



State of the Nation 2022: A fresh approach to social mobility

State of the Nation 2022: A fresh approach to social mobility

Presented to Parliament pursuant to section 8B(6) of the Life Chances Act 2010

OGL © Crown copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives. gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned. This publication is available at https://www.gov.uk/ government/publications

Any enquiries regarding this publication should be sent to the Social Mobility Commission, Sanctuary Buildings,Great Smith Street, London SW1P 3BT

Email: contact@ socialmobilitycommission.gov.uk

ISBN 978-1-5286-3483-0 E02761182 06/22

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of Her Majesty's Stationery Office.

About the Commission

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. The Commission board comprises:

Chair

Katharine Birbalsingh CBE, Founder and Headmistress of Michaela Community School

Deputy Chair

Alun Francis OBE, Principal and Chief Executive of Oldham College

Acknowledgements

This report was written with contributions from the following people: Anthony Heath – Professor and Founding Director of the Centre for Social Investigation at Nuffield College, University of Oxford; Yaojun Li – Professor of Social Change (Sociology), University of Manchester; Jo Blanden – Reader, School of Economics, University of Surrey.

Main analysis and writing led by: Jacalyn Guy, Michael Pandazis, Jaspal Buttar.

We are also grateful for contributions from: Elena Ahmed, Helen Anderson, Nicola Di Luzio, Jo Johnston, Darren Ramdoo, Emily-Rose Rolfe, Jill Sherman.

Contents

Foreword	2
Executive summary	7
Chapter 1: The new Social Mobility Index	12
Chapter 2: Mobility outcomes	24
Chapter 3: Intermediate outcomes	52
Chapter 4: Drivers of social mobility	101
Next steps	135

Foreword



Katharine Birbalsingh CBE Chair

It is a great privilege to be leading the Social Mobility Commission at this time.

Over the last 2 years we have had a pandemic, a European war, and a growing cost of living crisis. There were already a great many challenges to deal with before all these new crises arose – not least the issue of differences in opportunity across the country.

This makes it all the more important that we approach the challenge of improving social mobility with clarity, and that we make recommendations that will make a difference.

So, through this report and our wider agenda, we want to chart a new course for the Commission.

"So, through this report and our wider agenda, we want to chart a new course for the Commission."

The problem

In our view, traditional approaches to improving social mobility haven't always worked widely, despite the best of intentions. Too many interventions have focused on getting people to leave the place where they grew up, acquire brilliant academic credentials, and gain entry into an elite professional occupation. There is nothing wrong with this view of social mobility, but it is not enough.

Widening access to university has not brought the dividends many hoped for, and has diverted attention away from the 50% that pursue other routes.

Meanwhile, not enough attention has been paid to improving the skills of those at the bottom – both adults and young people – whose opportunities, because of a lack of basic literacy, numeracy and employability skills, are extremely limited.

And there is a particular challenge for people living in neighbourhoods and places where, for a whole variety of reasons, educational and economic outcomes appear to be poor across generations.

The state of social mobility

Despite the popular narrative, it's not true that social mobility is getting worse on all counts. In reality, the picture is complex. Occupational mobility has been fairly stable for decades, while on other aspects there is less consensus.

Nonetheless, there are pockets of real concern. Even if social mobility is not deteriorating, it can still be much harder for some compared to others.

Because of this, we're convinced we need to take a more nuanced view of social mobility so that we can prioritise the areas where need is greatest, and where we can have the most impact.

"Despite the popular narrative, it's not true that social mobility is getting worse on all counts. In reality, the picture is complex."



"We plan to undertake research to get a better understanding of what real people actually think about social mobility, so we can ensure the work of the Commission is aligned to their needs and wants."

A fresh approach

As a Commission, we want to take a fresh approach. We believe that in order to create opportunities for those with the least opportunity, we need to create a wider range of options. We need to move away from a 'one-size-fits-all' model of social mobility.

We plan to undertake research to get a better understanding of what real people actually think about social mobility, so we can ensure the work of the Commission is aligned to their needs and wants.

We want to move away from a narrow focus on 'long' upward mobility – moving a few from the 'bottom' into the 'top' – to a broader view of different kinds of social mobility, sometimes over shorter distances, for a greater number of people.

This means getting the whole sector thinking differently and collecting and using data differently. It means being clearer about the instances where mobility is working well – and being clearer about the various factors which help to make this happen.

And it means being clearer about obstacles which hold people back – and how they might be removed.

Inequality and agency

We believe there is risk in conflating inequality and social mobility.

Inequality is clearly an important theme in social mobility, and inequality does shape and affect opportunity. But inequality and social mobility are not the same thing.

For example, we could reduce inequality, without improving social mobility: we could reduce the gap between the 'top' and the 'bottom', without improving the movement in between. Similarly, we could improve social mobility without reducing inequality – by moving a higher percentage of people from the 'bottom' to the 'top', but allowing the gap between the 2 to increase.

In addition, focusing only on disparities leaves us with a caricatured view of society divided into 2 groups: those at the 'bottom', with very little chance of improving their situation, and another group – everyone else – whose achievements and accomplishments are solely a by-product of their relative levels of privilege. This approach risks obscuring differences between people in the same category, as well as people who move between categories and don't rigidly fit into either.

"Inequality is clearly an important theme in social mobility, and it does shape and affect opportunity. But inequality and social mobility are not the same thing." In this view, neither group has any agency. Everyone is a prisoner of the circumstances into which they were born. This view doesn't stop to examine how people who buck the trend manage to do it.

There is clearly a correlation between inequalities and social mobility. But the link is not a simple one and we should be considering a wider range of explanations, not just inequality alone.

Crucially, we are passionate in our belief that although some people may face more obstacles than others, they can still change their stars.

And we believe we need to start talking about things the social mobility community has often found uncomfortable:

- diversity of talent We believe cognitive ability is over-emphasised (for example, getting smart kids into top universities and jobs). As a Commission, we believe that other talents and other jobs should be valued too.
- families are frequently mentioned, but mainly as vehicles for passing on privilege. There is a lot more to be said about family size, values, family drive and motivation – and how this influences outcomes.
- culture and values are sometimes acknowledged, but are probably not given sufficient weight – we should not underestimate their impact.

Some of these things are hard to measure, which is why they are sometimes ignored. We want to change that. Where we can, we want to find ways to measure them. But even where that's not possible, we want to make sure they're part of the conversation.

A new index

Ultimately, data alone cannot give us all the answers, but it can get us to a clearer starting point from which to identify the interventions which really make a difference. We need to move beyond general analyses of gaps and disparities, to a more granular and analytical approach.

That's why we're excited to unveil the new Social Mobility Index. The innovative metrics in this report have been carefully selected and vetted by experts in economics, sociology, and education, as well as stakeholders from government, business, and third-sector organisations.

This report is not the end, but rather the start of a conversation that we hope to continue over the next 4 years and beyond – as the Commission reports consistently on these metrics year on year.

Over the course of our tenure, we want to continue tracking underlying factors, but we also want to go beyond this to improve how we track actual social mobility – movement, from one generation to the other, from one category of occupation or income to another.

In next year's report, we will also overlay these metrics by UK regions, and give additional breakdowns by other characteristics including sex, ethnicity and disability. These breakdowns will connect personal characteristics to a place, and can help to inform early thinking about policy solutions.

"This report is not the end, but rather the start of a conversation that we hope to continue over the next 4 years and beyond." In the age of 'levelling up', we believe that the link between social mobility policy and the missions and targets in the Levelling Up Statement of Missions is critical. Simply put, the point of levelling up should be to create more opportunity for more people in more places. That is why we want to see government, both local and national, placing social mobility at the heart of levelling up by using our findings to inform and evaluate success, and to make sure that their benefits are reaching those who need them most.

We want to get at the reasons why social mobility happens, when it happens, and how people buck the trend.

But to get to many of these more nuanced conclusions, we also need better data. If we can't collect the right data, too much of this work can become elaborate guesswork. That's why we're calling on government to close the data gaps we've identified in this report, and join up data where needed, and we will make specific recommendations on how to do this in future. The government's Equality Data Programme is a good start, but we believe there are areas where government can go even further. For example, in the UK, the tax records of parents and children aren't linked, as they are in other countries like the US, making measurement of income mobility much more difficult.

"The government's Equality Data Programme is a good start, but we believe there are areas where government can go even further."

Conclusion

The above is not to say that we reject all the work that has already been done.

But we will be taking a fresh approach, which sees social mobility as the process of enabling everyone to find and apply their talents in ways that they enjoy and gives them purpose. We want to ask different questions – for example, on talent, ability, families, culture and values. And we want to start a wider conversation across the sector about how to do that.

We will be looking at:

- education which includes early years, schools and universities, but also other routes such as further education and apprenticeships – and as we have said, we will be keen to understand more about how we can help families and parents.
- employment going beyond large professional firms to look at the role of smaller enterprises in generating opportunity, and at how the value of qualifications – particularly degrees and technical qualifications – is shaped by wider issues in the labour market, including levels of regulation.
- enterprise and the economy and we will be interested in the creation of opportunities, their geographical spread, and the role of enterprise in sometimes consolidating and sometimes disrupting traditional social mobility hierarchies.

We passionately believe that with a sharper lens, which really spots where the problems lie, we can find out what works and start making a difference. In the end, it's about ensuring that everyone has a decent chance to succeed, whatever their background. It's about people being able to change their stars.

Executive summary



Chapter 1: The new Social Mobility Index

Summary

Our new, improved Social Mobility Index is a measurement framework for social mobility in the UK. It offers a more systematic way to monitor mobility, comparing where people start and end, across a range of outcomes. This includes occupational class, income, and education, at earlier and later stages in their lives.

Highlights

- 'Social mobility' refers to the link between our starting point in life, and where we end up. When our starting point strongly determines where we end up, mobility is low. But if people from all starting points and backgrounds have a good chance of achieving any outcome, then mobility is high.
- The term 'social mobility' has been widely used, with a range of different meanings. But to have a useful basis for public discourse and policy, we have to look at a range of clearly defined social mobility outcome measures, consistently over time.
- We have developed a new and improved measurement framework that goes well beyond reporting on the drivers of mobility.
- Our new index provides, for the first time, a systematic look at social mobility outcomes themselves, and a critical starting point to improve the evidence base. We will focus on the mobility outcome of occupational class, and add further outcomes like income, wealth, education and housing, as the data allows.
- We have identified important data gaps, which make reporting on social mobility, and targeting policies on those most in need, more difficult. For example, there is no administrative dataset covering income at the family level.
- By reporting mobility measures clearly and up front, we can better define the state of social mobility in the UK and understand where we are doing well, and where we need to improve.

Chapter 2: Mobility outcomes

Summary

Most analysis shows that there has been no decline in the rates of absolute or relative occupational mobility for decades, and the UK has good rates when compared internationally.¹ In contrast, there probably has been a decline in absolute and relative income mobility for people born in the late 1970s and beyond.²

Highlights

- The dominant view in politics and the media has been that social mobility in the UK is in decline and that the UK compares very badly with other countries. But the evidence is not as gloomy as the popular narrative.
- The UK's total occupational mobility rate has remained stable for many decades. This is an absolute measure that gives the percentage of people in a different occupational class from their parents.
- In the late 20th century, there was a large surplus of upward over downward mobility, but this surplus is now shrinking, as growth in professional and managerial jobs slows. But this is a sign of success – it is because the professional class has grown so much in the last 70 years.
- Relative rates of occupational mobility

 the relative chances of people from different backgrounds reaching a particular destination – are not in decline, and may even have improved over decades.
- There is less consensus on mobility in other outcomes such as income, wealth, housing and education. Trends in these mobility outcomes may be different. For example, there probably has been a decline in absolute and relative income mobility for people born in the late 1970s and beyond.

2 Occupational mobility and income mobility are **not** 2 ways of measuring the same concept. They measure completely different (but correlated) outcomes: the types of jobs people do, and the money they earn. Trends in the 2 may be different.

¹ Absolute measures give the number of people who have experienced mobility. Relative measures compare the chances that at least 2 groups have of reaching, versus avoiding, a particular outcome.

Chapter 3: Intermediate outcomes

Summary

Intermediate outcomes – a range of mobility outcomes measured earlier in life – do not appear as bleak as sometimes thought. Many gaps between those from professional and working-class backgrounds have narrowed across aspects of education and the labour market. The full effects of the COVID-19 pandemic are still unlikely to be shown in the data.

3 Data for some of our measures only goes as far back as 2014.

Highlights

- The popular narrative of worsening mobility prospects for young people in the UK is not supported when we take a careful look at a range of outcomes across education and employment.
- Almost every gap in our intermediate outcomes between young people from higher and lower socio-economic backgrounds has narrowed in the past decade.³ There are still disparities, but there has been progress across all measures.
- Intermediate outcomes in education and work have been trending in a positive direction. Educational attainment gaps between pupils from higher and lower socio-economic backgrounds have narrowed, especially at key stages 2 and 4.
- The gaps between professional and working-class backgrounds for both university participation and degree attainment have also narrowed.
- In terms of early career, the gap between people from professional and workingclass backgrounds has decreased for most of our occupational and economic outcomes since 2014.
- In some cases, there are different trends for men and women. For example, the gap in earnings between women of professional and working-class backgrounds has widened since 2014.
- The full effects of the COVID-19 pandemic are still unlikely to be shown in the data.

Chapter 4: Drivers of social mobility

Summary

The drivers, or background conditions that enable social mobility, are also looking positive. Conditions of childhood, opportunities for good-quality education and employment, and social capital (trust and community relationships) are mostly trending positively, and often compare well with other countries. However, some drivers are hard to measure, and the full effects of the COVID-19 pandemic are still unlikely to be shown in the data.



Highlights

- Trends in the drivers of social mobility over the last 20 years are generally positive.
- The conditions of childhood have tended to improve over the past 2 decades, in terms of both finances and parental education levels.
- Opportunities for good-quality education and employment have also improved. The UK's education system has been performing at or above the Organisation for Economic Co-operation and Development (OECD) average since 2006. Maths, in particular, has improved recently.
- Job opportunities are currently high, and youth unemployment has trended downwards since the 2008 financial crisis.
- Young people's median real hourly pay has increased steadily and now exceeds its pre-financial crisis high. The balance of professional over working-class jobs taken by young people has also improved.
- Levels of social capital (trust and community relationships) in the UK compare well with those in other countries, although civic engagement has declined since the 1990s, and feelings of safety have decreased sharply from 2020 to 2021.
- There are different trends in household finances when we consider the longer term, because income inequality and relative child poverty rose significantly in the 1980s, and have never fallen back to the levels seen in the 1960s and 1970s.
- The full effects of the COVID-19 pandemic are still unlikely to be shown in the data.

Chapter 1 The new Social Mobility Index



Key insights

'Social mobility' refers to the link between our starting point in life, and where we end up.

When our starting point strongly determines where we end up, mobility is low. But if people from all starting points and backgrounds have a good chance of achieving any outcome, then mobility is high.

The term 'social mobility' has been widely used, with a range of different meanings. But to have a useful basis for public discourse and policy, we have to look at a range of clearly defined social mobility outcome measures, consistently over time.

We have developed a new and improved measurement framework that goes well beyond reporting on the drivers of mobility.

Our new index provides, for the first time, a systematic look at social mobility outcomes themselves, and a critical starting point to improve the evidence base. We will focus on the mobility outcome of occupational class, and add further outcomes like income, wealth, education and housing, as the data allows.

"Social mobility is for everyone, not just a few. It is about every single person having the chance to succeed."

	μ,

Explainer

What is social mobility?

The term 'social mobility' can have different meanings, but in this document, we use it to mean intergenerational social mobility – the difference between your life outcomes, and those of your parents. For example, if you have a professional occupation and your parents had a working-class occupation, you have experienced upward occupational mobility. Or if you have a high income and your parents had a low income, you have experienced upward income mobility.

Most sociologists have tended to focus on mobility between occupational classes, while economists have recently turned their attention to income mobility. In this report, we have provided a greater focus on occupational mobility, because it has the most extensive data at present.

There are also studies of educational mobility, housing mobility and wealth mobility. What all these approaches have in common is a concern with the chances for individuals born and brought up in one kind of situation to move up or down the social ladder to a higher or lower position, or to stay in the same position as their parents.

We have identified important data gaps which make reporting on social mobility, and targeting policies on those most in need, more difficult. For example, there is no administrative dataset covering income at the family level.

By reporting mobility measures clearly and up front, we can better define the state of social mobility in the UK and understand where we are doing well, and where we need to improve.

Introduction

Social mobility is for everyone, not just a few. It is about every single person having the chance to succeed. It is the idea that where you start in life may help to shape your opportunities, but should not determine where you end up. It is about ensuring that your own potential, individual choices, and merit determine your outcomes. Your background, such as the place you grew up in or your family circumstances, should not limit your options or future.

The Social Mobility Commission (SMC) monitors progress in social mobility across the UK. However, progress can be difficult to track, and change will also be slow – there is often a time lag of an entire generation before the impact of any intervention becomes clear. We need the right tools to get an accurate picture of the state of social mobility now, and what the prospects are for the future. Without this clarity, we cannot focus on what needs to change.

Our new, improved Social Mobility Index is an innovative long-term measurement framework for social mobility in the UK. It replaces the Commission's original Social Mobility Index, launched in 2016. This helped us to understand geographic disparities in some of the 'drivers', or enablers, of social mobility in England alone, but it didn't report social mobility outcomes.

The new framework we introduce in this report is much bolder. While it is still a work in progress, it sets out a long-term vision for measuring and monitoring actual social mobility outcomes, over the next 30 years and across the whole UK. To develop our new and more comprehensive index, we have conducted an extensive review of the literature on social mobility. We have also consulted a wide range of experts from different disciplines such as economics, geography, psychology, and sociology, and stakeholders from government, business, education, and third-sector organisations.

The new index provides a critical starting point to improve the evidence base. It goes well beyond solely reporting on the drivers of mobility. For the first time, we take a systematic look at social mobility outcomes themselves. Although not perfect, this is critical for understanding where and for which groups mobility is going well, and where we need to improve it.

