

The changing labour market for young people

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The changing labour market for young people

- ❑ Recent research into how is the job market for young people has changed
- ❑ Predictions of what jobs there will be in the future
- ❑ What jobs/apprenticeships are really out there for young Londoners now?
- ❑ How employers recruit and what they look for
- ❑ Evidence on what sort of training and interventions increase employability

How the job market has changed

“massive information gap between what young people know about the careers and opportunities open to them and the actual jobs that exist”

Nick Chambers

Director of the Education and Employers Taskforce

What happened to 'school/college leaver jobs'?

1980s

- Recession and certainty of school → work ends
- Most 'school/college leaver jobs' ask for few skills or qualifications

Mid 90s

- Competition from adults for what used to be thought of as 'junior' jobs
- More young people staying in education at 16/17

2013

- Even entry level jobs expect people to be 'job ready' and have 'soft skills' (eg communication, team work)
- Expansion of apprenticeships

Leitch Review (Dec 2006)

- ❑ UK becoming an even more high value service sector economy
- ❑ By 2020 we need 95% functional literacy and numeracy, 90% at least Level 2 and 40% Level 4
- ❑ Virtual disappearance of jobs below Level 2
- ❑ Raising of 'school leaving age'

Unqualified young people hit hardest by recession

- ❑ UK has one of the highest graduation rates, but also disproportionately large numbers with few qualifications
- ❑ *“The crisis has amplified the value of a good education”* Andreas Schleicher, OECD Education Adviser
- ❑ 1 in 4 young people without 5 GCSE C+ NEET, compared to 1 in 12 graduates
- ❑ The overall picture for the global and London economy remains one of modest recovery – but jobs and wages not necessarily growing in line with economy

LMI Update July 2013

What jobs do young people do?

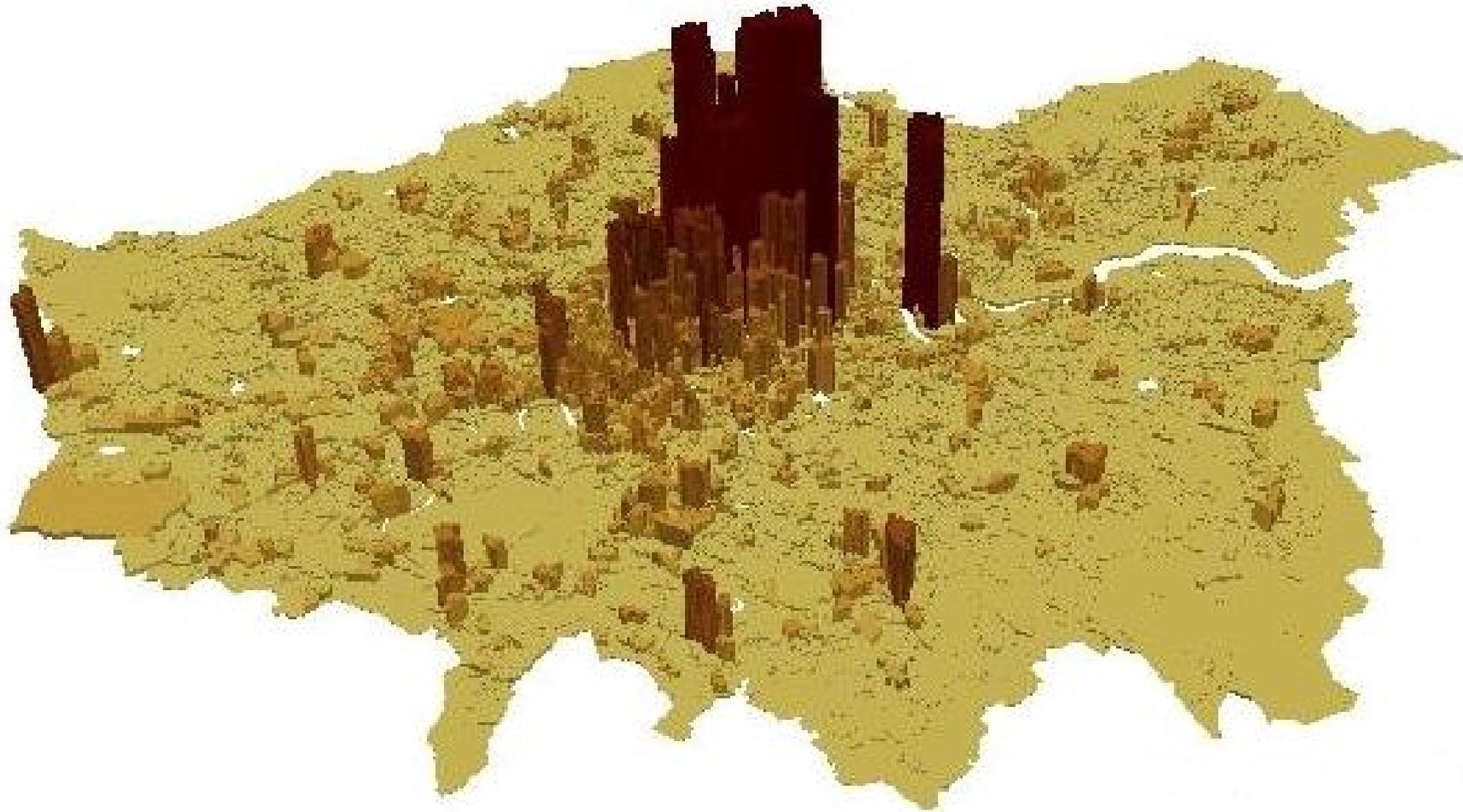
Employment of 16-24 year olds by industry, %

