

Apprenticeships and social mobility

Workers from disadvantaged backgrounds are being left behind by the apprenticeship system, with numbers slumping by more than a third since the introduction of the apprenticeship levy, says the Social Mobility Commission in its report 'Apprenticeships and social mobility: Fulfilling potential' published today (Wednesday 24 June).

The report also reveals that most of the benefits of apprenticeships are going to more privileged learners. It finds that apprenticeships are one of the most effective means of boosting social mobility for workers from poorer backgrounds – if they can get into and through the system.

Key findings

- a 36% decline in apprenticeship starts by people from disadvantaged backgrounds, compared with 23% for others
- just 13% of degree-level apprenticeships, the fastest growing and most expensive apprenticeship option, goes to apprentices from disadvantaged backgrounds
- most disadvantaged apprenticeship starters came from three regions: north-west England (25%); the west midlands (15%); and London (15%)
- more than 80% of apprenticeships undertaken by learners from disadvantaged backgrounds are in enterprises in the services, health, education or public administration sectors
- only 63% of apprenticeships are successfully completed by men from disadvantaged background, compared with 67% of men from more privileged backgrounds
- on average, apprentices from disadvantaged backgrounds earn less than apprentices from more privileged backgrounds
- there is a 16% boost to wages for learners from disadvantaged backgrounds who complete their training, compared with 10% for others

Collapsing numbers

Analysis by the report authors, London Economics, shows that the 2017 Apprenticeship Levy reform was followed by a collapse in overall apprenticeship starts which hit disadvantaged learners hardest. In addition, the analysis shows that disadvantage gaps opened up at every stage, from employer candidate selection to training quality and pay rates after

completion.

Consultant and lead author Alice Battiston said:

There is a severe disadvantage gap throughout the entire apprenticeship training journey, and this has worsened over time. Not only has the proportion of new starters from disadvantaged backgrounds declined over time, but they have also benefited less than their better-off peers from the shift towards higher-level programmes.

Between 2015/16 and 2017/18, there was a 36% decline in disadvantaged apprentice starts in England, compared with a 23% decline for more privileged apprentices. The impact was even greater for older (aged 25+) and female apprentices.

Steven Cooper, interim co-chair of the Social Mobility Commission, commented:

The apprenticeship levy, introduced in 2017, has disproportionately funded higher-level apprenticeships for learners from more advantaged communities, rather than those from disadvantaged socio-economic backgrounds who would benefit more.

Barriers to success

Disadvantaged apprentices are less likely than their more privileged peers to complete their course. The main reason for dropping out included low levels of pay with small and medium size employers (SMEs) more likely to pay apprentices the minimum wage.

Alice Battiston said:

The relatively low completion rate achieved by disadvantaged apprentices, particularly at intermediate level, is another alarming point emerging from our analysis. Specific interventions are needed to reduce drop-outs.

Apprenticeships boost social mobility

Despite the many barriers faced by disadvantaged learners, the report confirms how effective apprenticeships can be in promoting social mobility.

People from less privileged backgrounds who complete an apprenticeship get a bigger boost in their earnings than other learners. This is particularly true at intermediate level – the first step on the apprenticeship journey. Furthermore, apprentices from disadvantaged backgrounds are more likely to complete their course on time.

Following the coronavirus (COVID-19) pandemic, however, there are concerns disadvantaged apprentices are at greater risk from an economic decline, with many employed in hard-hit sectors such as hospitality and retail.

Alice Battiston said:

The pandemic is likely to have made the disadvantaged gap worse. There needs to be urgent consideration of the impact of the apprenticeship levy on social mobility outcomes.

Steven Cooper said:

It is no longer credible for the government to assume that apprenticeships automatically improve social mobility and leave the system to its own devices.

Strategic action and direction are needed to target the system better on disadvantaged communities and improve the system's value for money.

This is an easy win for the government in its attempts at levelling up – if it can get this right. The government must look at the structural barriers in place and take action to channel resources where they will have the greatest effect.

Notes to editors

The Social Mobility Commission is an independent 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.

On 20 May 2020, the Sutton Trust published 2 research studies on apprenticeships: 'COVID-19 impacts: apprenticeships' examines the pandemic's impact on the apprenticeship system, and in particular on learners from disadvantaged backgrounds. 'Degree apprenticeships: levelling up?' focuses on the highest level 6 and 7 apprenticeships – equivalent to a bachelors or postgraduate degree – and asks whether they are delivering social mobility for disadvantaged learners.

The commission board comprises:

- Sandra Wallace, Joint Managing Director UK & Europe at DLA Piper – joint deputy chair
- Steven Cooper, Chief Executive Officer, C. Hoare & Co – joint deputy chair
- Alastair da Costa, Chair of Capital City College Group
- Farrah Storr, Editor-in-chief, Elle

- Harvey Matthewson, Aviation Activity Officer at Aerobility
- Jessica Oghenegweke, Presenter, BBC Earth Kids
- Jody Walker, Senior Vice President at TJX Europe (TK Maxx and Home Sense in the UK)
- Liz Williams, CEO @FutureDotNow.UK
- Pippa Dunn, Founder of Broody, helping entrepreneurs and start ups
- Saeed Atcha, Chief Executive Officer of Youth Leads UK
- Sam Friedman, Associate Professor in Sociology at London School of Economics
- Sammy Wright, Vice Principal of Southmoor Academy, Sunderland