

INSIGHTS

News about employability,
careers and the labour market

Welcome to the November edition of Insights.

A reminder if you have any feedback or comments, you can contact us at Insights@edt.org.

The Autumn Statement

Autumn Statement 2023 – GOV.UK (www.gov.uk)

The Chancellor's Autumn Statement included details of employment support measures under the Back to Work Plan with a focus on increasing the participation in the labour market of the long term unemployed and people with health conditions. The UK labour market context is:

- In the quarter before the pandemic, economic inactivity had been at a low point for over 20 years (8.37 million for the period Dec 2019 – Feb 2020). There are now over 400,000 more people economically inactive.
- The economically inactive who are long-term sick has increase from 2.1 million to 2.6 million in this period.
- Around 20% of people who are unemployed have been out of work for 12 months or more – 296,000. This is broadly similar to the number and rate just before the pandemic. In comparison, in March 2013, long term unemployment accounted for almost two fifths (37%) of people out of work at 900,000.



- Vacancies continue to fall back from the high point of 1.3 million in the three months March–May 2022.

The main employment support announcements are:

- £2.5 billion to be invested over the next five years.
- Extending the Restart programme for a further two years from 2024¹. The entry point to Restart will drop from 9 months to 6 months (from the starting point of participating in Intensive Work Search).
- New measures to review claimants at various points, provide intensive job search, tracking attendance at jobs fairs organised by JC+, possible mandatory work placements and sanctions for non-compliance.
- Expanding access to **Individual Placement and Support (IPS)** for severe mental illness in England to reach an additional 100,000 people over the next 5 years
- Increasing the places available on **Universal Support**² to 100,000 per year.



Annual Survey of Hours and Earnings

Taking out the blips during the pandemic, the average annual growth in take home pay has been gradually increasing since 2017. The latest figures **Average weekly earnings in Great Britain - Office for National Statistics (ons.gov.uk)**, show a 7.7% annual increase for 'regular pay' (not including bonuses) for the period July to September 2023. What is also shown is 'real pay' which takes into account inflation. Regular real pay for the year increased at 1.3%. These figures are across the whole economy and include increases due to one-off public-sector payments that occurred in the Summer.

Earnings are clearly a pretty important consideration in jobs but from a careers guidance perspective, the detail of average weekly earnings data is arguably less relevant than the information available on average earnings by occupation, by sex and by location. This data is sourced from the ONS Annual Survey of Hours and Earnings **Employee earnings in the UK - Office for National Statistics (ons.gov.uk)** published this November. This uses a sample of data from employee earnings in a week in April 2023 to provide the most detailed information on pay for

¹ Restart was introduced in 2021 under the Plan for Jobs alongside Kickstart and the Job Entry Targeted Scheme (JETS). For details of the latest published figures for Restart see [Restart Scheme statistics to April 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/restart-scheme-statistics-to-april-2023)

² Universal Support is a supported employment programme in England and Wales for people with a disability or health condition

employees in the UK by sector, by occupation, by locality and gender and age. The full data sets can be accessed via the link above (the data release is classed as provisional) but some of the findings from the data are:

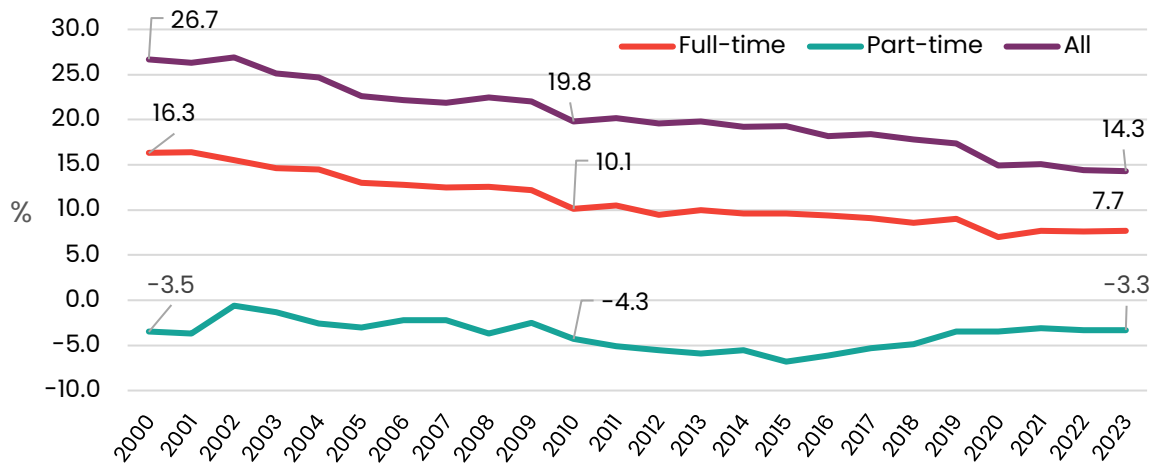
	£
Median weekly earnings for full-time employees in the UK	682
Median annual earnings for full-time employees in the UK	34,963
Median annual earnings for full-time employees in the North East	31,200
Median annual earnings for full-time employees in Yorkshire and the Humber	31,920
Median annual earnings for full-time employees in the South East	36,560
Median annual earnings for full-time employees in London	44,370
Median annual earnings for male full-time employees in the UK	37,382
Median annual earnings for female full-time employees in the UK	31,672
Source: ONS ASHE 2023 (provisional)	

The gender pay gap for full time employees stands at 7.7%³. The chart below shows how this has changed over the last twenty years. For all employees – the dark blue line – the gender pay gap is higher than it is for full-time employees or part-time employees. This is because women fill more part-time jobs, which in comparison with full-time jobs have lower hourly median pay. In 2023 approximately 86% of male employees were in full-time jobs, compared with approximately 61% of female employees.



³ The gender pay gap measures the difference between average hourly earnings (excluding overtime) of men and women as a proportion of men's average hourly earnings (excluding overtime). It is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job.

Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 2000 to 2023
(ONS ASHE 2023 provisional)



A report is also provided in the ASHE release on low and high pay. The occupational earnings data is used in many careers and LMI publications to provide indication of the average salary for jobs.

Digital Skills

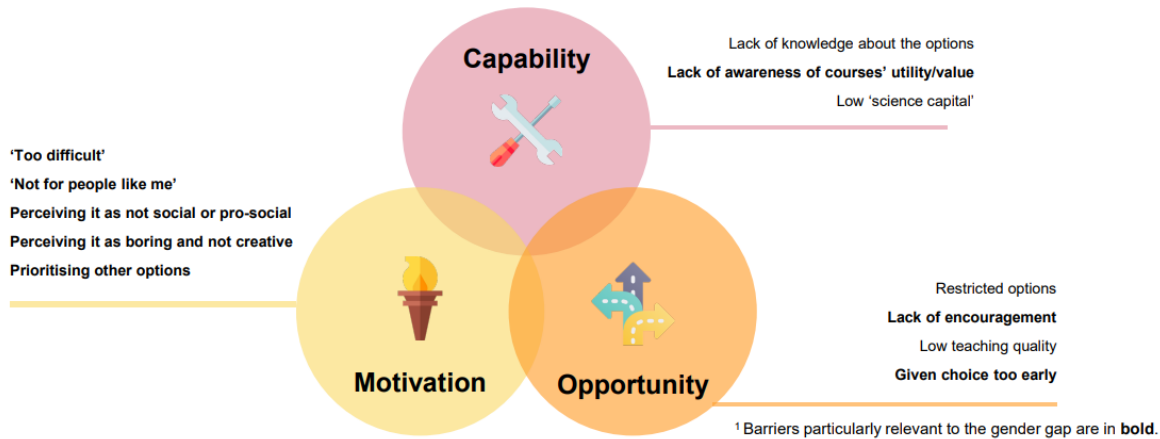
Research from the Behavioural Insights Team⁴ into barriers experienced or perceived by young people and career changers to digital skills [Digital skills and careers behavioural insights study 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/research-data-and-analysis/publications/digital-skills-and-careers-behavioural-insights-study-2023). The research was commissioned by the Department of Science Innovation and Technology, to explore the facilitators and barriers to the take up of digital courses and careers for new entrants from education and as a career change for people in work. The study presents an opportunity to remind ourselves of the problems/challenges for the tech sector and tech jobs across the economy particularly around low female take up of tech courses from GCSE through T levels, apprenticeships and undergraduate study.