Employment by Industry	1981	2011
Agriculture, Forestry and Fishing	2	1
Energy and Water	7	1
Manufacturing	24	8
Construction	7	7
Distribution, Hotels and Restaurants	24	39
Transport and Communication	5	5
Banking and Finance	11	13
Other Services	19	27

LMI Update June 2012

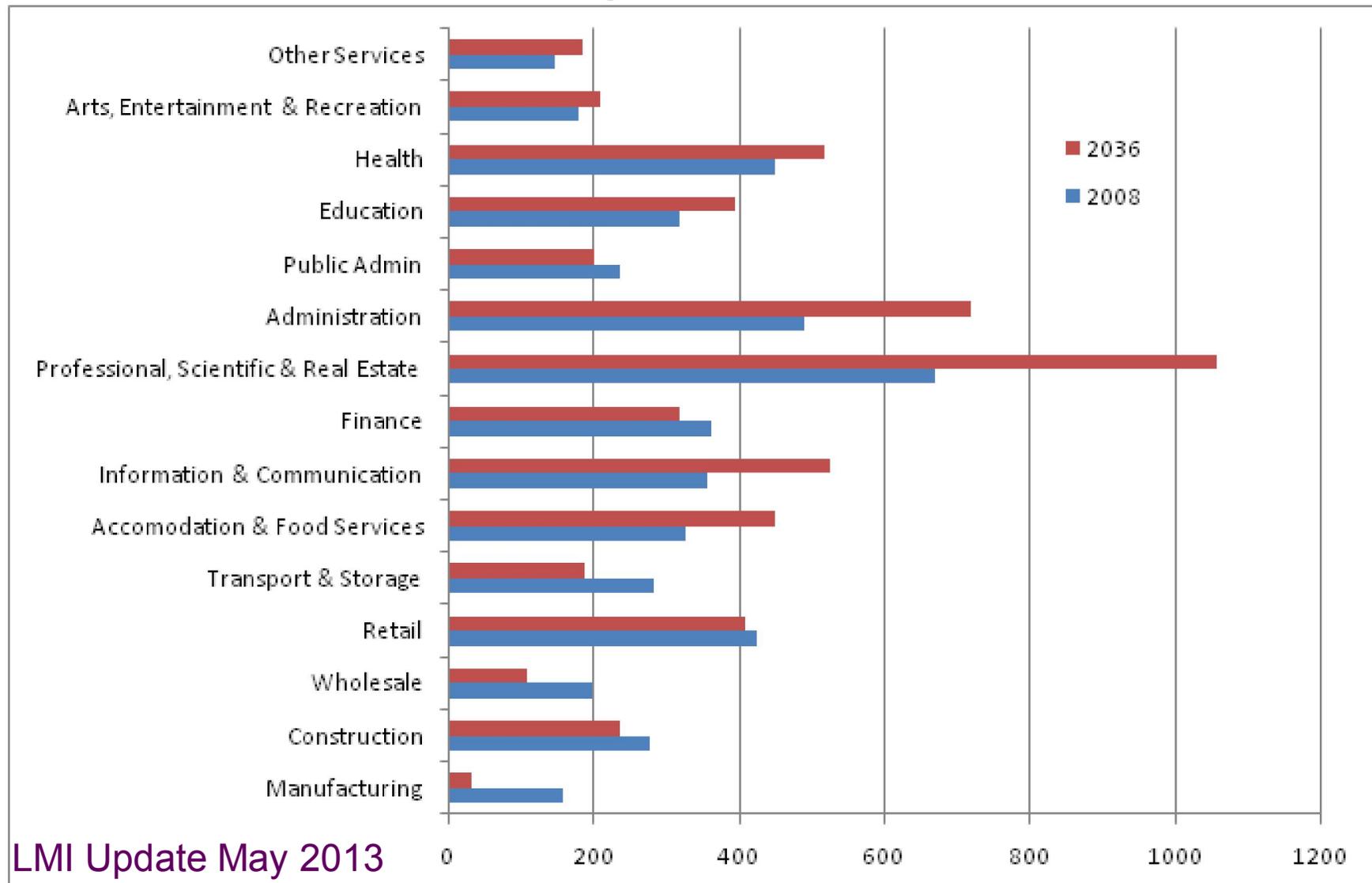
London jobs in the future

Concentration of employment in London



People employed per Square KM. Source ONS 2011

Employment Projections by Sector (000s)



London Jobs Mismatch

- ❑ Increasing 'jobs mismatch' in UK cities as low skilled jobs move out (and employers often prefer 'local applicants')
- ❑ Employers in London take on fewer 16 - 18 year olds but far more graduates than in those in the rest of England
- ❑ Professional, administration, ICT & hospitality sectors to show biggest job growth in London
- ❑ Traditional/stereotypical 'boys jobs' small and declining sectors in London
- ❑ Pool of labour willing to take low skilled jobs at relatively low pay

Increasingly difficult for low skilled to find jobs that meet their expectations

LMI Updates October 2011 & May 2013

Increasing importance of retail

- ❑ Young people are three times as likely to be in sales and customer service occupations as all London workers, and are more likely to be in these jobs than their counterparts in the rest of the UK
- ❑ Continued decline in manual work and increase in sales and low skilled service jobs (eg more sales assistants and catering assistants)
- ❑ Compared to the London average, retail employs more women and people from Black, Asian and Minority Ethnic communities

Apprenticeships have had little impact on the retail sector – tend to be used to train existing staff rather than taking on new staff

Graduate prospects

Graduate employment & wages

- ▶ Average salaries ranged between £18,345 and £22,535 and graduates continue to get significantly higher wages than non-graduates
- ▶ Graduates in medicine and science had the highest earnings and arts graduates the lowest, but graduates in all subjects had higher average earnings than non-graduates

Subject	Employed or Working & Studying %	Further Study %	Unemployed %
Biology	59	25	11
Chemistry	52	34	9
Physics	45	39	11
Sports Science	76	14	6
Mathematics	63	23	9
Computer Science & IT	74	8	15
Law	59	29	7
Psychology	71	16	8
Sociology	73	11	10
Fine Arts	71	10	12
Design	80	4	11
English	66	20	9
History	63	22	9
Media Studies	76	6	13
Languages	65	20	9
Performing Arts	75	12	9
Finance & Accountancy	76	9	11
Business & Management	79	7	10
ALL SUBJECTS	74	13	9