Outcomes and drivers

The previous Social Mobility Index focused on differences in children's educational performance across English local authorities, together with some measures of social conditions such as poverty. It did not include any final social mobility outcomes. In other words, it did not examine where those children ended up in life, to understand how their starting conditions might have harmed or helped them. We want to improve on this with the new index, and to distinguish clearly between mobility measures and drivers of mobility. By reporting mobility measures clearly and up front, we can better define the state of social mobility in the UK and understand where we are doing well and where we need to improve. Therefore, our new framework has 2 types of measure: drivers and outcomes.

"For the first time, we take a systematic look at social mobility outcomes themselves."

Explainer

Drivers are the background conditions that make social mobility easier. For example, the availability of good education is a driver, because it helps people to be upwardly mobile. So our measures of drivers tell us about these nationwide background conditions. They do not tell us what the UK's rates of mobility have been, and they are not broken down by socio-economic background.⁴

Intermediate outcomes are the progress that people make from their starting point to an early end point, such as employment in their 20s, or educational attainment at 16. We break outcome measures down by people's socio-economic background, so that we can see how different starting points affect progress to end points.

Mobility outcomes are similar, but they are about progress to a later end point, such as employment or income when people are in their 50s. We have only included a few illustrative measures of mobility outcomes this year.

4 Some concepts could be viewed as both driver and outcome. For example, when we look at educational outcomes split by parental class background, it is a mobility measure, since we have a starting point (the family background) and an end point (the educational outcome). But when we look at the quality of education across the whole UK, it is a driver.

How we have structured the new index

Our social mobility outcome measures show where people end up in comparison with where they started. This is across a range of outcomes, including occupational class, income, education, and either at an earlier stage in their lives in their 20s and 30s (intermediate outcomes), or a later stage in their 40s and 50s (mobility outcomes). We look at this across the life course to understand both short- and longterm mobility, while the drivers look at UK-wide factors with evidence to show that they enable or impede social mobility.

Mobility outcomes – looking backwards

In future publications, the new index will allow us to measure mobility outcomes at a later stage in life, typically when people are around 50 years old. These measures will compare people's starting point in life (for example, their parents' occupation or income) with where they have ended up later in life (for example, their own occupation or income at age 50 years).

These measures are necessarily backwards looking, because a person's eventual life outcomes are influenced by their circumstances while they were growing up. For example, the effects of educational interventions in early life would not show up in such measures for over 40 years, and if we are looking at the outcomes of people who are now in their 50s, they were in primary school in the 1970s.

But looking backwards can help us define and understand the problem. If we can see that social mobility has not been in decline over the past decades, and that changes in the labour market have provided much of the upward opportunity in that time, it may lead us to very different policy conclusions from a narrative of long-term decline, with education as the only solution. We will examine the evidence on mobility outcomes in chapter 2.

Intermediate outcomes – looking at the present

Intermediate outcomes are measured at an earlier stage, when people are still in education or their early working life. These measures, like the mobility outcomes, will compare people's starting point with their current situation. For example, we look at the current occupational class of young people from different socioeconomic backgrounds. Such measures give us an early indication of where young people may end up, allowing us to get a sense of the current state of social mobility.

By pooling data on these intermediate outcomes over several years, we can get large enough sample sizes for detailed breakdowns. This will be both by geography, and by protected characteristics, like sex, ethnicity, and disability, where the datasets allow this. For example, the data will help to tell us how mobility chances vary across the UK and how we might consider improving chances in some areas to make them more equal. We expect to be able to do this with 5 years' worth of data.

Social mobility drivers – looking at the future

As well as monitoring these social mobility outcomes, we also want to have forwardlooking indicators, so that further research (and, ultimately, policy adjustments) can be considered sooner rather than later.

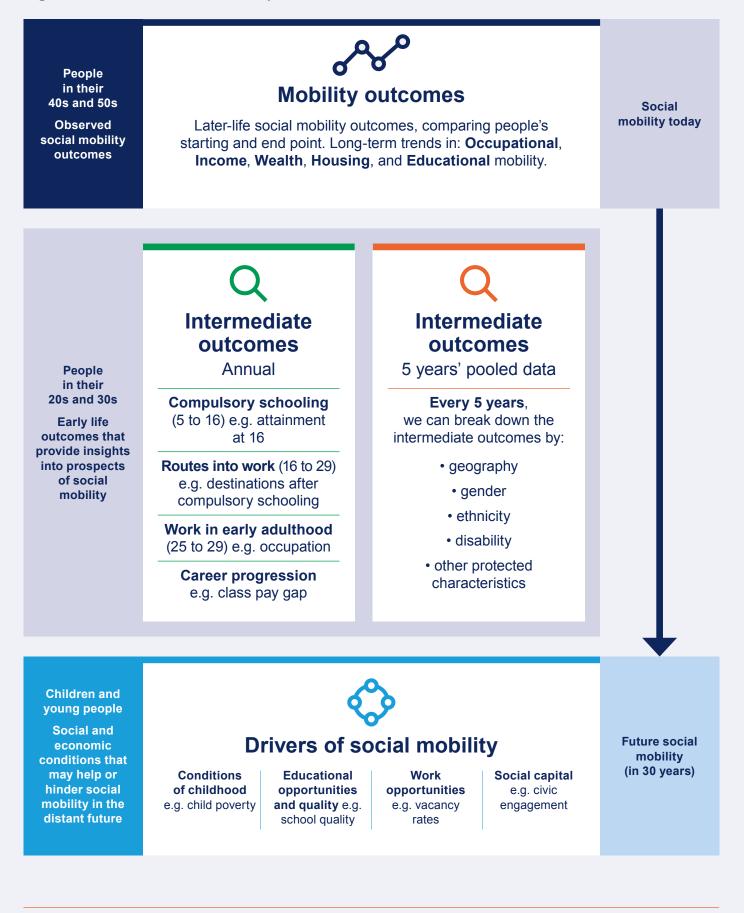
The drivers are those factors, like educational opportunity or social capital, with good evidence to show that they can help increase rates of upward mobility for groups with historically lower rates. These factors will also reduce the influence of parental circumstances on children's social mobility chances; see the technical annex for more information. The evidence is not always clear cut, and further evidence may emerge in the future that would allow us to include other drivers, such as culture or parenting. We can use the drivers and outcomes to make comparisons over time and between different areas of the UK to understand where problems may be emerging. Of course, the data alone cannot explain these trends or tell us how to change them, and many potentially important drivers are not available as datasets. Further work would be needed to understand why some areas, or some groups of people, may be doing better or worse than others, and to make recommendations on how to address this. A separate area of study is those who go against the norm or 'buck the trend', for example, those who succeed despite coming from lower socioeconomic backgrounds. It's important for us to understand why this happens.

Summary of the index

The new index includes a **range of measures**, **capturing mobility across a person's life**. As shown in figure 1.0, these include:

- Mobility outcomes in the adult population, covering primarily occupational mobility, as well as income, wealth, housing, and educational mobility
- **5-yearly measures of the intermediate outcomes**, based on pooled data of intersectionality between socio-economic background and other characteristics (such as sex, ethnicity, disability, and place)
- Annual measures of intermediate outcomes such as educational attainment and post-school transitions into the labour market
- Drivers of social mobility, including conditions of childhood, educational and work opportunities, and social capital, to understand what the future social mobility trends might look like – we look at these conditions across the UK as a whole, and not by socio-economic background.

Figure 1.0: The new Social Mobility Index



Q Case study

Charlotte Amy Louise Muir, age 29, from London

My parents broke up when I was younger. I grew up in Brixton with my mum. My dad was a carpenter by trade. My mum worked in a bank, but then gave that up to become a special needs coordinator when I was around 5 or 6 to spend more time with me and my sister. As a single-parent family, we didn't have a lot. It was month by month. My nan and grandad used to help us out. Growing up, it wasn't easy.

From an early age, I struggled with school. My mum would find different ways of teaching me spelling and maths, like combining spelling with pictures and colouring-in. Still, I used to be in trouble quite a bit and in year 11, I only passed 2 or 3 of my classes.

My mum knew I needed a bit more oomph to get in gear. She said apply yourself and we'll be here to support you. So I thought about what I wanted to do and picked textiles, information and communications technology (ICT) and woodwork. Also, I got really involved in the Cadets. I always liked to have some structure in life and I think that's something I've carried into adulthood too. My textiles teacher was brilliant. Even when I was doing GCSEs and felt like the world was against me, she was there. If I had a week off, she would invite me to come in and use the facilities to work on my project. She always gave me the time of day, and I felt I owed it back to her to get good grades. In the end, I did really well in my A levels. I realised that my mum was right, if I applied myself I could do better. That followed me into my working career in electrical installation.

I was working in retail when I had a conversation with my cousin who was an electrician. He said to get into a trade because the money's good and you can learn a lot. It appealed because I wanted to do something that channelled my brain. I think it's really important to be challenged.

I did a level 1 electrical installation apprenticeship to see if I liked it. Because I still had a job in retail, it meant working weekends. Obviously, it hindered my personal life but I believe sometimes you have to sacrifice to get to the end goal. It was tough, but I didn't give up. When I started my apprenticeship, I worked a weekend job for 2 years to pay the bills. I worked hard from day one, but I knew it would be worth it.

In the end, I found an apprenticeship at Pimlico Plumbers and haven't looked back. Every job is different, every customer is different. I like identifying a problem and fixing it and a trade in general is something which gets the mind going. Because I'm a woman, sometimes people aren't expecting me. We're still in a stage of transition where more women are getting involved in the trades. They say things like, "when they said to me 'her' on the phone I was like are you sure?" But it's funny. I've never had a bad experience. I think I get a warmer welcome.

One day, I would like to move into management and colleges have asked me to go in and talk to girls about working in the trades. I could see myself doing that down the road, but at a later date when I can't lift up my tools anymore!



"I did a level 1 electrical installation apprenticeship to see if I liked it... Obviously, it hindered my personal life but I believe sometimes you have to sacrifice to get to the end goal."

How the index will evolve

This new framework significantly builds on existing work. It fulfils our statutory reporting obligations to Parliament and helps us to hold the government to account on the effectiveness of their policy interventions for driving social mobility across all parts of the UK. However, it is not designed to be exhaustive. As research in this area develops and the evidence base improves, we expect that new concepts will be added (see sections below), and that existing ones could be dropped. So the index will evolve over time, both as our understanding improves and as new data becomes available.

Selection of drivers

To select the drivers for our index, we conducted a thorough review of the literature and consulted with experts. Drivers were included if there was good enough evidence that the concept in question had a causal influence on rates of social mobility (as opposed to a 'spurious correlation'; see technical annex for more information).⁵ Of course, in any scientific field, evidence evolves over time. We may include further drivers (such as digital connectivity or crime), or remove some that are already included, if the evidence suggests that this is appropriate.

5 This type of spurious correlation occurs when 2 variables are associated not by causal association but by coincidence or another factor.

Hidden drivers

It is likely that there are other drivers of social mobility that we were unable to include due to lack of data. Many of these 'hidden drivers' may be personal and cultural, such as work ethic, perceptions of success, parenting styles and the home learning environment.

This means that, like the previous index, the new one currently focuses on showing who is experiencing mobility, with a view to the actions that the government and other bodies can undertake to promote aggregate rates. We will conduct further research to address the issue of an individual's chances of mobility, and what parents can do to help their children's chances. If we identify ways to measure hidden drivers, and the evidence is strong enough to justify their inclusion, then we may add them to the index. This will give us a more comprehensive insight into how social mobility outcomes may be trending in the future.

Data gaps and data advocacy

We are also constrained by the availability of reliable and representative national or local data on a regular basis. There are many surprising gaps in the current data. Gaps exist for a variety of reasons, including a lack of harmonisation in some of our measures of interest across England, Northern Ireland, Scotland and Wales. These challenges tend to arise when devolved governments adopt different systems and therefore measures, such as on education. So we will advocate for the efforts of the UK and devolved governments to agree on harmonised data and methodologies to enable the making of consistent comparisons across the UK nations.

"We will conduct further research to address the issue of an individual's chances of mobility, and what parents can do to help their children's chances."

Issue	Data gaps
Socio-economic background of children in school	The only measure is eligibility for free school meals (FSM), a binary measure, with completely different eligibility criteria across the UK. For example, this doesn't allow us to focus on the very worst off, or those just above the FSM threshold. The eligibility criteria for FSM have also expanded recently, making comparison over time more difficult.
Family income	Relatedly, there is currently no administrative dataset giving a family- based picture of income, as children are not linked with their parents in the existing data. This limits our understanding of the conditions of childhood in the UK.
Occupational data	There is very limited administrative data on occupations, so occupational mobility has to be calculated from surveys, with consequent limitations on geographical detail.
Parent-child linking of income	Unlike in the US, the tax records of parents and children are not linked, making measurement of income mobility more difficult.

Table 1.1: Examples of data gaps in the analysis of social mobility.

This may seem a dry and technical issue, but it is fundamental for social mobility analysis. If we cannot collect the right data, too much of this work can become elaborate guesswork. We need to think through what this means in terms of the government collecting the data that is needed to shape good policy.

For example, to the best of our knowledge, there is no UK-wide and regularly-updated database showing how young people's educational achievements are related to their social backgrounds. The closest we can get is a half-measure in England, free school meals (FSM), which captures approximately the poorest 15% of students. This reduces the nuance in how we can compare outcomes and creates a binary result, where we are forced to report on those poorest of students compared to all others. This is a serious limitation, although one which efforts are currently being made to remedy, by developing improved measures.

What we will report on this year and next

We expect to be able to present full mobility outcomes in 2023. For this year's report, we begin by presenting recent evidence of long-term mobility outcomes using wider academic sources to set the context around social mobility in the UK in recent years. We then present our set of intermediate outcomes, and finally the drivers.

We also plan to commission work on how the general public perceive social mobility, what they think works well, what they value, and what they think needs to change. This is not to say that we think perception is better than quantitative data. Comparing the 2, however, is a useful exercise, particularly if we want to understand where the focus of policy should be – we need to hear from the very people who we are serving.

As we more fully operationalise the index in 2023, we will analyse how outcomes are associated with socio-economic background, geography and personal characteristics (such as sex, ethnicity, and disability). This will provide a much more nuanced and richer picture of mobility in the UK, to inform both policymakers and the public.

"For this year's report, we begin by presenting recent evidence of long-term mobility outcomes using wider academic sources to set the context around social mobility in the UK in recent years."

Q Case study

Kayley Curtis, age 23, from Newry in County Down, Northern Ireland



"Every evening, regardless of what the teacher told us, my dad would make us read the books we'd brought home cover to cover. He used to send me to school with an adult animal encyclopaedia so that if I had any down time, I could learn." I grew up and still live on a farm. As a child, I used to walk to primary school half a mile away through the fields. Whenever I looked out of the window, I was reminded of farm life, and that formed my attitude. My dad used to go to bed at 2:30am and get up at 4am when the cows were calving. Having a strong work ethic was always built in.

As well as running the farm, my dad looked after me and my brothers. Every morning, he got up before any of us to do his chores, then he'd come into the house and get us ready for school. He had to work really long hours because he wanted to make time for us. That became my motto in life. There's no such thing as 'not having time', you make time.

My mum has 3 GCSEs and did the same job for 40 years. My dad has never written a CV because he never had to. Because they could see how hard life was without those qualifications, they really pushed me and my brothers academically.

Every evening, regardless of what the teacher told us, my dad would make us read the books we'd brought home cover to cover. He used to send me to school with an adult animal encyclopaedia so that if I had any down time, I could learn. His attitude was: you make the most of your free time, you teach yourself.

Newry, the city I lived near, has some of the best schools in the UK. I was fortunate to get into a really good local school. Because you were surrounded by such good teachers and such intellectual, smart girls, you had to really up your game. Their career guidance was excellent and one teacher in particular stood out, as she could pick up on everyone's talents. I was surrounded by people from better-off backgrounds, whose parents often worked in the professions. At times, I felt I was missing the kind of clear career guidance they got at home.

But my teacher gave me tailored support. When I got accepted onto a very competitive Sutton Trust programme, she jumped up and down. She gave me the feeling that I wasn't just a number.

After A-levels, I went and studied commerce in Dublin. While there, I spent a year working as a supply chain manager for Microsoft and a summer in operations with Amazon. Now I work in the trading team at Applegreen, the second biggest service station provider in the UK.

I still live on the farm and a typical day is manic. I work from home and lunchtimes are spent feeding the sheep. Work finishes at 5pm, then in the evening I volunteer with Comhaltas, an organisation that promotes Irish culture. I'm also training to be a mental health counsellor.

It's hectic, but in a really good way. Having a multifaceted life means you can pursue lots of different passions. You're being stretched and thinking in different ways instead of being siloed into one career, one path, one interest.

Chapter 2 Mobility outcomes



Key insights

The dominant view in politics and the media has been that social mobility in the UK is in decline and that the UK compares very badly with other countries. But the evidence is not as gloomy as the popular narrative.

The UK's total occupational mobility rate has remained stable for many decades. This is an absolute measure that gives the percentage of people in a different occupational class from their parents.

In the late 20th century, there was a large surplus of upward over downward mobility, but this surplus is now shrinking, as growth in professional and managerial jobs slows. But this is a sign of success – it is because the professional class has grown so much in the last 70 years.

Relative rates of occupational mobility – the relative chances of people from different backgrounds reaching a particular destination – are not in decline, and may even have improved over decades.

There is less consensus on mobility in other outcomes such as income, wealth, housing and education. Trends in these mobility outcomes may be different. For example, there probably has been a decline in absolute and relative income mobility for people born in the late 1970s and beyond.

Introduction

We want to be as clear as possible in our definition of social mobility, and about what the different mobility measures are telling us. Previous versions of our annual report did not include the social mobility outcomes that are most common in the academic literature – instead, we focused on some of the drivers of social mobility, together with a selection of outcome measures. But we believe that it is vital to put the public debate about social mobility in the context of an accurate scientific understanding of the issue, so that we can understand where our focus should be.

For this reason, our new Social Mobility Index includes the standard academic measures of occupational and income mobility, such as the total occupational mobility rate.⁶ We plan to supplement these with similar measures for other life outcomes like wealth, housing and education. By using these standard measures, we can make more meaningful comparisons over longer time periods, drawing on previous academic work.

