. Doing this would benefit both business and the economy as a whole.

The commission has previously found that 1 in 4 of the UK's low-paid workers will never escape low pay — a problem due largely to low skill levels. Yet the UK lags behind other countries in giving adults a second chance to learn new skills and achieve their potential. The UK spends just two-thirds of the European average on adult training, and investment is in decline. Between 2010 to 2011, and 2015 to 2016 government funding for adult skills fell by 34% in real terms.

The problem is that employers fund 82% of all UK training and tend to prioritise senior, high-skilled employees. Most other training is paid for by individuals themselves — if they can afford it. Free courses run by government make up just 3% of all accessed training courses.

The result is a system with vast numbers of low-skilled workers with little opportunity to build skills and escape low pay. This urgently needs rebalancing — for productivity as much as social mobility, says the commission.

Alastair Da Costa, chair of Capital City College Group and a SMC Commissioner, said:

A lack of ongoing training for low-paid workers is a contributing factor for millions to a lifetime of poorly-paid work. As we prepare to leave the EU, it is more important than ever for us to build relevant skills to improve the UK's productivity. That is why we want to see more investment in life-long learning and adult education — including enabling more courses to be available for those who cannot afford them.

Dr Daria Luchinskaya, from the Institute for Employment Research, Warwick University, said:

This report shows a 'virtuous' and a 'vicious' cycle of learning, whereby those with low or no qualifications are much less likely to access education and training after leaving school than those with high qualifications.

Peter Cheese, Chief Executive of the Chartered Institute of Personnel and Development (CIPD), said:

These findings should act as a wake-up call for employers to look a lot harder at how they are developing their workforce for the future. Building skills at all levels and roles is essential to improving productivity and performance, for engagement and retention of employees, and to highlight and support progression opportunities. However, many of these are longer term outcomes and too often the focus for training is on short term job needs.

Main findings include:

- the poorest adults with the lowest qualifications are the least likely to access adult training — despite being the group who would benefit most
- previous research has shown that half (49%) of adults from the lowest socio- economic group receive no training at all after leaving school,

compared to 20% from the top group

- this study shows similar findings hold for employed adults participating in training in the last 3 months — 30% of those in professional and managerial jobs against 18% in routine and manual occupations
- graduates are 3 times more likely to receive training than those with no qualifications, while professionals and managers are about twice as likely to receive training as lower-skilled workers
- employers fund 82% of training prioritising those in senior or professional roles — while most other training is paid for by individuals themselves
- overall investment in adult skills from employer, government and individuals was around £44 billion in 2013 to 2014 — government funds just 7% of this training
- government-funded training aims to support those without the means to pay for their own training and does reach lower-skilled workers and those in deprived areas but 29% of this money still goes to adults in the most affluent 40% of areas
- the UK spends two-thirds of the EU average on adult training
- government funding for the Adult Skills Budget fell by £830 million (cash terms) between 2010 to 2011 and from £2.84 billion to £2.01 billion, equivalent to a 34% fall (real terms) between 2015 to 2016

The Social Mobility Commission is an advisory non-departmental public body established under the Life Chances Act 2010 as modified by the Welfare Reform and Work Act 2016. It has a duty to assess progress in improving social mobility in the UK and to promote social mobility in England. It consists of 13 commissioners and is supported by a small secretariat.

The commission board is chaired by Dame Martina Milburn and comprises:

- Alastair da Costa, Chair of Capital City College Group
- Farrah Storr, Editor-in-chief of Cosmopolitan
- Harvey Matthewson, Aviation Activity Officer at Aerobility and Volunteer
- Jessica Oghenegweke, Project co-ordinator at the Diana Award
- Jody Walker, Senior Vice President at TJX Europe (TK Maxx and Home Sense in the UK)
- Liz Williams, Group Director of Digital Society at BT
- Pippa Dunn, Founder of Broody, helping entrepreneurs and start ups
- Saeed Atcha, Founder and Chief Executive Officer of Xplode magazine
- Sam Friedman, Associate Professor in Sociology at London School of Economics
- Sammy Wright, Vice Principal of Southmoor Academy, Sunderland
- Sandra Wallace, Joint Managing Director Europe at DLA Piper
- Steven Cooper, Chief Executive Officer C.Hoare & Co

The functions of the commission include:

- monitoring progress on improving social mobility
- providing published advice to ministers on matters relating to social mobility
- understaking social mobility advocacy