LMI Update October 2013

Social mobility and HE

- ❑ Report by Sutton trust questions whether UCAS personal statements 'further disadvantage' state school students
- ❑ upReach found that once at university those from less-privileged backgrounds perform comparably with their more-privileged peers but this is not matched by equal access to the professions
- ❑ Social Mobility and Child Poverty Commission found that those from private schools have a better chance of entering highest status occupations, even compared to individuals from state schools with similar characteristics and levels of education achievement
- ❑ Importance of contacts and access to work experience/ placements stressed

LMI Update March 2013 & CEIAG Bulletins April 2013/January 2014

Apprenticeship expansion

Apprenticeship expansion & review

- ❑ Apprenticeships are a job and not conceived as a NEET solution but a way to boost mid-level skills (until the recession hit – then branded as part of the solution to youth unemployment)
- ❑ Growth both in numbers and range of apprenticeships available in London (eg creative) up to 2011-12, then ...
- ❑ Drop in numbers and proportion of under 19s and 19-24 year olds entering apprenticeships
- ❑ Small proportion on advanced (Level 3) and higher (Level 4) apprenticeships but steady increase
- ❑ Government put fall down to ending of low quality, shorter and programme led apprenticeships

Apprenticeship Adviser's Guide

Types of Apprenticeship

Title & Level	Typical requirements	London adverts 28/1/14
Traineeship - not really an apprenticeship, but some being advertised on Apprenticeship vacancies site - unpaid, no qualifications needed, last up to 6 months		63 (but colleges don't often advertise on Apprenticeship vacancies website)
Intermediate – Level 2	Level 1 literacy & numeracy to GCSE grades C+ maths & English	1072
Advanced – Level 3	5 GCSE grades C+ to A Levels or equivalent	256 (often in IT, Business, Child Care, Creative, Health, Hospitality, Construction & Engineering)
Higher – Level 4 (often includes HE study)	Good A Levels or equivalent	15 (Business & IT)

Apprenticeships in London

on 1 November 2013 (2012 in brackets)

Apprenticeship Framework	Live Vacancies	Applicants/ Vacancy
Creative & Digital Media	17 (16)	37 (47)
Business & Administration	365 (410)	32 (9)
Customer Services	74 (296)	28 (5)
Construction, Building	51 (9)	7 (48)
Vehicle Maintenance	3 (23)	45 (47)
Children's Workforce	148 (171)	33 (19)
IT, Software, Web & Telecoms	71 (52)	64 (17)
Hairdressing	35 (65)	21 (12)
Beauty Therapy	28 (17)	2 (4)
Hospitality & Catering	52 (164)	6 (9)
Retail	17 (33)	5 (20)

Apprenticeship Adviser's Guide

Age of Apprentices

Year	Under 19	19-24	25+	Total
2005-06	57%	43%	<1%	175,000
2006-07	57%	43%	<1%	184,000
2007-08	48%	40%	12%	224,800
2008-09	41%	35%	24%	239,900
2009-10	42%	41%	17%	279,700
2010-11	29%	31%	40%	457,200
2011-12	25%	31%	44%	520,600
2012-13	22%	32%	46%	510,200
London 2012-13	21%	31%	48%	45,070

Source: Skills Funding Agency

Apprenticeship supply

- ❑ Most frequent vacancies were Business & Admin and Customer Service + plenty of Children's Workforce, Hairdressing, Catering, Building and IT
- ❑ Few vacancies in Construction, Engineering and Travel
- ❑ Advanced and Higher apprenticeships limited to specific sectors (eg IT, Business, Children, Creative)
- ❑ Retail remains the big sector where apprenticeships could make a bigger impact – if Richard Review implemented

Apprenticeship Adviser's Guide

Apprenticeship demand

- ❑ Most competition for Advertising & Marketing, IT and Vehicle Maintenance vacancies
- ❑ Least competition for Catering & Hospitality, Beauty Therapy, Construction, Sales & Telesales
- ❑ The number of applicants often has more to do with the popularity of the job as a career choice than the quality of the opportunity
- ❑ Apprenticeships have made some sectors more open to non-graduates including Creative & Digital Media, Live Events & Promotion, Cultural & Heritage Venue Operations, Design, PR, Marketing, Finance/Accountancy and IT

Apprenticeship Adviser's Guide

What do employers want?