⁴ BIT started its life in the UK Government but is now independent and funded through Nesta

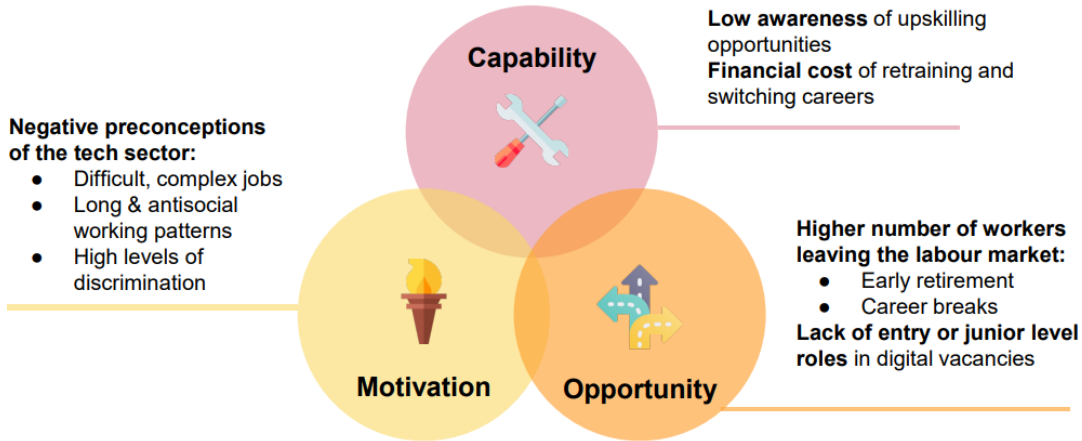
A couple of lifts from the report show some of the findings. The first is from the barriers to tech careers for young people:

Barriers to the uptake of digital courses and careers¹



The second extract is taken from the study into why tech is not a move considered by careers changers.

Barriers to the uptake of digital training and careers



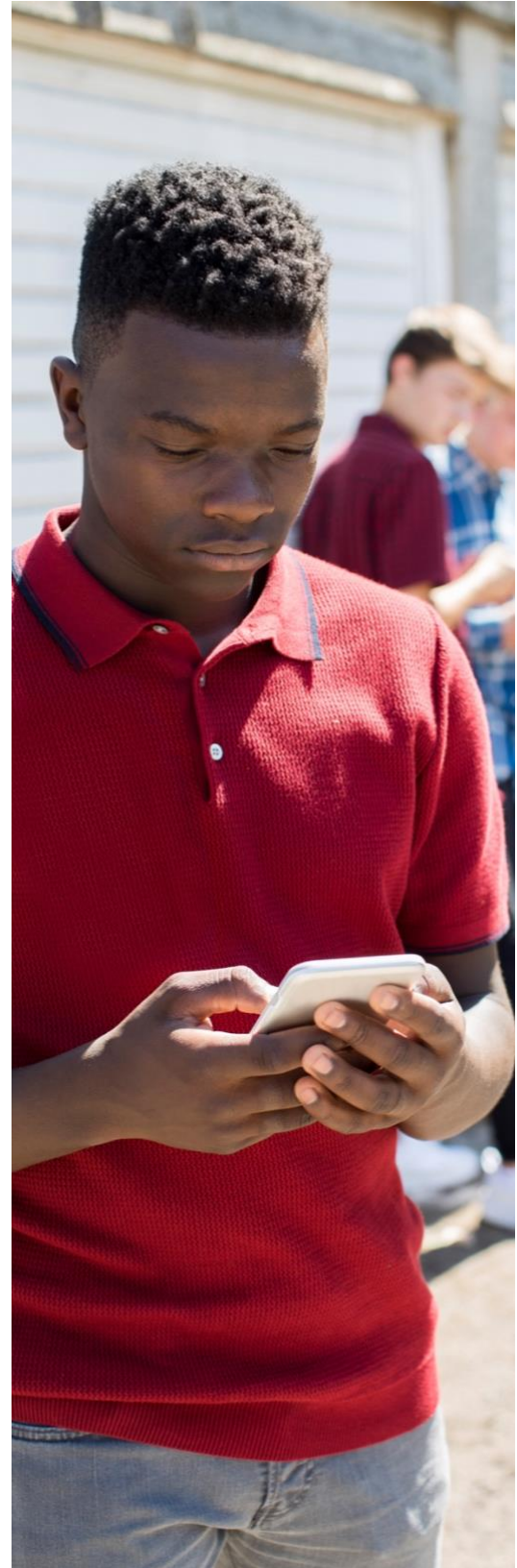
Interestingly one of the other recommendations which feels pretty 'Canutian', was to "avoid the term 'cyber,' be cautious with 'digital' and 'artificial intelligence.' Use 'tech'." Good luck with that. (see AI item below).