This year's report will use a limited version of the index, consisting only of the intermediate outcomes and the drivers of change. In 2023 and beyond, we will use the index more fully, using a range of mobility outcomes. In the meantime, in this chapter, we will examine the existing academic work on mobility outcomes. This will help us to understand how mobility has been evolving in the UK, and where it might be heading.

6 The proportion of people who have reached a different occupational class from their parents.

"We want to be as clear as possible in our definition of social mobility, and about what the different mobility measures are telling us."

What are mobility outcomes?

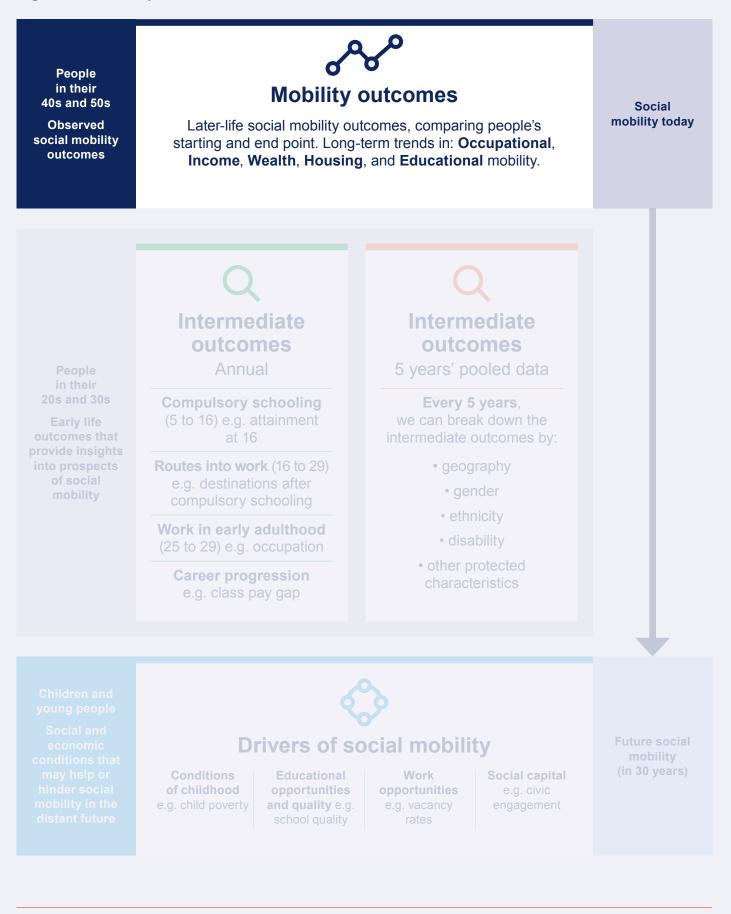
An individual experiences intergenerational social mobility when their life outcomes, such as their type of occupation, differ from their parents'. Change across generations, and the link between parents and children, are the core of social mobility. Change can be upwards or downwards.

When there is a strong link between parents' outcomes and their children's, or when few people have different outcomes from their parents, social mobility is low. When the link is weaker, or many people have different outcomes from their parents, social mobility is higher. So in our index, mobility outcomes look at where people end up, typically in their 40s or 50s. We then compare that with where they started out as children, for example, what their highest-earning parent's job was.

Occupational mobility and other outcome measures

Mobility research has historically focused on occupational mobility. This is the link between parents' occupational class and their children's.7 Occupations are associated with a wide range of important life outcomes, including income, employment conditions and security, risks of unemployment, and health and wellbeing. We also have readily-available data on the occupations that people's parents had. For these reasons, we have included the standard occupational mobility measures found in the academic literature. We also recognise that other life outcomes are important, such as income, education, wealth and housing. So we have included discussion of income mobility in this report, and in the future, we want to supplement our measures of occupational mobility with some of these other mobility outcomes – for example, looking at cases where children end up with a higher (or lower) level of education than their parents.

 David Glass, <u>'Social mobility in Britain</u>', 1954.
 Published on WORLDCAT.ORG; John Goldthorpe, <u>'Social mobility and class structure in modern</u> <u>Britain</u>', 1980. Published on SEMANTIC SCHOLAR.
 COM; Anthony Heath, <u>'Social mobility</u>', 1981.
 Published on CAMBRIDGE.ORG. Figure 2.0: Mobility outcomes.



Explainer

Absolute versus relative mobility measures

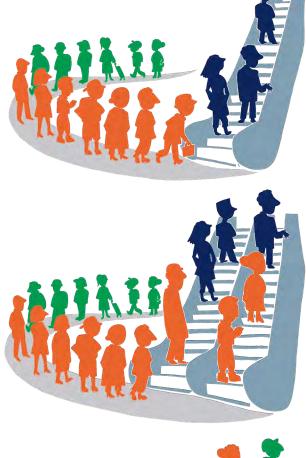
Absolute measures simply capture the number of people who have experienced mobility. They are usually expressed as percentages of the population. For example, the total occupational mobility rate is the percentage of people who are in a different occupational class from their parents. For income mobility, a common absolute measure is the percentage of people whose income is higher than their parents' income was, at the same age.

Relative measures compare the chances that at least 2 groups have of reaching, versus avoiding, a particular outcome. It is this element of comparison that makes such measures 'relative'. A relative mobility measure tells us that one group has better chances than another, rather than telling us the total number of mobile people.

Both types of measures matter, because they tell us different things. For example, upwards absolute occupational mobility – the proportion of people ending up in a higher occupational position than their parents – might rise. This would be an improvement in an absolute measure. But if people from advantaged backgrounds are still more likely to get the top positions than those from lower socio-economic backgrounds, relative mobility would stay static. Think of it like queuing for escalators to go to the top floor of a building. If more escalators become operational, more people can get up to the top floor (absolute mobility). But where you are in the queue matters – the ones at the front will benefit most from more escalators (relative mobility). Relative mobility captures this latter idea of people's positions in the queue, while absolute mobility focuses on the proportions who have actually moved.

Research suggests that absolute occupational mobility is often driven by changes in the shape of the occupational workforce structure, while absolute income mobility is driven by changes in the rate of growth of real household income.⁸ For example, during a period of rapid economic growth, such as the 1950s, there tend to be more higher-level vacancies to be filled – increasing 'room at the top'. If there are more higherlevel vacancies than there are children from professional families to fill them, then more of these high-level vacancies are filled by people from working-class families. So higher percentages of the population will experience upward mobility (and a lower percentage will experience downward mobility).

For a real-world example, as more people went into higher education in the latter decades of the 20th century, there was a large increase in the number of firstgeneration university students. But the children of wealthier parents were at the front of the queue, and took even more advantage of the new opportunities than did the children of less wealthy parents. So while children from poorer families did improve their chances of getting to university, children from wealthier families did even better. As a result, the higher education participation gap between rich and poor children actually widened. This is equivalent to a decline in relative mobility. But at the same time, absolute upward educational mobility increased.9



We all want a good life. But there are a limited number of jobs and opportunities out there. How far we can move up in life depends partly on our efforts, and partly on our starting point, or background.

By removing barriers and creating opportunities and jobs, we **increase absolute mobility**. Now more people can move up in life. But our starting point still makes a difference.



Our choices and effort should determine where we end up, not our background. If we give those who started further back a helping hand, we **increase relative mobility**, making opportunity more equal.

- 8 Richard Breen and Walter Müller, '<u>Education and intergenerational social mobility in Europe and the United States</u>', 2020. Published on STANFORD.UNIVERSITY PRESS SCHOLARSHIP.COM; Erzsébet Bukodi and John Goldthorpe, '<u>Social mobility and education in Britain: research, politics and policy</u>', 2019. Published on CAMBRIDGE.ORG; Robert Manduca and others, '<u>Trends in absolute income mobility in North America and Europe</u>', 2020.Published on IZA.ORG.
- 9 Jo Blanden and others, 'Educational inequality and intergenerational mobility', in Stephen Machin and Anna Vignoles (editors) '<u>What's the good of education? The economics of education in the UK</u>', 2005. Published on PRESS.PRINCETON.EDU.

Mobility outcomes in the UK

There have been many debates on absolute and relative mobility, the merits of income and occupational class measures, and choices of terminology and methodology. This has created some confusion in the discussion and understanding of social mobility.

There has been a considerable amount of sociological research investigating patterns and trends in occupational and income mobility. This work covers different time periods, uses a range of different data sources, and employs different statistical approaches and methods. As a result, there are some differences in the results and interpretations reached by different researchers, especially on relative mobility.

"People in lower occupational classes can sometimes earn more than people in upper occupational classes. There can also be great variation in earnings within a class."

Occupational mobility

How do we define occupational class?

We distinguish 3 categories of occupational background, based on the occupation of the main earner in the respondent's household when the respondent was aged 14. The 3 categories – 'professional and managerial', 'intermediate' and 'working class' – are from the National Statistics Socio-economic Classification (NS-SEC) which is the official socio-economic classification of the UK, as set by the Office for National Statistics (ONS).¹⁰ This classification is used widely to understand the structure of socio-economic positions in society.

The way that occupational class is defined affects the level of occupational mobility that we measure. The larger the number of occupational groups, the greater mobility will inevitably be, as each group is smaller.

The NS-SEC was developed from a classification known as the Goldthorpe Scheme.¹⁴ It emphasises aspects of occupation such as labour-market situation, relationship to the employer, job security and advancement, rather than salary. So people in lower occupational classes can sometimes earn more than people in upper occupational classes. There can also be great variation in earnings within a class.

Despite certain ambiguities of the existing scheme, particularly in terms of the hierarchy of occupations and definition of those 'long-term unemployed', the NS-SEC has been available for use in all official statistics and surveys since 2001.

In this report, we follow ONS's guidance on categorising NS-SEC into a 3-part schema. In the future, we may further subdivide the 3-part schema for a more granular analysis, allowing us to see short-range mobility and differences within the existing professional and working classes. For more detail, see the technical annex.

What are the occupational classes?					
NS-SEC	Examples	Class ¹¹			
1 – large employers, higher professional or managerial	CEO of large firm, doctor, clergy, engineer, senior army officer	- Professional			
2 – lower professional or managerial, higher technical or supervisory	teacher, nurse, office manager, journalist, web designer	and managerial			
3 – intermediate occupations	clerical worker, driving instructor, graphic designer, IT engineer	Intermediate			
4 – small employers, own-account workers ¹²	shopkeeper, hotel manager, taxi driver, roofer				
5 – lower supervisory, lower technical	foreman, mechanic, electrician, train driver, printer				
6 – semi-routine occupations shop assistant, traffic warden, housekeeper, farmworker		Working class			
7 – routine occupations ¹³	cleaner, porter, waiter, labourer, refuse collector, bricklayer				
8 – never worked or long-term unemployed	_	Not analysed in 2022			

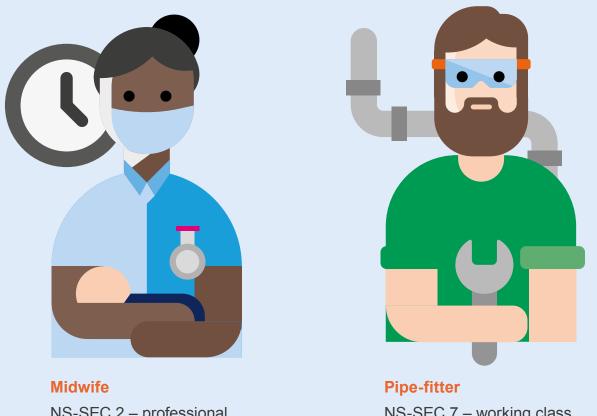
Table 2.1: The National Statistics Socio-economic Classification (NS-SEC).

10 ONS collects, analyses and shares statistics about the UK's economy, society and population.

- 11 ONS's 3-part scheme (or model) of occupational class, used by the Social Mobility Commission.
- 12 Self-employed and doesn't have employees.
- 13 Many occupations that would be classified as NS-SEC 7 can instead fall into NS-SEC 4 if the worker is self-employed.
- 14 Oxford Reference, '<u>Goldthorpe class scheme</u>', Published on OXFORDREFERENCE.COM.

The midwife and the pipe-fitter

Occupational class is not about salary, nor does it provide the full story. People in lower occupational classes can sometimes earn more than people in upper occupational classes. There can also be great variation in earnings within a class. The point in a person's working life at which peak earnings are reached also varies, with the peak typically coming later for professional jobs.



NS-SEC 2 – professional Average salary £25,000¹⁵

NS-SEC 7 – working class Average salary £41,000¹⁶

15 The Office for National Statistics, 'Earnings and hours worked, occupation by four-digit SOC: ASHE table 14', 2021 provisional data. Published on ONS.GOV.UK.

16 The Office for National Statistics, 'Earnings and hours worked, occupation by four-digit SOC: ASHE table 14', 2021 provisional data. Published on ONS.GOV.UK.

Q Case study

Jordan Coulton, age 27, from Bootle in Merseyside

I grew up in a town called Bootle in Merseyside. My parents didn't go to university. My mum works for the National Health Service and my dad works at the supermarket Sainsbury's. I always say I owe my life to my mum and dad because they taught me the most important thing is hard work and knowing that things don't get handed to you on a plate.

They instilled in us that education is the gateway to success. You work hard, you revise. My mum was looking after 3 children. She'd put us in nursery, then go to work, and my dad was working nights. Seeing that engine running as a child, you realise hard work and getting up and doing something with your life are key.

I loved school. In sixth form, I had a psychology teacher who was an inspiration. She always said: "the only barriers you have are the ones you create in your mind." I remember thinking, you're so wise!

I had a place to study law at university but I remember going to visit and it just didn't feel right. I also felt uncomfortable going into all that debt and having no guarantee of a job.

I deferred for a year, volunteered and worked part-time. Then I stumbled across this new apprenticeship in Liverpool in legal services at the law firm Weightmans, with training provided by Damar Training. I researched the company and thought, 'you know what, I'm going to apply.'

As soon as I got the job, it felt right and I cancelled my place at university. Within 3 months, I started handling files and assisting on substantive legal work. Knowing the law is about 40% of being a lawyer.

The rest are those practical skills: communication, negotiation, public speaking. That's what being an apprentice teaches you.

I got a job on the regulatory team in November 2017 and qualified into this department. For the past 14 months, I've been working on the undercover policing inquiry, which is investigating the work of a covert unit based in the Metropolitan Police from 1968 to 2008. Who would have thought it! Little old Jordan from Bootle!

In the future, I want to go all the way to partnership at Weightmans. I feel like there is more security in doing an apprenticeship with a law firm. You know its ethos, you know its values, and if the company takes you on, you know you'll be able to move up and progress quickly.



"I owe my life to my mum and dad because they taught me the most important thing is hard work and knowing that things don't get handed to you on a plate."

Absolute occupational mobility

As we noted, absolute mobility rates capture the percentage of people who are doing either better or worse than their parents. For example, the total occupational mobility rate is the percentage of people who have different occupational class positions to those of their parents at a similar stage of life.

Occupational structure, participation in education and in the labour market. living standards, and ethnic diversity have all changed significantly in the UK over the past few decades. In particular, the proportion of professional and managerial jobs has greatly increased in the decades since World War 2. This has allowed more people to improve their circumstances (experience upward occupational mobility). The composition of the labour force has also changed, with a dramatic increase in the number of women in professional occupations. The increase in the number of families where both parents hold professional and managerial jobs also means an increase in the proportion of children brought up in those homes. However, the expansion has slowed since 1991, so this 'room at the top' has been growing more slowly recently.¹⁷

"The total occupational mobility rate in the UK has been stable for many decades."

Recent research provides a reasonably clear picture of the trends in these absolute rates of occupational mobility over the 20th and early 21st century. Throughout this period, the total occupational mobility rate in the UK has been stable, with a majority of men moving to different social classes from those in which they grew up. Although international comparisons can be difficult, the absolute rates in the UK are similar to those of other European countries that are at a similar stage in the evolution of their labour markets.¹⁸ We have summarised the trends in figure 2.1, which show the intergenerational mobility patterns experienced by successive cohorts of men born throughout the 20th century.¹⁹

- 17 Erzsébet Bukodi and John Goldthorpe, '<u>Social mobility and education in Britain: research, politics and policy</u>', 2019. Published on CAMBRIDGE.ORG.
- 18 Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2019. Published on CAMBRIDGE.ORG.
- 19 Historically, more occupational mobility data was available for men than for women. This largely reflects social and economic conditions of the early 20th century. However, others report on both men and women, as their data sources differ from those used here. We recognise this is a really interesting area of social mobility studies and one we want to look at in more detail in future.

Figure 2.1: Total occupational mobility for men aged 35 to 65 years remained stable throughout most of the 20th century.

Total occupational mobility rate, and its upward and downward components, for men across birth cohorts, aged 35 to 65 years.

	-	onal mobility ra	ate				
80%)						
60%							
40%							
20%)						
0%)						
	1910–1919	1920–1929	1930–1939	1940–1949	1950–1959	1960–1969	1970–1979
				Year of birth			
	Total mo	bility (up + dow	n) 🛑 Upwar	d mobility 🛛 🔴	Downward mol	oility	

Source: The General Household Survey (from 1972 to 2005); the British Household Panel Survey, 2005; the UK Household Longitudinal Study (from 2010 to 2012).

Note: Men aged 35 to 65 in the UK, current or last main job. Years represent the birth cohort of respondents (in other words, respondents are grouped by their year of birth). Weighted analysis, with weights provided by the data providers. 6-class schema used, as the 7-class schema was not available in the General Household Survey.

The total rate has remained stable: 'men and women who were born in the 1980s are no less likely to have moved to different class positions to those of their parents than men and women who were born at any time earlier in the 20th century.^{'20}

"Men and women who were born in the 1980s are no less likely to have moved to different class positions to those of their parents than men and women who were born at any time earlier in the 20th century."

Bukodi and Goldthorpe, 2019

20 Erzsébet Bukodi and John Goldthorpe, '<u>Social mobility and education in Britain: research, politics and policy</u>', 2019. Published on CAMBRIDGE.ORG.

Q Case study

Jordan O'Sullivan, age 21, from Uxbridge in West London

Two weeks after I was born, I was diagnosed with cerebral palsy. While being in a wheelchair is often seen as negative, if anything I feel empowered. When I was born, I wasn't supposed to make it through the night. Now I'm doing things I never thought possible.