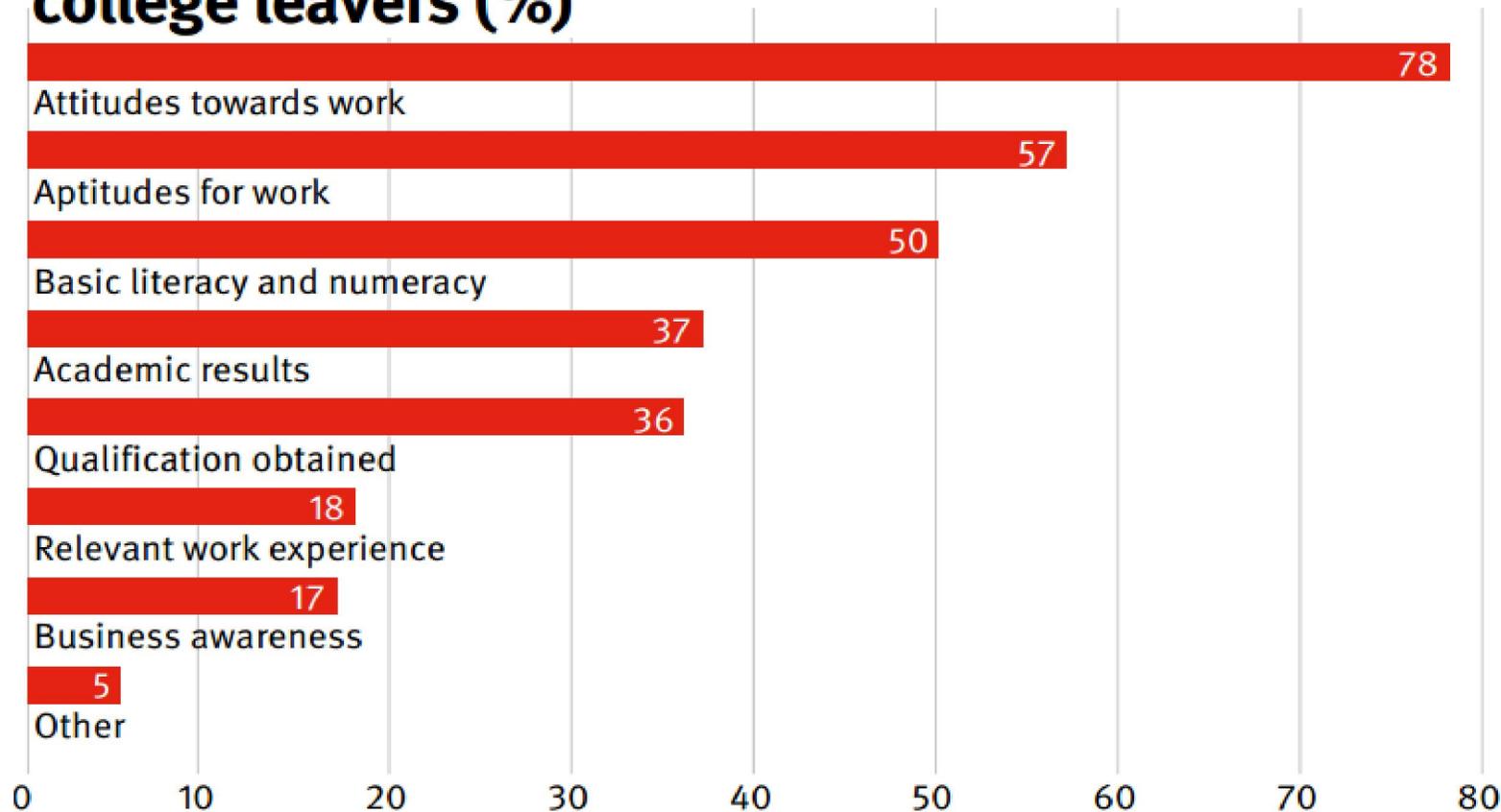
Job Ready?