Young people from disadvantaged backgrounds

An analysis of data by ONS [Young people from disadvantaged backgrounds feel less in control of their futures - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/people-population/young-people) from a survey of young people aged 16 -17 whose studies were disrupted through the Covid-19 period. The messages are possibly unsurprising although concerning, that there was a clear difference in young people's expectations and prospects depending on their background.

"Despite almost universal agreement that having a job or career is important, young people's feelings about their futures varied by their socio-economic situations. Young people in households where the adults had never worked or were long-term unemployed were more likely to say that people like them didn't have much of a chance in life than those whose parents were in managerial, administrative and professional occupations (29.3% compared with 10.9%)."

The value of careers guidance to support young people from disadvantaged background is something that the Minister for Skills, Apprenticeships and Higher Education has referred to many times as the Ladder of Opportunity: *"Critically, the Ladder must bring progression opportunities to the most disadvantaged in society, so they can reach the top, to enjoy sustainable, skilled, and high-waged employment. The first rung of the ladder is careers empowerment."* [Minister Halfon speech at the Skills for Growth Conference - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/minister-halfon-speech-at-the-skills-for-growth-conference) June 2023



AI and the impact on jobs

A report from the Unit for Future Skills on [the impact of AI on UK jobs and training](#), the first attempt to quantify the potential impact of Artificial Intelligence on the UK jobs market.



The use of AI is very clearly a hot topic from views as a wide as the next helpful work enabler to being considered an existential threat. In terms of the impact on jobs, this study measures “the exposure of jobs to AI, rather than distinguishing whether a job will be augmented (aided) or replaced (substituted) by AI”. What is interesting is that where most applications of tech have tended to be viewed as a “threat” to lower skilled work, in this analysis, AI is seen as most likely to impact on the professional occupations. We will look at this in more detail in the next edition of Insights.

News

A report on the findings from the Technical Education Learner Survey [Technical education learner survey 2022 - GOV.UK \(www.gov.uk\)](#) commissioned by the Government to understand learners’ choices of technical education programmes, their experiences and outcomes on these programmes, and their progression to future study and work.

Nearly a third of employers are using AI in their recruitments processes according to this survey of student employers from the Institute of Student Employers [Employers using AI to recruit graduates and apprentices triples | ISE Insights](#). The most frequent use was in online psychometric assessments. AI was also commonly used to pre-screen candidates and update them about the process as well as analyse video interviews.

The LLE (Lifelong Learning Entitlement was mentioned last month) as the new approach to finance for learner’s post-18 education at Level 4 and above. Still some way off (it is due to be introduced in Spring 2025) but this is the updated policy paper [Lifelong Learning Entitlement overview - GOV.UK \(www.gov.uk\)](#) to help you understand the whys and wherefores.

And if you follow up nothing else, then please look at the ONS origin destination explorer [Origin-destination data explorer - Census 2021 - ONS](#). The movement of people through change of address and travel to work patterns shown as mesmerising moving dots.