My dad passed away shortly after I was born. He was not a nice person and social services were involved at one point. My mum left school at age 18 and gave up her job as a retail manager to look after me. I'm very grateful to her for that and how she's shaped me as a human being.

As a child, my mum helped me with homework. She would take me to tutors at Explore Learning where I could go and further develop my skills. She was a key person in my education and she gave me the confidence to learn what I wanted. Without her, I wouldn't have been able to go to West Herts College.

I stayed with my mum in the week and my nan at the weekend. My nan was the one who taught me life skills. How to cook, clean, manage money, how to use public transport.

In 2012, my mum got diagnosed with cancer. When I was first looking at West Herts College she wasn't well enough to go and view it, so I went on my own. But she had given me the skills I needed to decide if it was the right place for me.

She passed away just as I was finishing my GCSEs and I was put in the foster care system.

During my second year of studying music at West Herts College, it all hit me. Luckily I was very well supported. My teacher Jason was very easy to approach and easy to talk to. He would sit down and give one-to-ones, give me recommendations for universities and did extra lunchtime lessons once our workload increased.

I was inspired by what he had achieved. He has gone on tour with some pretty big names. Being around someone like Jason who has achieved so much, but they're just a normal person, not wealthy or connected. It made me think if he can achieve it, I can as well.

I'm now in my second year of a degree in music at Brunel University. To be honest, without Jason's support I don't know if I'd be here. There were times when I just wanted to quit. Jason said: "If you want to do that, I can't stop you, but I think you'd regret it."

When my mum first passed away it was difficult to find the motivation to get out of bed each morning. But to have overcome all these barriers and now be sitting here in my own flat studying at university? I'm proud of myself and what I've done.



"He would sit down and give one-toones, give me recommendations for universities and did extra lunchtime lessons once our workload increased."

Q Case study

Jason Houlihan, from Watford in Hertfordshire

I attended West Herts College as a student and met a teacher who was the father figure I never had. He had this method of being brutally honest but in a way that allowed you to build back up. It was a life-changing experience for me and I knew my goal was to come back and carry on that tradition.

When Jordan arrived, I knew a bit about his background and I wanted to make sure he was getting the support he needed. I think he picked up on that and trusted me because he knew it was about more than the work.

At first, he was very shy. We worked on smiling and connecting with people, as I often do with students who are particularly nervous. I might challenge them to go out in their lunchbreak and smile at 5 people and tell me what happened. The music industry is all about teamwork and you need those small interactions to build the social skills that help you connect with the people who matter.

Jordan was interested in being a presenter, so I suggested that he start a YouTube channel. He reviewed disabled access on the underground, started a social media account and began putting up pictures and videos. Over time he started going out more on his own. I would ask him for a debrief on where he'd been. We called it 'Jordan's adventures'.

His confidence built and over time he got quite sassy! We worked on performance techniques in lessons and I gave an example from my working life of an occasion when a PA system blew up and I had to improvise. "If they're not planning on applying to university, I've made it a mandatory requirement to work on a 5-year development plan as I have seen too many students leaving without knowing where they are going."



Coincidentally the same thing happened at Jordan's end-of-year gig. He was put in a really vulnerable position, decided to roll with it and started busting out some jokes. He realised he could put himself in vulnerable situations and come out of them confident.

With all students, we have target, progress and attainment sessions. If they're not planning on applying to university, I've made it a mandatory requirement to work on a 5-year development plan as I have seen too many students leaving without knowing where they are going.

Initially Jordan was unsure about university but I encouraged him to apply anyway, as his mindset might change. He accepted a place, but didn't know if he was going to go.

I think when he did the end-of-year performance he was like, "yeah, I think I can do this and I have the strength to cope." "Between 1951 and 2011, the number of people in working-class jobs fell from 69% to 39%."

There are some differences of detail between men and women (and also between data sources).²¹ However, within this stable total rate, the balance between upward and downward mobility has shifted.

Men born in the 1930s had particularly favourable mobility chances. Here, nearly 40% experienced upward mobility at or after the age of 35 and just less than 20% experienced downward mobility. This gave a net surplus of 21 points. This has been called the 'golden age' of social mobility. As a consequence, the working classes have steadily decreased over time. In 1951, around 11% of economically active people were in professional and managerial jobs. By 2011, this had risen to 30%. Meanwhile, the percentage in working-class jobs fell from around 69% to 39%.²²

There are now fewer people at the bottom of the social ladder to make big leaps in social status, and more people starting life higher up, with less room to climb. Together, these changes mean that, although the total mobility rate has stayed the same, younger generations of men and women are more likely to experience downward mobility and less likely to experience upward mobility than their parents or grandparents. The surplus of upward over downward, though, is still positive. It had declined to 14 points in the youngest cohort, born in the 1970s.²³

It is not clear that there will continue to be a surplus of upward over downward mobility. Recent findings suggest that the generation born in the early 1980s is just as likely to move down as up.²⁴



Explainer

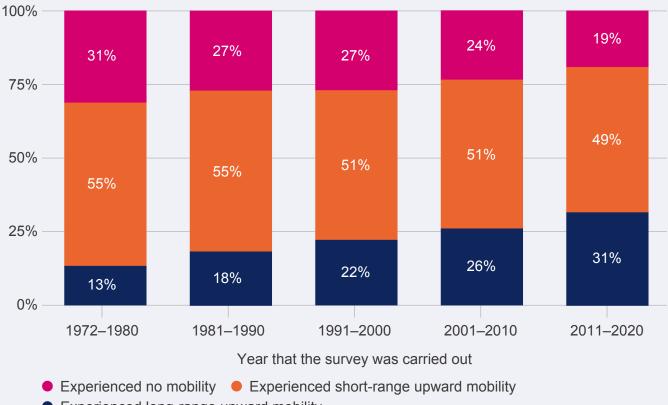
Upward and downward occupational mobility

Upward occupational mobility refers to moving from a lower class of origin into a higher class destination. Downward mobility refers to the opposite. The absolute upward and downward mobility rates reflect 2 factors: changes in the labour market, creating more or less room for people to move up and down; and social fluidity, or people's relative chances of reaching a destination given different starting points.

- 21 The story is complicated, however, by the different patterns of intragenerational mobility that men and women experience. While gender differences are quite small during early career stages, women are less likely than men to experience upward mobility later in their careers and they are more likely to experience downward mobility: Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2019. Published on CAMBRIDGE.ORG; Erzsébet Bukodi and Marii Paskov, 'Intergenerational class mobility among men and women in Europe: gender differences or gender similarities?', 2020. Published on ACADEMIC OUP.COM.
- 22 Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2019. Published on CAMBRIDGE.ORG.
- 23 Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2019. Published on CAMBRIDGE.ORG; Erzsébet Bukodi and others, 'The mobility problem in Britain: new findings from the analysis of birth cohort data', 2015. Published on DEPARTMENT OF SOCIAL POLICY AND INTERVENTION.ACADEMIC. OXFORD UNIVERSITY PRESS.UK; Franz Buscha and Patrick Sturgis, 'Declining social mobility? Evidence from five linked censuses in England and Wales 1971-2011', 2018. Published on EPRINTS.SOTON.AC.UK.
- 24 Erzsébet Bukodi and others, '<u>The mobility problem in Britain: new findings from the analysis of birth cohort data</u>', 2015. Published on DEPARTMENT OF SOCIAL POLICY AND INTERVENTION.ACADEMIC.OXFORD UNIVERSITY PRESS.UK.

Figure 2.2: Increased long-range (large) upward mobility from working-class backgrounds over 5 decades.

Rates of short-range and long-range upward mobility for men aged 16 to 65 years from a working-class background, UK, from 1972 to 2020.



% of men, of working-class origin, aged 16–65

Experienced long-range upward mobility

Source: The General Household Survey (1972 to 2005); the British Household Panel Survey (1991 to 2008); the UK Household Longitudinal Study (2009 to 2018); the Taking Part Survey (2005) and the Labour Force Survey (2014 to 2020).

Note: Long-range and short-range upward mobility for men aged 16 to 65 from working-class backgrounds as defined by NS-SEC 7 origins in the UK. Years represent the periods in which the data was collected. Long-range and short-range upward mobility refer to whether mobility crosses the decisive line of professional/managerial class occupations. So upward mobility from lower origins into the professional/managerial class is called 'long-range upward mobility'. If it does not reach professional/managerial class, such as from working class into intermediate class, it is called 'short-range upward mobility'.

We also find trends for increasing upward mobility for men from working-class family origins over 5 decades. We can see from figure 2.2 that, over the 5 decades, working-class sons were increasingly likely to move into professional and managerial jobs. Immobility was declining at roughly the same pace as long-range (large) upward mobility was rising, with short-range (small) upward mobility staying constant. For example, only 13% of men from working-class backgrounds showed long-range upward mobility in the 1972 to 1980 period, but roughly 31% did in the 2011 to 2020 period.

There was a considerable expansion of the middle class in the middle of the 20th century, with many more professional and managerial jobs becoming available. This meant that

"Relative mobility compares the mobility chances of people coming from different social origins." upward mobility rates had to increase: if there are more professional jobs than there are children from professional families to fill them, then the jobs have to be filled by children from other backgrounds. If we want to consider mobility rates with the effects of labour-market changes taken out, then we need to look at relative mobility.

Relative occupational mobility

Relative mobility compares the mobility chances of people coming from different social origins. It focuses on the question: how does people's social class background affect their chances of obtaining one class position rather than another? Measures of relative mobility can be thought of as describing the strength of the intrinsic link (or 'stickiness') between parents' and adult children's positions.

In figure 2.3, looking at those of professional origin (the right-hand column), we can see that, for every 2 people who ended up in a professional destination, one ended up in a working-class destination. This gives odds of



Figure 2.3: Mosaic plot of example numbers illustrating odds ratios.

Note: Numbers created for illustration.

2/1 in favour of reaching a professional rather than working-class destination. Among those of working-class origin, for every one who ended up in a professional destination, 3 ended up in a working-class destination. This gives odds of 1/3 (or 3/1 against).

This means that, if you come from a professional background in this example, your odds are 6 times better, since 2/1 divided by 1/3 is 6. This figure of 6, known as an odds ratio, is an example of a relative occupational mobility measure. It does not tell us about rates of mobility in society as a whole. It just says that one group has more favourable chances than the other.

Relative measures are important precisely because they highlight differences. They show us where we might concentrate our efforts if we want opportunities to be equalised. Tracking relative measures over time is also useful, because it can show whether such efforts have been successful or not. In addition, relative measures are more independent of changes in the structure of the labour market than absolute measures. Thinking back to the metaphor of the escalator, relative measures tell us about the ordering of the queue, which may remain the same even if the escalator becomes wider. "Thinking back to the metaphor of the escalator, relative measures tell us about the ordering of the queue, which may remain the same even if the escalator becomes wider."

There is some disagreement about whether or not there has been any change over time in relative occupational mobility, with some analysts finding no change and others a modest improvement.^{25 26 27} Contrary to much of the popular discussion, declining relative occupational mobility is not in evidence, and relative rates in the UK compare well to those in other European countries.²⁸ There is clearly a relationship between class of origin and class of destination. For example, a man with NS-SEC 1 origins (a higher-professional family background) has 20 times better odds than a man with NS-SEC 7 origins (a routineworking-class background), of reaching an NS-SEC 1 destination, rather than an NS-SEC 7 destination. But such disparities, while large, have not worsened over time. They may even have slightly narrowed.

- 25 Economists have suggested that there has been rising within-class income inequality (such as Jo Blanden and others, 'Intergenerational persistence in income and social class: the impact of within-group inequality', 2013. Published on ROYAL STATISTICAL SOCIETY ONLINELIBRARY.WILEY.COM. Although this has been disputed by Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2019. Published on CAMBRIDGE.ORG.
- 26 Robert Erikson and John Goldthorpe, '<u>The constant flux: a study of class mobility in industrial societies</u>', 1992. Published on ACADEMIC OUP.COM; John Goldthorpe and Colin Mills, '<u>Trends in intergenerational class mobility in Britain in the late</u> <u>twentieth century</u>', in Richard Breen (editor), '<u>Social mobility in Europe</u>', 2004. Published on UNIVERSITYPRESSSCHOLARSHIP.COM.
- 27 Anthony Heath and Geoff Payne, Social mobility, in Albert Halsey and Josphine Webb (editors), '<u>Twentieth-century British social trends</u>', 2000. Published on SEMANTIC SCHOLAR.COM; John Ermisch and Marco Francesconi, '<u>Intergenerational</u> mobility in 'Britain: new evidence from the British Household Panel Study', 2004. Published on CAMBRIDGE.ORG; Paul Lambert and others, '<u>By slow degrees: two centuries of social reproduction and mobility in Britain</u>', 2007. Published on SOCRESONLINE.ORG.UK; Yaojun Li and Fiona Devine, '<u>Is social mobility really declining</u>? Intergenerational class mobility in Britain in the 1990s and the 2000s', 2011. Published on SOCRESONLINE.ORG.UK; Erzsébet Bukodi and others, '<u>The mobility problem in Britain</u>: new findings from the analysis of birth cohort data', 2015. Published on DEPARTMENT OF SOCIAL POLICY AND INTERVENTION.ACADEMIC.OXFORD UNIVERSITY PRESS.UK; Franz Buscha and Patrick Sturgis, '<u>Declining social mobility</u>? Evidence from five linked censuses in England and Wales', 2018. Published on EPRINTS.SOTON.AC.UK; Bell and others, '<u>Where is the land of Hope and Glory?</u> The geography of intergenerational mobility in England and Wales', 2019. Published on CENTRE FOR ECONOMIC PERFORMANCE LSE.AC.UK.
- 28 Erzsébet Bukodi and John Goldthorpe, <u>'Social mobility and education in Britain: research, politics and policy</u>', 2019. Published on CAMBRIDGE.ORG; Geoff Payne, <u>'The new social mobility: how the politicians got it wrong</u>', 2017. Published on BRISTOL UNIVERSITY PRESS.CO.UK.

Q Case study

Daniel Dipper, age 19, from Oxford



"Mr Royal was a standout case in terms of how far a teacher could go. It was a class where you knew there would be high expectations and that you'd be pushed."

Neither of my parents went to university. My dad works as a computer software tester. My mum used to be a charity shop manager, but she gave up work when she had me. My family struggled financially a bit. When I needed books my parents would buy them for me. But the roof was falling down for a number of years. We put little buckets out! It wasn't the most luxurious lifestyle.

I wasn't really stretched in primary school. Academically I did really well. Socially I didn't have many friends. The expectations were really low. I'd do all the work for the day in an hour and then they'd say read a book. Fortunately the council helped by paying for us to join Potential Plus, which assists children with high learning potential who may need extra support. At secondary level, the school I went to – Sir Harry Smith Community College in Peterborough – was a regular comprehensive. Mr Royal was a standout case in terms of how far a teacher could go. It was a class where you knew there would be high expectations and that you'd be pushed. He was very responsive in terms of feedback and setting targets. I was predicted to get a level 7 in GCSE English Language and Literature but I walked out with an 8 and 9. He'd share ideas and challenge us to think in new ways.

He ran the school debating club. It encouraged me to think on my feet, and build skills. Confidence, style, using well-targeted examples; these are all things I've had to use at Oxford University.

When it came to writing my personal statement for my university application, he helped me reshape it. The mini-tutorial he gave me helped me change my personal statement from something bog-standard into something that reflected my passions. I thought of my own ideas, but he pushed me to find a theme.

Now I'm a second-year history and politics student at Magdalen College, Oxford. I'm the undergraduate president at my college and the vice-president of the Oxford Union. I've recorded speeches that are on YouTube that have tens of thousands of views. I'm using many of the debating skills I developed at school.

Mr Royal played a crucial role in that. Oxbridge is all about flexible thinking and he really encouraged that process.

Q Case study

Adam Royal, age 41, from Peterborough in Cambridgeshire

The ethos of Sir Harry Smith Community College is 'aspiration for all'. One of the misconceptions is that students in state comprehensive schools aren't motivated to become high achievers whereas my experience is that the majority of my students want to learn, want to be engaged, and want to have cultural capital.

I heard about Daniel before I taught him as he would sometimes mark his own books. He was very single-minded at a young age. I thought, I'd better be ready for this student!

"If you pick up that a student is ambitious, it's helpful to find a place where they can find their voice so that when they go to university they're not intimidated."



With high ability students, I think the key is thorough preparation. They will often ask you to justify your thoughts on a text.

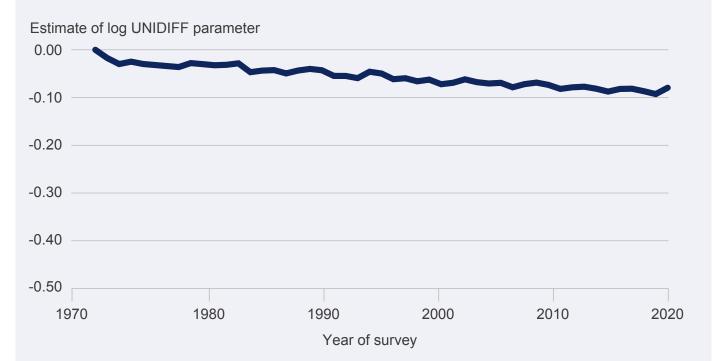
It's also important they can see you think through a problem. When you go for interviews at Russell Group universities, they're not looking for you to blurt out an answer, they're looking for you to demonstrate your thought process. It's about having a dialogue with the student, rather than spoon-feeding them. Letting them know it's okay for them to disagree with what you're saying and make a compelling case for their own thoughts.

Daniel was very good at speaking in front of people and you could see that sort of confidence and ability to perform rhetorically would be suitable for the Debate Society, which I ran with a colleague. Debate societies are probably more de rigueur in fee-paying schools. But if you pick up that a student is ambitious, it's helpful to find a place where they can find their voice so that when they go to university they're not intimidated.

With regards to Daniel, we always knew very early on he was going to apply to Oxford University. I read his personal statement and gave him some tips as part of a larger group of people working with him.

What I admire about Daniel is he was always very independent and for a student to go from a comprehensive school to an institution like Oxford and be vice-president of the debating society, it's clearly stood him in good stead. **Figure 2.4:** Relative occupational mobility (the gap in occupational mobility chances) has slightly improved over time.