- ❑ Most apprenticeship employers ask for good GCSEs or better, but all will want applicants to be 'Job Ready'
- ❑ No universal definition of 'Job Ready' + will vary from job to job (ie some different skills needed in an solicitors office or on a building site) but would usually include:
 - A realistic informed job/career choice
 - Literacy & numeracy at the level required
 - Being able to prove that you have generic skills such as punctuality, reliability, teamwork, etc
 - Evidence you can commit yourself to learning

The applicants and employers views of what 'Job Ready' means may conflict!

What do employers want?

Most important factors in recruiting school and college leavers (%)

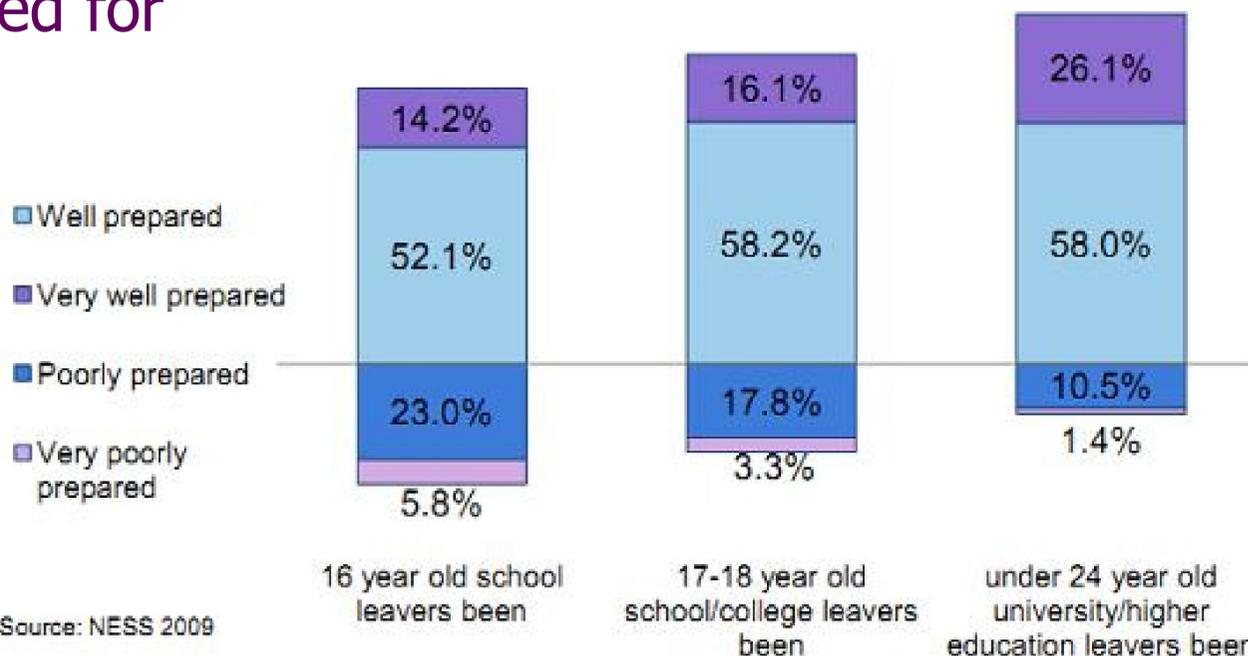


LMI Update September 2013

Older = better prepared?

- ❑ Surprisingly (to many) employers who take on young people find them well prepared for work
- ❑ The older they are the better prepared employers find them

Proportion of employers who recruit young people and their views on how well prepared they are



Inreasing employability

What works tackling worklessness?

- GLA/LDA review (Sept 2006) of UK and international research:
 - Help in presentation and job search effective for those with some recent work experience, skills or qualifications
 - Those with severe or multiple barriers need combinations of support, which are expensive and take longer (eg job subsidies)

- Department for Business, Innovation & Skills report (to be published February 2014) recommends that provision should:
 - Be targeted at those qualified below Level 2 and in their twenties
 - Be workplace, rather than classroom based
 - Reflect local labour market needs
 - Build employability skills such as time management, literacy & numeracy
 - Be short and locally commissioned

LMI Update February 2014

16-19 Study Programmes from 2013

Review of Vocational Education – The Wolf Report (2011)