Estimates of the log uniform difference (UNIDIFF) parameter from 1972 to 2020, respondents aged 35–54 years.



Source: Internal estimates based on the General Household Survey (1972 to 1992, 2005, except 1977, 1978), the British Household Panel Survey (1991 to 2008), the UK Household Longitudinal Study (also called Understanding Society, 2009 to 2020), the Taking Part Survey (2005) and the Labour Force Survey (2014 to 2020).

Note: The UNIDIFF (uniform difference) model assumes that all odds ratios are changing by a common percentage between years. This common percentage is expressed in log form, the log UNIDIFF parameter shown above. When it is zero, there has been no change in the odds ratios – relative mobility has stayed constant. But when it is negative, the link between origins and destinations has weakened – odds ratios have decreased, and relative mobility has improved. For example, at -0.1, then wherever the odds used to be 10 times better for one group than another, they are now only roughly 9 times better. And at large negative values, there is almost no link at all between origins and destinations. Everyone, from all class origins, would have a roughly equal chance of reaching any occupational destination.²⁹ No data was available for 1977 or 1978 – the trend is interpolated.

The discussion up to this point has focused on occupational mobility, since this is where we have the most evidence in the academic literature. Of course, occupation is not the only important life outcome. There has been work on income, wealth, housing and educational mobility. To get the fullest picture, we will supplement our measures of occupational mobility in future years with some of these other mobility measures, where data and analytical techniques allow.

²⁹ See the technical annex for specification of the model. The model is also outlined in Erzsébet Bukodi and others, '<u>The mobility problem in Britain</u>', 2015. Published on PUBMED.GOV.

Income mobility

Measurement challenges

As with the proportion of professional jobs in the labour market, there are upward trends in economic growth and standards of living, but economic trends tend to be more volatile than the trends in occupational structure. For example, living standards dropped after the 2007 to 2008 financial crash, and poverty rates and unemployment rates have also been quite volatile since 1980.³⁰ Accordingly, trends in income mobility can be more volatile, at least in the short term, than trends in occupational mobility.

Measurement of income mobility can also present very different challenges from occupational mobility. While people might be expected to remember their parents' occupation when they were growing up, it is unlikely that many people could accurately recall their parents' income. This means that large-scale surveys like the Labour Force Survey (LFS), which rely on recall for data about childhood conditions, are not generally used for income mobility. Instead, panel surveys are preferred, with the same people tracked over time. A second method involves combining the results of panel studies with regular cross-sectional surveys like the LFS. Unfortunately, a key data gap in the UK is linked parent-child tax records, which exist in the US, which would allow more accurate estimates of income mobility.

- 30 Anthony Heath and others, '<u>Social progress in Britain</u>', 2018. Published on OXFORDUNIVERSITYPRESS.COM.
- 31 The Organisation for Economic Co-operation and Development, '<u>A broken social elevator</u>', 2010. Published on OECD.ILIBRARY.ORG. Erzsébet Bukodi and others' findings based on the ESS.
- 32 Raj Chetty and others, '<u>The fading American dream:</u> <u>trends in absolute income mobility since 1940</u>', 2017. Published on PUBMED.GOV.
- Institute of Labor Economics, '<u>Trends in absolute income</u> mobility in North America and Europe', 2020.
 Published on IZA.ORG.

Analysis of these surveys has tended to show that, in contrast with the picture on occupational mobility, Britain has below-average levels of both absolute and relative income mobility when compared with other developed countries.³¹

Absolute income mobility

The most common measure of absolute income mobility is the percentage of people whose income is higher than their parents' was at the same age. This is a measure of upward mobility and is strongly influenced by the growth of real household income.

Recent British research has combined results from the 1970 British Cohort Study with annual data from the series of Family Resources and Family Expenditure surveys. This gave an estimate of the absolute income mobility of adult children at age 30 years across birth cohorts born from 1964 to 1987 (reaching age 30 years from 1994 to 2017).³² The results showed that there was an increase in absolute upward income mobility among the earlier cohorts. This peaked among those born in the mid-1970s. It then declined among the most recent birth cohorts.

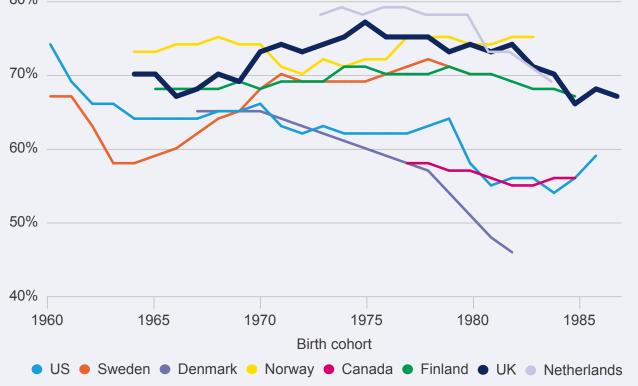
A recent major comparison of absolute mobility rates across countries found that the US and Canada had relatively low rates of around 50% for recent cohorts. Countries like Norway and Finland saw much better rates of above 70%. Rates in the UK were well above 70% for mid-1970s birth cohorts, but have declined since then to below 70%. The analysis further showed that the variation in these upward mobility rates was driven by differing levels of income inequality.³³

70% ⊵

Absolute income mobility rates in the UK were well above 70% for mid-1970s birth cohorts, but have declined since then to below 70%.



Estimates of upward absolute income mobility by country and birth cohort from 1960 to 1987.



Source: Manduca and others (2020). Trends in absolute income mobility in North America and Europe.

Note: The upward absolute mobility rate is the percentage of children in each birth cohort whose pre-tax, post-transfer family income at age 30 years, adjusted for inflation, was higher than their parents' family income at age 30 years. Incomes are measured using a combination of register and survey data in each country.

Relative income mobility

Relative mobility for income is most commonly measured through the correlation between parents' and children's incomes. This is done either by taking logs of the income (which yields a correlation of proportional change in parents' and children's incomes, known as intergenerational income elasticity), or by using a rank correlation.

The main data sources that have been used in the UK are the 1956 National Child

Development Study and the 1970 British Cohort Study. The most recent study has been able to estimate sons' lifetime economic mobility by drawing on the income data reported by sons from ages 26 to 42. This study showed that the correlation was greater among sons in the 1970 birth cohort (a rank correlation of around 0.31) than it had been in the 1956 birth cohort (a rank correlation of 0.20). In other words, the link between fathers' and sons' income became stronger, so there is greater 'stickiness', or less mobility, between generations.³⁴

34 Gregg, Macmillan and Vittori, <u>Moving Towards Estimating Sons' Lifetime Intergenerational Economic Mobility in the UK</u>, 2017. Published on ONLINELIBRARY.WILEY.COM. This study presents a range of estimates in order to take account of various biases, such as attenuation bias, life-cycle bias, and spells of worklessness. We report the rank correlations, rather than the elasticity, because rank correlations appear to be much less affected by these biases. The correlations reported here are from table 6. The study focused on sons because daughters often have intermittent careers due to maternity leave and caring responsibilities. This analysis confirmed findings from earlier analyses of the data by Blanden and colleagues.³⁵ Similar results were also found for the intergenerational persistence of poverty.³⁶

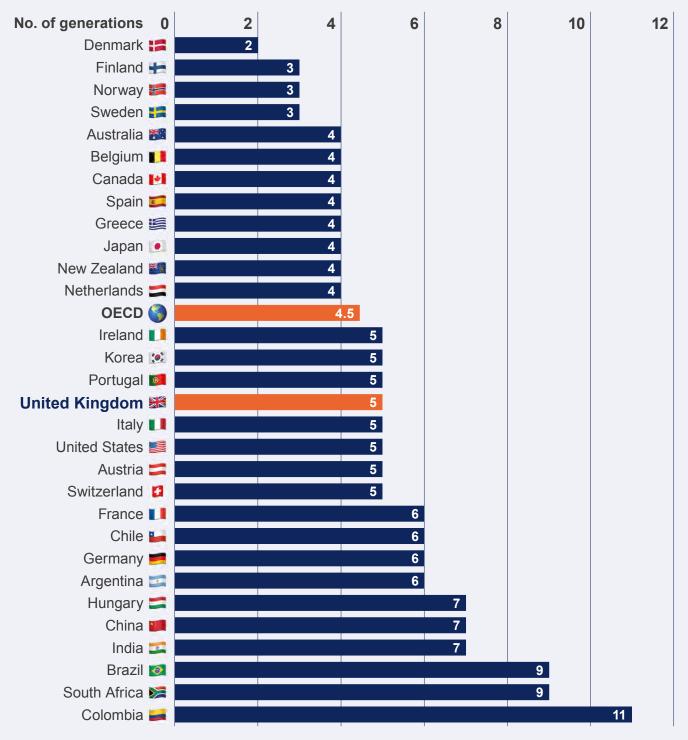
A second study by Nicoletti and Ermisch used a different data source, the British Household Panel Study (BHPS). But this had to proxy (use an indirect measure of) parental income, since this was not directly measured in their data source. However, the study does cover a rather longer period – cohorts born from 1950 to 1972.³⁷ It found little evidence for an increase in the intergenerational association over the full period, with estimates hovering around 0.20. However, it did find some variations over time with an increase in the later cohorts, and so is not inconsistent with the findings of Blanden and colleagues. This raises the possibility that trends in relative income mobility might be rather volatile, perhaps reflecting transitory labour market conditions.38

A more recent study by Friedman and colleagues covers later birth cohorts (born 1979 to 1986) but, like Nicoletti and Ermisch's study, had to proxy parental income from father's occupation. This study obtained a much higher estimate of intergenerational persistence of 0.45.³⁹ Recent work by Bertha Rohenkohl using a more robust dataset (a combination of the BHPS and Understanding Society) produced estimates around 0.25, and slightly higher estimates using rank-rank correlation.⁴⁰ This work also found a north-south divide, with the south being more mobile.

- 35 Jo Blanden and others, '<u>Changes in intergenerational mobility in Britain</u>', in Miles Corak (editor) '<u>Generational income mobility</u> in North America and Europe', 2004. Published on CAMBRIDGE.ORG. Respondents not in employment at the re-interview date were excluded from the analysis. See also Jo Blanden and Stephen Machin, '<u>Up and down the generational income</u> ladder in Britain: past changes and future prospects', 2008. Published on CAMBRIDGE.ORG; Paul Gregg and others, '<u>Moving towards estimating sons' lifetime intergenerational economic mobility</u>', 2017. Published on ONLINELIBRARY.WILEY.COM for further analyses and revised estimates using essentially the same data.
- 36 Jo Blanden and Steve Gibbons, '<u>Persistence of poverty across generations: a view from two British cohorts</u>', 2006. Published on JOSEPH ROWNTREE FOUNDATION.ORG.UK.
- 37 Cheti Nicoletti and John Ermisch, '<u>Intergenerational earnings mobility: changes across cohorts in Britain</u>', 2007. Published on DEGRUYTER.COM. The study was confined to men (and their fathers) only and estimated income from data on father's occupation, employment status, education and age.
- 38 A comparable study in the US also found hard-to-explain temporal variations in the strength of association Susan Mayer and Leonard Lopoo, '<u>Has the intergenerational transmission of economic status changed?</u>', 2005. Published on JSTOR. ORG.
- 39 Sam Friedman and others, 'Social mobility, the class pay gap and intergenerational worklessness: new insights from the Labour Force Survey', 2017. Published on GOV.UK. However, the study obtained a lower estimate of 0.27 when using a rank-rank estimator, which is now generally preferred to the log-log estimator previously used to measure the association (termed 'elasticity' by economists). However, Friedman and others' higher estimate is in line with estimates from later analysis of British Cohort Study data, using average parental income and later sons' earnings to reduce effects of measurement error and life-cycle bias, see Paul Gregg and others, 'Moving towards estimating sons' lifetime intergenerational economic mobility', 2017. Published on ONLINELIBRARY.WILEY.COM.
- 40 Bertha Rohenkohl, Intergenerational income mobility in the UK: new evidence using the British Household Panel Study and Understanding Society, 'Sheffield economic research paper series', 2019. Published on SHEFFIELD.AC.UK.

Figure 2.6: Income mobility in the UK is slightly worse than the Organisation for Economic Co-operation and Development (OECD) average.

Intergenerational income persistence: the estimated number of generations it would take for those born in low-income families to approach the mean income in their society.



Source: The Organisation for Economic Co-operation and Development, '<u>A broken social elevator</u>', 2010. Figure 1.5.

Mobility outcomes in the future

Occupational mobility in the long term

Given the slowing of growth in the proportion of professional and managerial jobs, the surplus of upward over downward occupational mobility is set to decline further. John Goldthorpe argues that 'a situation is emerging that is quite new in modern British history, and one that could have far-reaching socio-political consequences... younger generations of men and women now face less favourable mobility prospects than did their parents, or their grandparents: that is, are less likely to experience upward mobility and more likely to experience downward mobility.'

Yet this could be seen not as a failure, but rather as a sign of success. There is less absolute upward mobility at least partly because the working class has shrunk and the professional class has grown. There is simply a smaller pool of people available to experience upward mobility, because more are already at the top. So in the future, we will look at the feasibility of a conditional absolute measure, which would concentrate on absolute upward mobility rates from the bottom.

As we noted in the section on relative occupational mobility, there is no good evidence that the relative chances of different groups are worsening. People from professional backgrounds have better chances, but this gap does not seem to be widening. It may well be shrinking.

Short-term prospects for mobility

The COVID-19 pandemic has impacted particularly harshly on young people from poorer backgrounds. These effects of COVID-19 are likely to have long-term consequences in both education and work.⁴¹ In the short term, we can expect that its effects may adversely affect the social mobility chances of young people currently entering the labour market, and possibly in years to come.⁴² However, as we report in chapter 4, recent unemployment rates for young people aged 16 to 24 years have decreased from what they were in 2020.

We also anticipate that, at least in the short term, the challenging set of economic circumstances we face in the UK may widen existing inequalities. This includes between:

- · different areas of the country
- the majority and ethnic minority groups
- · disabled people and those without disabilities
- the highly-educated and those with low qualifications

This is because recessions typically have greater adverse effects on more 'marginal' groups of workers, since they tend to be the first to lose their jobs, with consequent damage to their mobility prospects.⁴³ However, there is no clear sign of this yet.

To give a clearer short-term picture, the next chapter focuses on social mobility outcomes for those moving through education and the workforce. It looks at intermediate outcomes, such as young people's educational attainment and transitions into work. This will help us to detect where things are currently getting better or potentially getting worse.

⁴¹ Richard Blundell and others, '<u>COVID-19 and inequalities</u>', 2020. Published on ONLINELIBRARY.WILEY.COM; Monica Costa Dias and others, '<u>COVID-19 and the career prospects of young people</u>', 2020. Published on IFS.ORG.UK.

⁴² Wiji Arulampalam and others, '<u>Unemployment scarring</u>', 2001. Published on ACADEMIC.OUP.COM; Paul Gregg and Emma Tominey, '<u>The wage scar from male youth unemployment</u>', 2005. Published on SCIENCEDIRECT.COM.

⁴³ Tom Clark and Anthony Heath, '<u>Hard times: the divisive toll of the economic slump</u>', 2014. Published on YALEBOOKS.CO.UK.

Q Case study

Rodolfo Barradas, age 30, from Leeds in Yorkshire

We moved to England from Portugal when I was 14. My dad worked in a food manufacturing factory and my mum worked as a hotel housekeeper. Because they both did minimum wage jobs with long, anti-social hours, and hadn't been to university, their priority was to ensure that we focused on school and got a job with more long-term financial security.

Back in Portugal, my parents were really involved in my schoolwork but once we moved to England the language barrier meant that wasn't possible. Instead, it was more often my brother and I helped out with and translating in situations like at the bank or doctors.

I was thrown into year 10 at the local sixthform school which was a bit of a shock, but the way I see it, you sink or swim. Luckily, I was incredibly fortunate with some of the teachers I had. In particular I remember 2 English teachers who were exceptional. They saw the language barrier not as something to overcome but as evidence of potential, and realised that if I could speak 2 languages it meant there was talent there.

Gradually, all the English I had learned in Portugal started to come back. After about a year, there was a big jump in my ability and things started to make sense. In year 10, when we were being taught English grammar, I realised that a lot of English grammar terms are Latin-based and very similar to Portuguese, so I recognised them instantly. My English teacher realised this and continued to help me push myself.



"I remember 2 English teachers who were exceptional. They saw the language barrier not as something to overcome but as evidence of potential, and realised that if I could speak 2 languages it meant there was talent there." The head of science was an absolute star. She would take the time to stay behind with me after school and help me catch up. In the end, I got some really good GCSE and A-level results. That enabled me to study history and Italian at a Russell Group university.

After university, I did a mix of working in hospitality to pay the rent and doing projects in my free time. There were definitely lots of 7-day weeks, working 5 days in my waiter job, then doing arts marketing experience and job applications on my days off, and there were lots of rejections.

Because of my background, I had to really find the language to talk about my skills and experience by trial and error. Some of my friends could send their CVs and statements to their parents and get them to proofread and advise. I didn't have that luxury.

I ended up getting a marketing assistant job at a theatre. I threw myself wholeheartedly into it and by the time I was 25, I was a marketing manager. Then I decided to leave the sector for the civil service. First, I moved into a communications role and now I am a policy advisor in the Department for International Trade.

The 15-year-old me would think it's a bit wild. I work on things like the G7, trade negotiations and legislation. As an immigrant, I think you are sometimes more at ease with uncertainty. I don't have an issue with change. I think that builds the confidence to know you can try things you haven't tried before. I've always thought, "if that doesn't work, I can try something else." For me, it's about being okay with being uncomfortable and just really going for it, and perhaps faking that confidence to get you out the door!

Chapter 3 Intermediate outcomes



Key insights

The popular narrative of worsening mobility prospects for young people in the UK is not supported when we take a careful look at a range of outcomes across education and employment.

Almost every gap in our intermediate outcomes between young people from higher and lower socio-economic backgrounds has narrowed in the past decade.⁴⁴ There are still disparities, but there has been progress across all measures.

Intermediate outcomes in education and work have been trending in a positive direction. Educational attainment gaps between pupils from higher and lower socio-economic backgrounds have narrowed, especially at key stages 2 and 4.

The gaps between professional and working-class backgrounds for both university participation and degree attainment have also narrowed.

In terms of early career, the gap between people from professional and working-class backgrounds has decreased for most of our occupational and economic outcomes since 2014.

In some cases, there are different trends for men and women. For example, the gap in earnings between women of professional and working-class backgrounds has widened since 2014.

The full effects of the COVID-19 pandemic are still unlikely to be shown in the data.

Introduction

In chapter 2 we looked at social mobility outcomes. This means looking backwards, from people's current social positions (like their occupation or income at age 50), to their starting social positions (like their parents' occupation or income). We then compared where they started – their social background – with where they ended up.

The mobility experiences of adults in their 40s or 50s will have been shaped by factors that are now decades in the past. While this will give very valuable insight, we also want to know about the effects of more recent events. We need an early indication of where young people may end up, allowing us to get a sense of the current state of social mobility. Intermediate outcomes, which we describe and illustrate in this chapter, give us that more up-to-date insight.

Intermediate outcomes focus on the experiences of young people as they move through education and into the labour market. We are interested in how young people from different social backgrounds acquire the educational skills and qualifications, and the experience of work, that will enhance their future mobility. We call these 'intermediate outcomes', since they are measured earlier in life than the mobility outcomes in chapter 2. We plan to report on them annually, since the experiences of each cohort of people leaving school and entering the labour market may change from year to year – think, for example, of the effects of the pandemic.

"Almost every gap in our intermediate outcomes between young people from higher and lower socio-economic backgrounds has narrowed in the past decade."

44 Data for some of our measures only goes as far back as 2014.



Why do we break measures down by background?

For any analysis of social mobility, we need to know where a person starts – their background – and where they end up – their outcome. For example, to measure Alice's occupational-class mobility, we need to know both her parents' occupational class (Alice's background), and her own occupational class (Alice's outcome). This way, we can see whether Alice has moved up or down.

If we want measures at the population level, we need to be able to summarise everyone's backgrounds, and outcomes, in a small set of numbers. And to isolate the effect of social background on outcomes – the essence of social mobility analysis – we need to look at the outcomes of everyone sharing a certain background.

Better data, better decisions

Data limitations

We can easily find summary statistics for outcomes, such as the percentage of people achieving good grades at school. But we also need background measures, and, unfortunately, data on starting points is much more limited. For example, we have very little information available about family circumstances and early life. For children in school, the only administrative data available on socio-economic background is eligibility for free school meals (FSM), which broadly correlates with lower income and lower occupational class. The Office for National Statistics' (ONS) Labour Force Survey (LFS) asks respondents about their parents' jobs when the respondent was a teenager, but not about their income (see technical annex for more information).

This leaves much that is unmeasured. We do not know from the data available, for instance, about family-related factors, such as the time parents spend reading to their children, or individual factors, like determination or the propensity to work hard. We also cannot take into account, at least using public data, things like school quality.

Causal explanations

These data limitations create the risk that we mistakenly explain whatever disparity in outcomes we see by the background factors that happen to be observable, rather than by the hidden factors that may be a more immediate cause. For example, special educational needs and disabilities (SEND) may correlate with eligibility for FSM, and also correlate with worse educational outcomes. If we observe that children eligible for FSM achieve worse outcomes on average, it is tempting to conclude that FSM status is solely responsible for the worse outcomes. But this would ignore (among other things) the role of SEND, and any policy based on this conclusion would be misdirected.

All of this means that we cannot call for policy solutions targeted at reducing disparities based on mobility analysis alone. Not every difference is caused by unfairness. But mobility analysis can suggest further research to identify the root causes of the disparity. We need to ensure that policy solutions target all people who miss out on having a fair and equal opportunity.

Improving data

Our selection of intermediate outcomes has been limited by the availability of reliable data. As we note in this document, there are many surprising gaps in the current availability of data, which limits the Commission's ability to report and advise the government accurately. For example, to the best of our knowledge, there is no UK-wide, regularly-updated database relating young people's educational achievements to their social backgrounds.

The closest we can get is FSM eligibility, which captures roughly the poorest 15% of students in England. This divides pupils into 2 groups that broadly correlate with higher and lower income and occupational-class background.

However, subtle differences are lost in these groupings. Within-group variation is likely to be significant, and, even more seriously, the amount of within-group variation may itself vary across the UK. This makes FSM eligibility problematic for geographical analysis. It also does not capture family income over time. This means we cannot, for example, distinguish between children from families with permanently low incomes from ones with short periods of low income. Moreover, the criteria for FSM eligibility have expanded recently, making comparison over time more difficult.

We will look carefully at what can be done to improve this. We also summarise some top priorities for new data. We are committed to pursuing independent research looking at how the government can improve data on social mobility that will enhance not only this index but also many other areas. Therefore, we expect the index to evolve over time, both as our understanding of social mobility gets better and as new data becomes available. We also acknowledge that the methodologies used for each indicator are not always ideal and highlight these limitations throughout the report.

Indicators for this year

We start by looking at the years of compulsory schooling, as educational achievement strongly predicts later outcomes.⁴⁵ There is good evidence that socio-economic disparities in children's skills emerge early on, well before they start school. They then tend to increase in the school journey, and have major effects on their careers.⁴⁶ A consensus seems to be emerging that there is no one 'critical age', and that all stages of childhood are important.⁴⁷

The years that follow compulsory schooling are just as important, so we next turn to the routes into work. This covers the period when some young people leave education and move into training, apprenticeships, work or, into unemployment or economic inactivity.⁴⁸ These years are critical for young people's future progress in the labour market, and for their chances of social mobility. Finally, we look at work in early adulthood and early career progression.

For 2022, we use very broad socio-economic categories ('professional', 'intermediate', and 'working class') and simple metrics, such as median pay. In the future, we want to provide more granularity. For example, this year, we measure the proportion of people who go to any university. Next year, we may consider subgroups of universities, like the Russell Group of 24 leading UK universities. We will also consider apprenticeships and other routes into highly skilled work. This year, we divide socio-economic background into 3 parts, while next year, we may use a finer division.

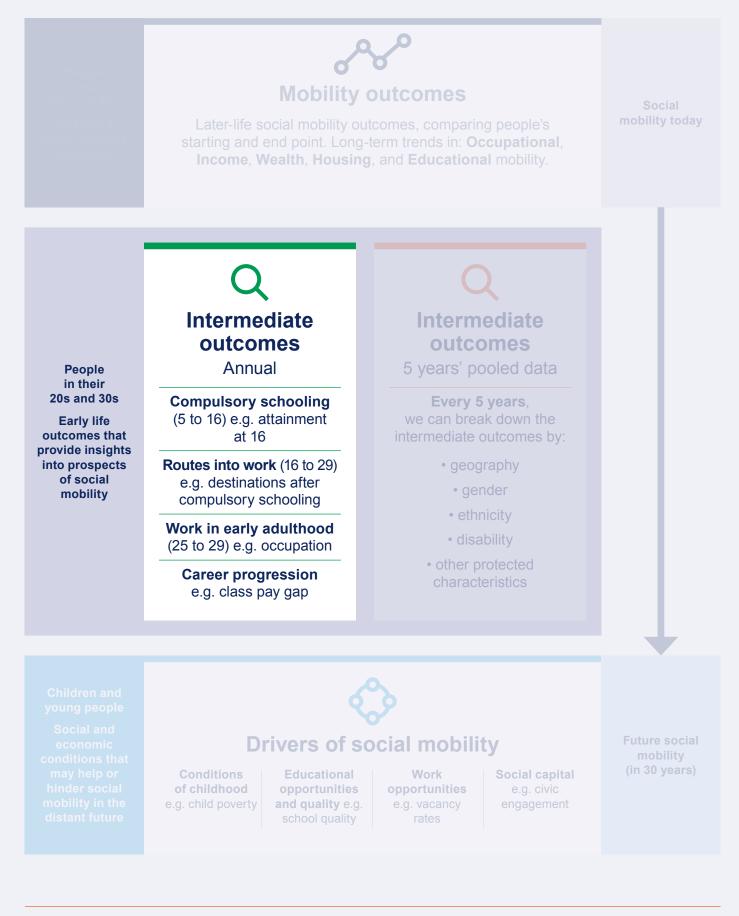
⁴⁵ To understand educational achievement, we follow the official government approach, dividing education into early years (aged 2 to 5 years), primary school, with assessments taken at around age 11 years (key stage 2), and compulsory secondary schooling with formal GCSE assessment at around age 16 years in England, Wales and Northern Ireland (key stage 4).

⁴⁶ Alice Sullivan and others, '<u>Pathways from origins to destinations: stability and change in the roles of cognition, private</u> schools and educational attainment', 2020. Published on ONLINELIBRARY.WILEY.COM; Matt Dickson and others, 'Early, late or never? When does parental education impact child outcomes?', 2016. Published on ACADEMIC.OUP.COM.

⁴⁷ Raj Chetty and Nathaniel Hendren, '<u>The impacts of neighbourhoods on intergenerational mobility II: county-level estimates</u>', 2018. Published on NATIONAL BUREAU OF ECONOMIC RESEARCH.

⁴⁸ In England continuing participation in education, at least on a part-time basis, is now legally required until age 18.

Figure 3.0: Intermediate outcomes.



As a start, we examine the following measures:

Intermediate outcome	Age
1 – The years of compulsory schooling	5 to 16
2 – Routes into work – the transition years	16 to 29
3 – Work in early adulthood	25 to 29
4 – Career progression	35 to 44



A note on our data

This report uses data from:

- ONS
- Department for Education (DfE)
- Department for Work and Pensions (DWP)
- Organisation for Economic Co-operation and Development (OECD)

We have also used other publicly available data from panel survey studies, such as Understanding Society – the UK Household Longitudinal Survey (UKHLS). The majority of our indicators are derived from 2 UK household surveys: the ONS's Labour Force Survey (LFS) and UKHLS. For more information, see the technical annex.

Significance of trends

Some of our intermediate-outcome measures are proportions or means derived from survey data, for which we have no level of uncertainty around the estimates (such as confidence intervals). Therefore, all trends should be treated with caution – we have not tested for statistical significance unless stated otherwise. For more information, see the technical annex.

Q Case study

Sharon Birch, age 56, from Hartlepool in County Durham

Some of our children come from families that have been written off for years so hope and aspiration are sort of lost. That means the nursery is an opportunity to enjoy different experiences. We go on train trips, we go to the beach, we go to parks, we go to museums. We've got an Alexa and we play jazz and piano music. None of our children will go home and listen to opera but they will listen to it in nursery. This is where cultural capital comes in. It's about making a child believe they can be anyone they want to be.

The environment is important too. We eat with tablecloths and napkins. We don't use plastic plates and there are flowers in a vase on the table. The children may not have these things at home. They might just eat off their knees. We try and do things that give them a different perspective. It's really important for the children to see that there's more to life than just Hartlepool. If we give them access to these things, it gives them the opportunity to broaden their view and realise that anything's possible.

I was a police officer for 20 years and my specialism was in child protection. Coming from a safeguarding background, I have an understanding of the issues that affect some of these children at home. We try to build relationships with parents so that if they're facing difficulties, we can get help earlier so it's better for them and better for the children. By the time that child leaves nursery they've had some good strong adults in their lives who they know they can rely on.

Every child has a key worker, which is very important. They build up a rapport

"Working in partnership with the parents is key. We give them storybooks and activity packs to help with speech and language skills, which some children in this area may be lacking."



with the children and the families. It means they might then share something that they wouldn't if they didn't have that rapport, like a bereavement in the family that could cause a big impact on the child, the break-up of a relationship, or any financial struggles. Without that consistency, things could be missed.

Working in partnership with the parents is key. We give them storybooks and activity packs to help with speech and language skills, which some children in this area may be lacking. We give jigsaws out to children who may not have the resources at home and colouring books to help with mark-making. If necessary, we'll refer children to speech and language therapists very early on. We'll always work with the parents and share the resources we've got. If we can do something to make a family's life a bit easier, we will.

Intermediate outcome 1: The years of compulsory schooling (aged 5 to 16)

How children develop during their years of compulsory education can play a crucial role in determining the outcomes they go on to achieve. We monitor trends of various measures focused on education and skills development between the ages of 5 and 16 years to examine social background differences at this stage of life. If the differences that emerge early in life were widening, this would suggest more difficult prospects for social mobility in the future. Yet all of our measures are improving. In all 3 cases, the gap between those from different backgrounds has narrowed.

England, Northern Ireland, Scotland, and Wales all have different accountability systems and different social background measures. So, for 2022, we present only English measures, while we look into the possibility of UK-wide measures for 2023.⁴⁹

Intermediate outcome 1.1 Level of development at age 5: percentage of pupils achieving a 'good' level of development	57% of FSM-eligible and 74% of non FSM-eligible pupils reached a 'good' level in 2019. The gap is 10% narrower than in 2013.
Intermediate outcome 1.2 Attainment at age 11: Pupils achieving the expected standards at key stage 2	51% of disadvantaged and 71% of other pupils reached the expected standards in 2019. 49% and 29% did not.
Intermediate outcome 1.2 Attainment at age 11: the key stage 2 disadvantage gap index	The gap is around 13% narrower from 3.34 in 2011 to 2.91 in 2019.
Intermediate outcome 1.3 Attainment at age 16: Pupils achieving good passes in GCSE English and Maths	32% of disadvantaged and 59% of other pupils achieved good passes in 2021. 68% and 41% did not.
Intermediate outcome 1.3 Attainment at age 16: the key stage 4 disadvantage gap index	The gap is around 7% narrower from 4.07 in 2011 to 3.79 in 2021.

⁴⁹ The lack of harmonised education statistics across England, Wales, Scotland and Northern Ireland means that the only option at present is to have separate (non-comparable) measures for each of the 4 nations. If harmonised measures are not possible, we hope to present data for the separate nations in future years. However, the devolved nations do have similar examinations. Wales does GCSEs. Northern Ireland has the Nationals 4 and 5 and Scotland has National 3, 4 and 5, and also has Highers.

1.1 Level of development at age 5

Starting with the youngest pupils, we look at 'good level of development', as defined in the early years foundation stage profile (EYFSP). This measure shows the percentage of children who achieve a 'good' level of development at the age of 5 – children achieving the expected level in the 3 main areas of learning, and in literacy and numeracy.

Due to the devolved nature of the education system, we can only monitor this measure for children in England this year. The only socioeconomic background measure available is eligibility for FSM. FSM captures roughly the poorest 15% of students; while not ideal, it is the only socio-economic background measure available in schools data.⁵⁰ In particular, due to the transitional protections covering FSM eligibility as we move from old-style multiple benefits to Universal Credit, there is a greatly increased number of children eligible for FSM. This also means that the average child on FSM today is probably not as disadvantaged as the average child on FSM 10 years ago. So this may contribute to closing the measured gap, even with no underlying change in the pattern of achievement.

In figure 3.1 we note 3 features. Firstly, the proportion of children achieving a 'good' level of development at the age of 5 has increased over time. In the 2012 to 2013 academic year, 36% of pupils eligible for FSM achieved a good level of development, compared with 55% of all other pupils. In the 2018 to 2019 academic year, these proportions were 57% and 74% respectively. So more children, both disadvantaged and non-disadvantaged, are starting school with a 'good' level of development.

Secondly, the size of the gap between children who qualify for FSM and those who do not has narrowed over time. The gap has decreased from 19 percentage points in the 2012 to 2013 academic year (36% versus 55%) to 17 percentage points in the 2018 to 2019 academic year (57% versus 74%). But closing this gap is simply not enough.

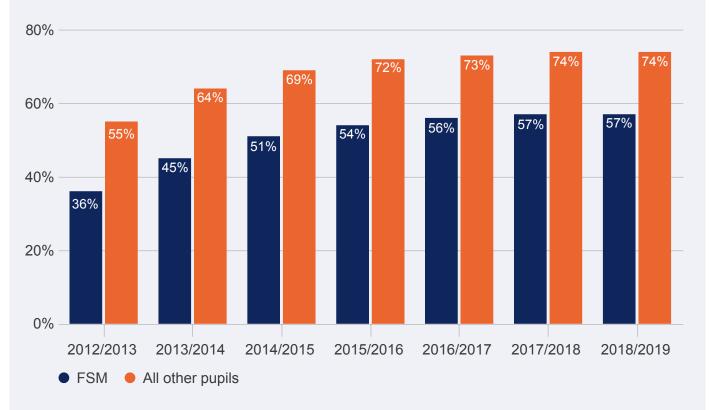
Thirdly, in the 2018 to 2019 academic year, 43% of pupils eligible for FSM and 26% of all other pupils failed to achieve a 'good level of development'. This is an area of concern, given the importance of developing reading and numeracy skills at an early age. All children, regardless of social background, deserve the best possible start. And there may be significant implications for social mobility if, for example, the 43% of FSM pupils and 26% of non-FSM pupils share some social disadvantage that is not well captured by the available data.

More detailed analysis, comparing children both within and across groups, is essential. It is only then that we can start to understand the shared and distinct reasons for poorer levels of development across social backgrounds. There are certainly some children who might be vulnerable in ways that are not reflected by this data alone. For example, some might have SEND that can create or compound other difficulties. As noted earlier, there are significant limitations to how useful FSM is as a proxy for socio-economic background. New and innovative metrics are needed to understand and tackle this problem.

⁵⁰ Free school meals (FSM) is the only available measure of social background in England, Wales and Northern Ireland. In Scotland, a completely different area-based measure of social background is used, the Scottish Index of Multiple Deprivation. To the best of our knowledge, there is no UK-wide and regularly-updated database showing how young people's educational achievements are related to their social backgrounds. We are therefore limited in what we can use. FSM is not an ideal measure and presents serious limitations. Firstly, eligibility for FSMs is a devolved matter, so the requirements are slightly different in each nation. Secondly, there is a great deal of heterogeneity within the non-FSM population, which reduces the nuance in how we can compare outcomes; it creates a binary result, where we are forced to report on those poorest of students compared to all others. In addition, this makes FSM and its derivatives a poor measure for making comparisons between areas, because the extent of heterogeneity will vary between areas.