“Low-level vocational qualifications, notably NVQs, have, on average, absolutely no significant economic value to their holders unless they are gained as part of an apprenticeship”

Government response 16-19 Study Programmes:

- ❑ Students who are able will take either A levels, or a substantial qualification as being of real benefit in securing work or a university place
- ❑ “where appropriate” students will also take part in work experience
- ❑ Students who don’t have a GCSE in English and maths will continue to study these subjects after 16
- ❑ Students who aren’t able to study a qualification will take a programme of work experience focusing on developing their employability skills, along with work to develop numeracy, literacy and other core education skills

Traineeships – target group

- ❑ A new programme aimed at giving young people the skills and experience to compete for an apprenticeship
- ❑ Initially for 16-19 year olds (to be extended up to 24 'in due course')
- ❑ For 16-19 year olds, traineeships will be delivered within the new study programmes
- ❑ The core target group for Traineeships is young people who:
 - are not currently in a job and have little work experience, but who are focused on work or the prospect of it
 - are 16–19 and qualified below Level 3, or 19 up to 24 years of age and have not yet achieved a Level 2
 - employers and training organisations believe have a reasonable chance of being ready for employment or an Apprenticeship within six months of engaging in a Traineeship programme

Traineeships – content & vacancies

- ❑ Will have 3 elements:
 - work preparation
 - high-quality work placement (between six weeks and five months)
 - English/maths where young people do not have GCSE Grade C or equivalent
- ❑ Training provided only by organisations rated “outstanding” or “good” by Ofsted, *‘to ensure a high-quality programme’*
- ❑ Employers and learning providers can add content to meet individual and local labour market needs
- ❑ Work placements are unpaid, but employers are *encouraged* to support expenses
- ❑ Vacancies beginning to be advertised on Apprenticeship Vacancies site and CLC vacancies listed on weekly update
- ❑ Directory of providers and further info at www.wblalliance.org.uk/traineeships.php

Disadvantaged young jobseekers

▶ Inspired by *Disadvantaged Young People Looking for Work (Joseph Rowntree Foundation)*:

- ❑ Jobcentre Plus (JCP) are more likely to have public than private centre jobs
- ❑ Greater use of agency staff for non-core workers – *so find agencies that deal in the jobs you want*
- ❑ Shift towards web-based methods and away from print media – *we have to use it*
- ❑ Most likely to get a positive response within the first 3 days of a job being placed (some applications arriving a matter of days after adverts were posted may be too late to be considered) or after 22 days – *prioritise new and old vacancies*

“...data paints a picture of a competitive labour market for low-skilled work, with initial stages increasingly conducted over the internet, decisions made quickly and, at least for some jobs, employers looking for people living nearby or with their own transport, with good soft skills and a modest amount of relevant experience, although not necessarily any specific qualifications.”

LMI Update February 2013

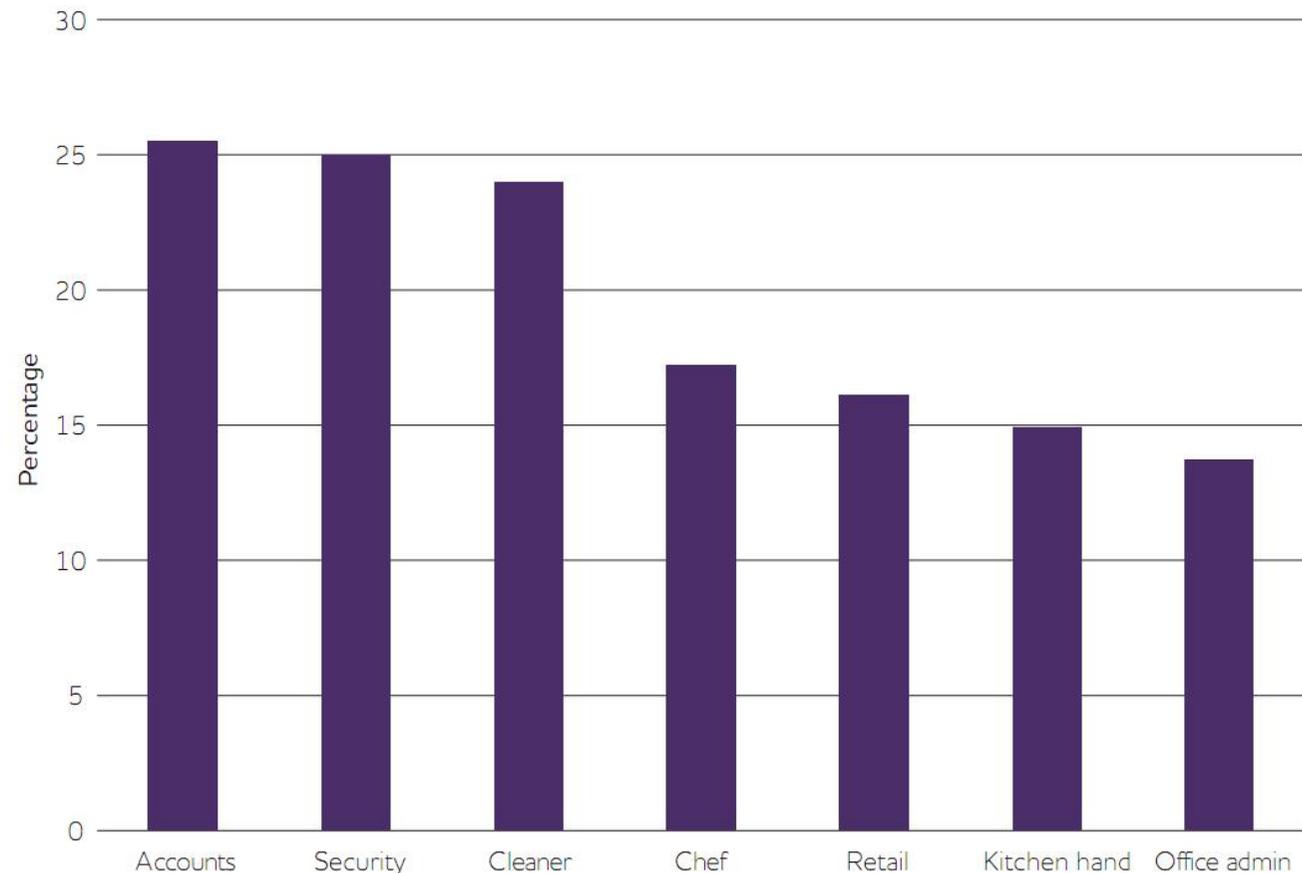
More job hunting tips

- ❑ Be assertive about qualifications that are equivalent to GCSEs/A Levels, etc – *tell the employer exactly what they are equivalent to, don't expect them to know*
- ❑ If you think you can do a job but don't have what the employer asks for apply anyway (but not likely to work with big employers) – *acknowledge that you don't have the qualifications but make it clear to them (eg in covering letter) why you would be good at the job*
- ❑ Don't assume the employers knows about your course – *summarise what you have studied and make it clear what is relevant to the job*
- ❑ Don't be put off by lack of feedback – *it happens to everybody*
- ❑ Be organised – *check vacancies at least once a week, preferably twice a week and try to apply within a couple of days after a vacancy is live*
- ❑ Look out for re-advertised vacancies (eg ones you have seen before on Apprenticeship site) – *they haven't found the right person and you might have less competition*
- ❑ Although many shops recruit online it is still worth cold calling – *especially at independently owned local shops*

Competition for jobs

- Retail and kitchen hand applicants needed to make more applications to generate positive responses than those applying for cleaner and security positions (the qualifications the candidates had were similar)

Figure 11: Percentage of experiment applications receiving first-stage positive response, by job type, 2011.



LMI Update February 2013

www.centrallondonconnexions.org.uk

- ❑ Monthly LMI Updates (under Practitioners tab)
- ❑ Jobs & Training Bulletins (under Practitioners + Job Info Sheets under Young People tab)
- ❑ Job Info Sheets (under Young People)
- ❑ Apprenticeship Adviser's Guide + PP presentation 'How to' guides for use with young people (click on Apprenticeships under Practitioners tab)
- ❑ Get Connex'd (link from home page)