Figure 3.1: Children eligible for FSM are catching up with other children at age 5 years; the gap has closed from 19 to 17 percentage points.

The percentage of students achieving a 'good level of development' at age 5 years by eligibility for FSM in England, from 2012 to 2019.



Source: Department for Education (DfE). Early years foundation stage profile results from the 2018 to 2019 academic year, 2019.

Note: The percent 'good level of development' tracks development at age 5 years in England only. A child achieving at least the expected level in the Early Learning Goals within the 3 prime areas of learning and within literacy and numeracy is classed as having a 'good level of development'.

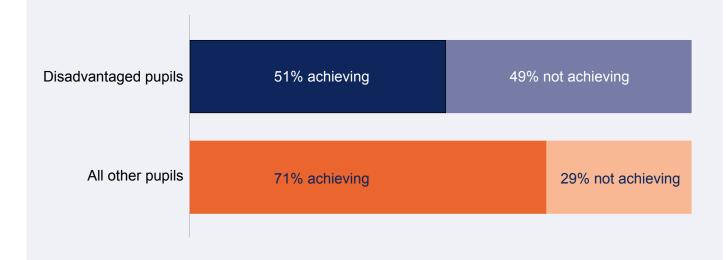
1.2 Attainment at age 11

Understanding attainment at age 11 can be done in 2 ways. First, we can look at overall levels of achievement for disadvantaged children and all other pupils, and second, at the gaps between them.⁵¹ In 2019, we see that 51% of disadvantaged pupils reached the expected standard in reading, writing, and maths compared with 71% of all other pupils, a difference of 19 percentage points (see figure 3.2).^{52 53} But, taking a closer look, this means that half (49%) of disadvantaged pupils and 29% of all other pupils are still not achieving the expected standards in all 3 subjects.

- 51 Disadvantaged pupils are defined as: those who were registered as eligible for FSM at any point in the last 6 years, and children looked after by a local authority or have left local authority care in England and Wales through adoption, a special guardianship order, a residence order or a child arrangements order.
- 52 The Department for Education notes the gap is 19 percentage points rather than 20 due to rounding.
- 53 Department for Education, '<u>National curriculum assessments: key stage 2, 2019 (revised)</u>', 2019. Published on GOV.UK.

Figure 3.2: Disadvantaged pupils are less likely to reach the expected standard at key stage 2, but many non-disadvantaged pupils also do not reach this standard.

The percentage of pupils reaching the expected standard in reading, writing and maths at key stage 2 in 2019.



Source: DfE, National curriculum assessments at key stage 2 in England, 2019.

Note: Bold colours indicate the disadvantaged (blue) and all other pupils (orange) who are achieving a Grade 5 or above in both English and Maths. Light colours indicate the disadvantaged (blue) and all other pupils (orange) not reaching these standards. Disadvantaged pupils are defined as: those who were registered as eligible for free school meals at any point in the last 6 years, children looked after by a local authority or have left local authority care in England and Wales through adoption, a special guardianship order, a residence order or a child arrangements order.

Again, some of these children might be disadvantaged or vulnerable in ways that are not captured here. For example, they could come from financially advantaged homes, but do not have the necessary support needed to thrive at school.

If children do not meet the expected standard, they might be limited in how they access the secondary curriculum. Failure to achieve core competencies in literacy and numeracy, for any child, poses serious risk to their future prospects. Moving away from overall levels of achievement, we rely on a newer metric – the disadvantage gap. This compares the key stage 2 performance of pupils in England who are eligible for FSM (and certain other pupils) with that of pupils who are not.^{54 55} **Figure 3.3:** The gap between disadvantaged pupils and all other pupils at key stage 2 decreased gradually from 2011 to 2019.





Source: DfE, National curriculum assessments at key stage 2 in England, 2019.

Note: Comparisons are made by ordering pupil scores in reading and maths assessments at the end of key stage 2 and assessing the difference in the average position of disadvantaged pupils and others. The mean rank of pupils in the disadvantaged and other pupil groups are subtracted from one another and multiplied up by a factor of 20 to give a value between -10 and +10 (where 0 indicates an equal distribution of scores). Disadvantaged pupils are defined as: those who were registered as eligible for free school meals at any point in the last 6 years, children looked after by a local authority or have left local authority care in England and Wales through adoption, a special guardianship order, a residence order or a child arrangements order.

- 54 In the disadvantage gap index, the Department for Education classes pupils who have been eligible for free school meals (FSM) at some point in the past 6 years as disadvantaged.
- 55 Devolved nations have worked to develop their own comparable statistics. Scotland introduced the Scottish National Standardised Assessments in 2017 to 2018, Wales has national tests for children each year for the ages of 7 to 14 years and Northern Ireland has standard assessment tests which are completed at the ages of 7 and 11 years. However, further analysis is required before we can assess whether to include these in a future release of our index.

It differs from previous measures used by the Department for Education (DfE) as it is a positional measure based on rank rather than overall levels. This measures how pupils from 'disadvantaged and non-disadvantaged backgrounds' differ with respect to their positions in rankings of performance. This makes the measure more robust to changes in assessments over time.

A disadvantage gap score of zero would indicate that pupils from disadvantaged backgrounds perform equally well as pupils from non-disadvantaged backgrounds. A disadvantage gap score of +10 would mean that every non-disadvantaged pupil did better than every disadvantaged pupil.

Figure 3.3 on page 63 shows a 12.8% decrease in the gap between children from disadvantaged and non-disadvantaged backgrounds between 2011 and 2019. However, between 2018 and 2019 there was a slight increase of 0.5% (from 2.90 to 2.91). This was the last year with available data.

Changes to data collection and scoring methodologies have limited comparisons of attainment scores over time, and we should be cautious in drawing any conclusions. We need to compare results from different datasets and distinguish the overall patterns of attainment for pupils from a variety of different backgrounds, not just those eligible for FSM.

1.3 Attainment at age 16

The end of compulsory education is just as important as its beginning. A young person's educational outcomes at age 16 years can shape how they progress through to further and higher education (HE), training, and employment. To look at how differences in socio-economic background influence this progression, we look at overall levels of attainment for disadvantaged pupils and all other pupils. We then examine the key stage 4 disadvantage gap index for English schools. The disadvantage gap index summarises the relative attainment in English and Maths at GCSE between disadvantaged pupils and all other pupils.⁵⁶

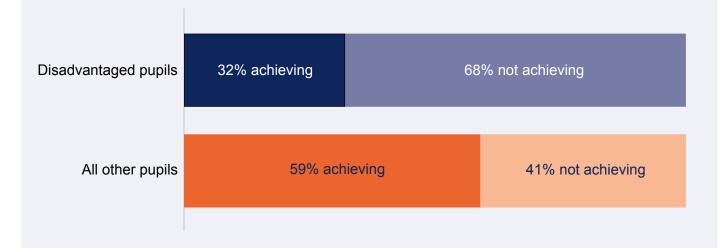
In the 2020 to 2021 academic year, attainment in English and Maths was lower for disadvantaged pupils compared to all other pupils. 31.7% of disadvantaged pupils achieved a grade 5 (equivalent to a good pass) or above, in English and Maths, compared with 59.2% for all other pupils (see figure 3.4).⁵⁷ However, this also means around two-thirds of disadvantaged pupils (68.3%) and more than one-third of all other pupils (40.8%) fail to achieve a good pass in both English and Maths at GCSE. This is concerning. In the absence of any effort to reverse this pattern, large numbers of students will leave school without essential qualifications. This urgently needs to change.

⁵⁶ Pupils are defined as disadvantaged if they are known to have been eligible for FSM at any point in the past 6 years (from year 6 to year 11), if they are recorded as having been looked after for at least one day or if they are recorded as having been adopted from care.

⁵⁷ UK Government, 'Key stage 4 performance', 2021. Published on GOV.UK.

Figure 3.4: Fewer disadvantaged than non-disadvantaged pupils get a good pass on both English and Maths GCSEs. Many non-disadvantaged pupils also do not meet this standard.

Percentage of pupils who achieved a grade 5 or above in both GCSE English and Maths in the 2020 to 2021 academic year.



Source: DfE, key stage 4 attainment data for state-funded schools, 2021.

Note: Bold colours indicate the disadvantaged (blue) and all other pupils (orange) who are achieving a Grade 5 or above in both English and Maths. Light colours indicate the disadvantaged (blue) and all other pupils (orange) not reaching these standards. Disadvantaged pupils are defined as: those who were registered as eligible for free school meals at any point in the last 6 years, children looked after by a local authority or have left local authority care in England and Wales through adoption, a special guardianship order, a residence order or a child arrangements order.

Despite the trends mentioned above, there has been some encouraging progress in closing the gaps between poorer students and their more advantaged peers. The attainment gap, for the differences between disadvantaged pupils and their peers, has narrowed by 7% between 2010 and 2021 (see figure 3.5 on page 66). This progress must continue.

7% \$|\$

The attainment gap, for the differences between disadvantaged pupils and their peers, has narrowed by 7% between 2010 and 2021

Figure 3.5: The gap between disadvantaged pupils and all other pupils decreased gradually from 2010 to 2020 but increased in the 2020 to 2021 academic year.





Source: DfE, key stage 4 attainment data for state-funded schools, 2021.

Note: Covers performance in Maths and English GCSEs of students at state-funded schools using a positional measure of attainment.

Intermediate outcome 2: Routes into work – the transition years (aged 16 to 29)

The paths that young people take after the end of compulsory schooling have major implications for their future careers. The end of compulsory schooling is a critical point for many young people, although with the gradual increase in numbers staying on in education after the age of 16, the key transition will tend to move upwards to age 18. This has already happened in many other developed countries.⁵⁸ After the raising of the participation age, and the COVID-19 pandemic limiting opportunities for young people in the labour market, this move seems likely to accelerate.

The next set of intermediate outcomes represents this transition from school to work between the ages of 16 to 29. Our focus here is the progression of school leavers into further education and HE, training or employment. Just as socio-economic differences tend to grow over the educational career, so there is evidence that they grow over the course of a person's career in the labour market. The following measures of rates of young people who are not in education, employment or training (NEET), who are enrolled in HE, and of their highest qualifications obtained, give some insight into these differences.

Across most of the measures of intermediate outcome 2, we see background-based gaps narrowing and overall outcomes improving. This is again promising for the future of social mobility in the UK. In one of the measures, employment between the ages of 16 and 24, there is limited evidence of any gap at all. Access to post-school education and educational achievement have also been trending upwards.

The graphs below compare the intermediate outcomes of those from a professional (**blue**) background with those from a working-class (**green**) background, since 2014.

Intermediate outcome 2.1 Destinations after age 16: percentage who are NEET, age 16 to 24	Men + Women	The gap has narrowed – only 12.4% from working-class families were NEET in 2021
Intermediate outcome 2.1 Destinations after age 16: percentage in employment, age 16 to 24	Men + Women	There is no clear trend – youth employment increased in 2021 for all backgrounds
Intermediate outcome 2.1 Destinations after age 16: percentage in education or training, age 16 to 24	Men + Women	The gap has narrowed to 33.9% versus 28.9% in full-time education or training in 2021

58 For a detailed discussion of the impact of the COVID-19 pandemic, see: Social Mobility Commission, <u>'State of the nation 2021: social mobility and the pandemic</u>', 2021. Published on GOV.UK.

Intermediate outcome 2.2 Entry to higher education: percentage of 19 year-olds studying for a degree	Men	The gap has narrowed to 37.2% versus 22.2% studying for a degree in 2021
	Women	The gap has narrowed to 43.7% versus 32% studying for a degree in 2021
Intermediate outcome 2.3 Qualifications: percentage achieving a degree by age 25 to 29	Men	The gap has narrowed to 63% versus 33.6% with a degree in 2021
	Women	The gap has also narrowed to 70.3% versus 44.1% with a degree in 2021
Intermediate outcome 2.3 Qualifications: percentage achieving no qualifications higher than a GCSE by age 25 to 29	Men	The gap has slightly narrowed to 9.4% versus 26.7% with no qualification above GCSE in 2021
	Women	For women, the gap has narrowed to 8.5% versus 18% with no qualification above GCSE in 2021

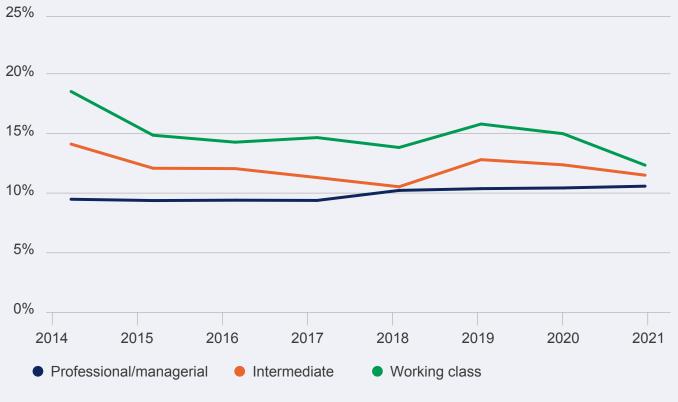
2.1 Destinations after age 16

In figure 3.6, we present the percentage of 16 to 24 year olds who are NEET.

The most striking feature is that NEET rates have decreased for young people from working-class backgrounds and were the lowest reported on record in 2021 at 12.4%. We also see a narrowing of the gap between those from professional and working-class backgrounds. In 2014, 9.5% of those from professional backgrounds and 18.6% of those from working-class backgrounds were NEET. By 2021, this was 10.6% and 12.4% respectively. So someone from a workingclass background was around twice as likely to be NEET as someone from a professional background in 2014. But in 2021, they were only 1.2 times more likely.⁵⁹

Figure 3.6: Rates of NEET have decreased for young people from working-class backgrounds, and the gap between class backgrounds has narrowed.

Social class differences in the percentage of young people (age 16 to 24 years) who are NEET in the UK, from 2014 to 2021.



Source: ONS, LFS, from 2014 to 2021.

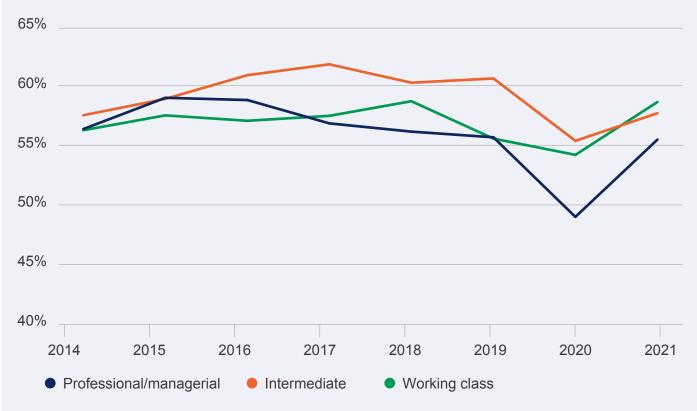
Note: Data collected from July to September; analysis based on LFS population weights 2020. NEET is defined as 'not in employment, education or training' in the week before the survey. The age group 16 to 24 years is chosen in order to obtain more precise estimates, and 'background' refers to the main wage earner's occupation (father, mother, other family member, joint earner, no one was earning) when the respondent was 14 years old.

59 We conducted additional analysis to check whether the trends reported were due to sampling variation. For the likelihood of being not in education, employment or training, the odds ratios reflecting the gap between those from professional and working-class backgrounds are statistically significant (at the 95% level) for each year, except in 2021. To see if the gap changed over time, we compared the 2021 odds ratio with the 2014 odds ratio. The difference between these ratios is significant (at the 95% level).

Despite the narrowing in the gap, over 10% of young people from both working-class and professional backgrounds remain NEET. This is cause for concern, particularly in terms of mobility prospects. It is crucial for young people to continue to develop their skills through work, education or training. Those who do not might fail to get on and potentially fall behind. In figure 3.7, we compare the percentages of young people of different backgrounds who were employed. In 2021, we see that 55.5% of those from a professional background were in employment, relative to 58.7% of those from a working-class background. Between 2014 and 2021, the proportions have remained fairly stable for people from all class backgrounds.⁶⁰

Figure 3.7: No clear class-based trend in rates of employment.

Social class differences in the percentage of young people (age 16 to 24 years) who are in employment in the UK, from 2014 to 2021.



Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September; analysis based on LFS population weights 2020. Employment is defined as those aged 16 and over, who are in employment if they did at least one hour of work in the reference week (as an employee, as self-employed, as unpaid workers in a family business, or as participants in government-supported training schemes) and those who had a job that they were temporarily away from (for example, if they are on holiday). The age group 16 to 24 years is chosen in order to obtain more precise estimates, and 'background' refers to the main wage earner's occupation (father, mother, other family member, joint earner, no one was earning) when the respondent was 14 years old.

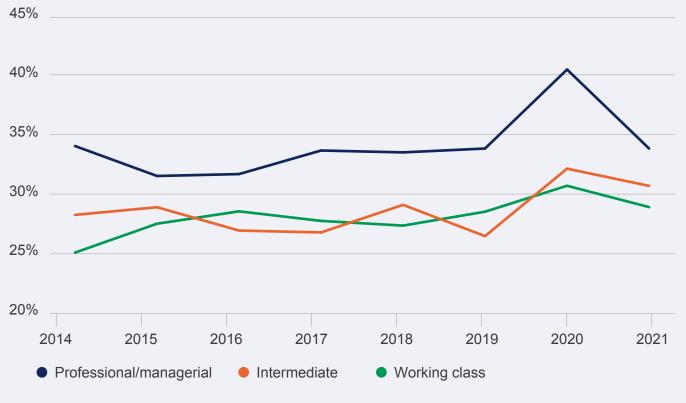
60 We conducted additional analysis to check whether the trends reported were due to sampling variation. For the likelihood of being employed, the odds ratios reflecting the gap between those from professional and working-class backgrounds is not statistically significant (at the 95% level) for all years apart from 2020. As the majority of odds ratios are not significantly different, we do not report a test for whether the change in odds ratios between 2014 and 2021 is significant.

Turning to figure 3.8, we see a somewhat different pattern when we examine the proportion of young people who were in full-time education, training or an apprenticeship.⁶¹

Overall trends for participation are promising, particularly over the past 2 years. Participation in full-time education, training and apprenticeships increased or remained stable for all class backgrounds, with a particularly large spike in 2020.

Figure 3.8: Young people from professional backgrounds have higher rates of full-time education, training or apprenticeships than others, but all rates have trended upwards.

Social class differences in the percentage of young people (age 16 to 24 years) in full-time education, training or apprenticeship in the UK, from 2014 to 2021.



Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September; analysis based on LFS population weights 2020. A full-time student is defined as a person aged 16 to 24 years who is in full-time education or training of any type. The age group 16 to 24 years is chosen in order to obtain more precise estimates, and 'background' refers to the main wage earner's occupation (father, mother, other family member, joint earner, no one was earning) when the respondent was 14 years old.

⁶¹ Due to small sample sizes, training and apprenticeships were included with education.

However, there are still some important differences to note. There continue to be more young people from professional class backgrounds in full-time education, training or apprenticeships than those from other socio-economic backgrounds. And, in 2021, young people from a professional background were still 1.2 times more likely than those from working-class backgrounds to be in education or training.⁶²

Despite these differences, we see some encouraging signs – the gap between those from different socio-economic backgrounds is narrowing. Since 2014, participation rates for people from intermediate and workingclass backgrounds have risen. For example, the percentage of young people from working-class backgrounds in education, training or apprenticeships rose from 25% in 2014 to 28.9% in 2021. Over the same time, the percentage of those from professional class backgrounds remained relatively stable (from 34.1% to 33.9%). While on this measure, we can see that the largest gap is between those of professional background and others. On the NEET measure, the gap is between the working-class – who are more likely to be NEET – and others. In other words, educational opportunities may be higher for those of professional background, while the risk of being NEET is higher for those of working-class background.

"Despite these differences, we see some encouraging signs – the gap between those from different socio-economic backgrounds is narrowing."



The percentage of young people from working-class backgrounds in education, training or apprenticeships rose from 25% in 2014 to 28.9% in 2021

2.2. Entry to higher education

We now look at class and gender differences in entry to HE. This measure is split by both socioeconomic background and gender, because in recent years, there has been a larger proportion of women than men enrolled in HE.⁶³ Of course, we acknowledge that there are many different routes to take following compulsory education, and HE represents just one of them.

Figure 3.9 shows the proportion of men and women aged 19 years who are undertaking a full-time first degree in the UK between 2014 and 2021. Overall in 2021, women (36%) are more likely to be studying for a degree full time than men (28%). We also see higher rates of participation among young men and women from professional backgrounds than among those from working-class backgrounds. This may explain low rates of those NEET. These men and women may have chosen or had the opportunity to stay in education rather than to risk unemployment or inactivity. However, we also see that the gaps between those from professional and working-class backgrounds have narrowed for both men and women.⁶⁴ The rates of young people from professional class backgrounds undertaking full-time first degrees has remained relatively stable, especially for women (men 44.6% in 2014 and 37.2% in 2021 versus women 45.8% in 2014 and 43.7% in 2021). But, the respective rates of men and women from working-class backgrounds have risen from 9.8% to 21.7% and 16.4% to 32% over time.

While encouraging, there are several important factors that might influence participation in HE that we have not captured this year. For example, we consider entry into all HE, irrespective of institution or programme. This includes a wide range of universities and offers only a basic overview of participation rates. Focusing on specific universities, like those from the Russell Group, may yield a very different picture in terms of access to HE. Future research is needed to understand more about what is driving these rates. This will require an overall look at the availability of choices and access to opportunities for young people from a variety of different backgrounds.

62 We conducted additional analysis to check whether the trends reported were due to sampling variation. For the likelihood of being in education or training, the odds ratios reflecting the gap between those from professional and working-class backgrounds are statistically significant (at the 95% level) for each year, except in 2016. To see if the gap changed over time, we compared the 2021 odds ratio with the 2014 odds ratio. The difference between these ratios is significant (at the 95% level).

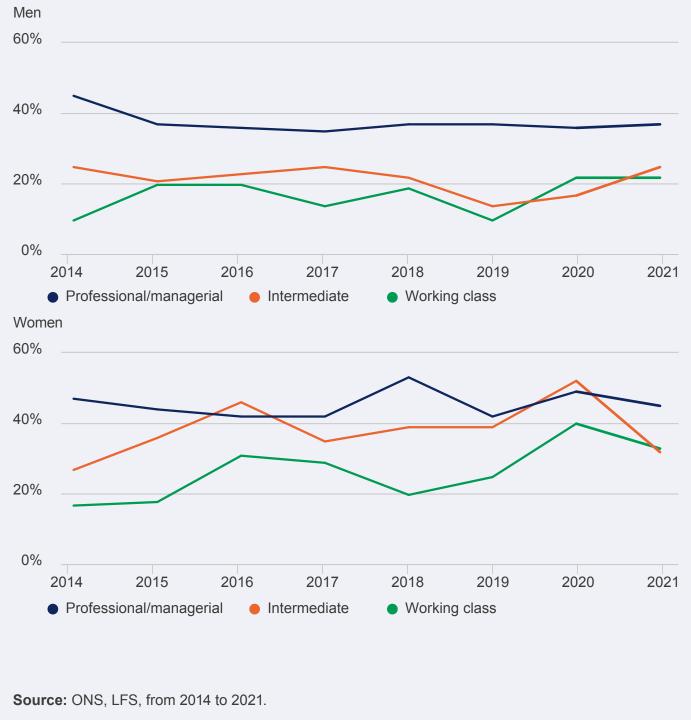
64 We conducted additional analysis to check whether the trends reported were due to sampling variation. For men, the odds ratios reflecting the gap between those from professional and working-class backgrounds are statistically significant (at the 95% level) for each year, except in 2020. To see if the gap changed over time, we compared the 2021 odds ratio with the 2014 odds ratio. The difference between these ratios is significant (at the 95% level).

For women, the odds ratios reflecting the gap between those from professional and working-class backgrounds are statistically significant (at the 95% level) for most years, except for 2016, 2020 and 2021. To see if the gap changed over time, we compared the 2021 odds ratio with the 2014 odds ratio. The difference between these ratios is significant (at the 95% level).

⁶³ Higher Education Statistics Agency, '<u>Who's studying in HE?</u>', 2022. Published on HESA.AC.UK.

Figure 3.9: More men from professional backgrounds have undertaken full-time first degrees than men from other backgrounds; the gap is less clear for women. Both gaps have narrowed over time.

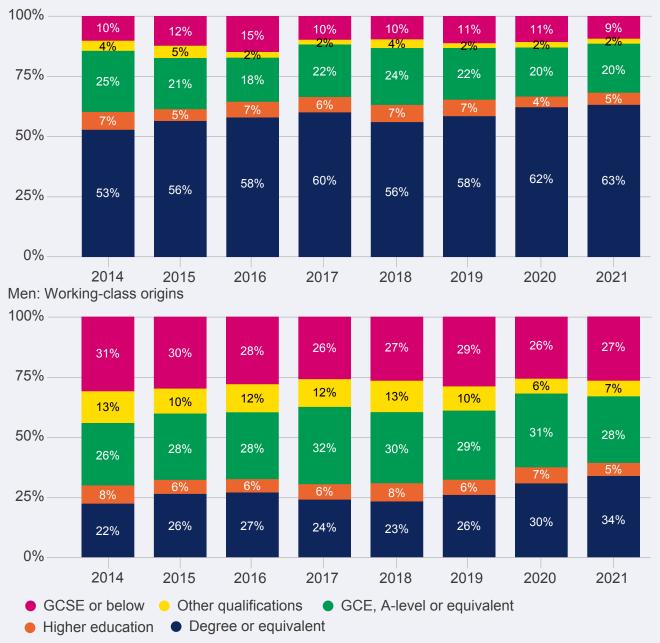
Social class differences in the percentage of 19-year-old men (top) and women (bottom) undertaking full-time first degree in the UK, from 2014 to 2021.



Note: Data collected from July to September; analysis based on LFS population weights 2020.

Figure 3.10: Professional men are more likely to have a degree than working-class men, but this gap has slightly narrowed since 2014. Of those with no higher qualification than a GCSE, the gap between working class and professional men has narrowed.

Men aged 25 to 29 years split by highest qualification and social class, professional and/or managerial (top) and working class (bottom) in the UK, from 2014 to 2021.



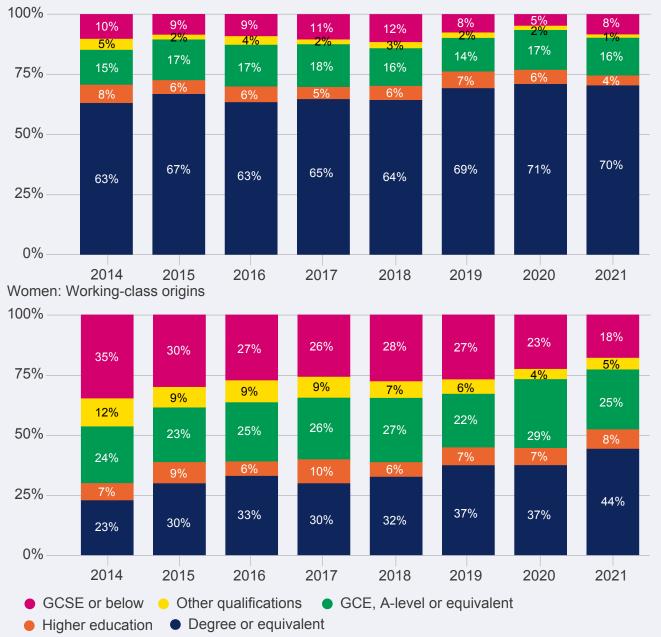
Men: Professional/managerial origins

Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September, analysis based on LFS population weights 2020.

Figure 3.11: Professional women are more likely to have a degree than working-class women, but this gap has narrowed since 2014. Working-class women are more likely than professional women to have no qualification higher than a GCSE, but this gap has also narrowed.

Women aged 25 to 29 years split by highest qualification and social class, (professional and managerial (top) and working-class (bottom) in the UK, from 2014 to 2021.



Women: Professional/managerial origins

Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September; analysis based on LFS population weights 2020.

2.3 Highest qualification by age 25 to 29

We now turn to the highest qualifications young people achieve. As before, this measure is split by socio-economic background and gender. Figure 3.10 provides respective breakdowns of the highest qualifications achieved by young men from professional and working-class backgrounds between 2014 and 2021. Figure 3.11 provides the equivalent breakdowns for women.

Figures 3.10 and 3.11 show some promising trends. Since 2014, the proportion of men and women from professional and working-class backgrounds achieving a degree by the age of 25 has increased. Professional men and women are still more likely to have a degree than their working-class peers. But the gaps between these groups have also narrowed. In 2014, for example, men from professional backgrounds were 2.4 times more likely to have obtained a degree than men from working-class backgrounds. However, by 2021, they were only 1.4 times more likely.

These figures also show that the number of men and women with lower levels of qualifications is decreasing. Men and women from working-class backgrounds are more likely to have no qualifications higher than GCSEs compared with those from professional class backgrounds. But the gaps between these groups are narrowing over time. In 2014, 10.3% of men and 10.3% of women from a professional background had no qualification higher than a GCSE, compared with 31.1% of men and 34.9% of women from a working-class background. However, by 2021, these numbers were lower for people across both backgrounds: 9.4% of professional men and 8.5% of women, compared with 26.7% of working-class men and 18% of women.

Intermediate outcome 3: Work in early adulthood (aged 25 to 29)

Initial steps up the occupational ladder have major implications for a person's subsequent career. The labour market has been polarising in recent years. There are 'good' jobs with formal contracts, higher earnings, formal training, low risks of unemployment and regular career ladders. This is opposed to 'precarious' jobs with short-term contracts, agency working, wages often at or below the minimum wage, little professional development, high risks of unemployment and little in the way of potential advancement. Sorting into these different types of jobs is largely based on gualifications, but social origins also make a difference even after taking account of qualification levels. In addition, migrants, especially those with little English, are particularly likely to find themselves in the precarious labour market.

To cover early labour market experiences we include measures of unemployment, occupational level, and earnings among young people. We select those in the age range 25 to 29 in order to cover young people who have gone through HE and include the 4 classic labour market outcomes of economic activity, unemployment, occupational level, and earnings.

Again, the indicators for this outcome are almost all positive. With the exception of women's median hourly pay, gaps have closed or do not have trends, with encouraging numbers of young people economically active.

These indicators are based on sample data and not all trends have been tested for significance. This means we cannot confidently conclude that the gaps and trends observed are representative of those in the wider population. The summary graphs below compare the intermediate outcomes of those from a professional background (**blue**) with those from a working-class background (**green**), since 2014.

Intermediate outcome 3.1 Economic activity: percentage working or looking for work	Men	There is no overall trend – economic activity remains above 90% for all classes
	Women	The gap has narrowed to 90% versus 82% economically active in 2021
Intermediate outcome 3.2 Unemployment: percentage looking for work	Men	There is no overall trend in the gap – unemployment rates are 4.8% versus 5.5% in 2021
	Women	There is no overall trend in the gap – unemployment rates are 3.3% versus 5.4% in 2021

Intermediate outcome 3.3 Occupational class: percentage in a professional job	Men	The gap has narrowed to 55.6% versus 33.9% in a professional job in 2021
	Women	The gap has narrowed to 55.7% versus 35.9% in a professional job in 2021
Intermediate outcome 3.4 Earnings: median hourly pay	Men	The gap has narrowed to £15.18 versus £11.55 hourly pay in 2021
	Women	The gap has widened to £14.23 versus £10.05 hourly pay in 2021

3.1 Economic activity, from age 25 to 29

We now focus on young people in employment or seeking employment. Our focus here is not on the type of employment, but instead on whether or not young people are actively engaged in the labour market.

Figure 3.12 shows the proportions of men and women aged 25 to 29 years who were economically active between 2014 and 2021. Overall, men are more likely than women to be active participants in the labour market and this seems to be consistent across all social class backgrounds.

We also see that there are no clear class-based trends in economic activity for men. Around 90% of young men from all class backgrounds are economically active. Further, men from working-class backgrounds are just as likely to be active in the labour market as those from professional backgrounds, and this has remained stable from 2014 to 2021.⁶⁵

Still, around 10% of men from any socioeconomic background are not actively looking for a job or currently in one. Some of this group may still be in education but others will certainly not. The latter is of particular concern. Delay or failure to enter the labour market – or even dropping out of it – could harm a young adult's future social mobility chances.

65 We conducted additional analysis to check whether the trends reported were due to sampling variation. For men, the odds ratios reflecting the gap between those from professional and working-class backgrounds are **not** statistically significant (at the 95% level) for all years. Therefore, we do not test whether the 2021 odds ratio is statistically significantly different from the 2014 odds ratio.

66 We conducted additional analysis to check whether the trends reported were due to sampling variation. For women, the odds ratios reflecting the gap between those from professional and working-class backgrounds were statistically significant (at the 95% level) for all years. To see if the gap changed over time, we compared the 2021 odds ratio with the 2014 odds ratio. The difference between these ratios is significant (at the 95% level). In the bottom figure, we see that trends for women are somewhat different to those for men. First, we note that fewer women than men are active participants in the labour market between the ages of 25 to 29. This could be due to many reasons and further analysis is required. One possibility is that more women than men are likely to progress to HE (see intermediate outcome 2.2). This may result in a greater proportion of women waiting to join the labour market beyond the age of 29.

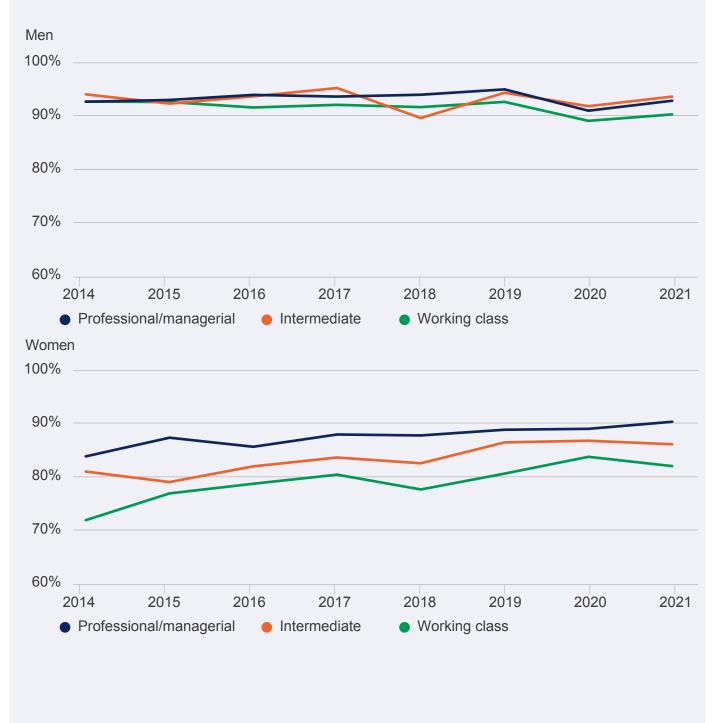
Second, we see clearer differences between women from different socio-economic backgrounds. Over time, however, we have seen these differences decrease. In 2014, 83.8% of professional women were economically active, compared with 71.9% of working-class women. But, by 2021, 90.3% of professional women and 82% of working-class women were economically active.⁶⁶

"Our focus here is not on the type of employment, but instead on whether or not young people are actively engaged in the labour market."

90%

Around 90% of young men from all class backgrounds are economically active (either employed or looking for work) **Figure 3.12:** For men there is no overall trend in economic activity, but for women the gap has narrowed.

Social class differences in percentage of men (top) and women (bottom) aged 25 to 29 years who are economically active in the UK, from 2014 to 2021.



Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September; analysis based on LFS population weights 2020. Economic activity is reflected as the percentage of young people who are in work or available for and looking for work.

3.2 Unemployment from age 25 to 29

Next we turn to trends in unemployment for young people. The term unemployment here refers to people without a job who have actively looked for work in the last 4 weeks, and are available to start work in the next 2 weeks.⁶⁷ As before, this measure is split by both socio-economic background and gender.

From the data provided, we cannot see any class-based trends for unemployment rates (see figure 3.13 on page 83). Overall rates are fairly low by historical standards, and around their lowest level since their dramatic rise in the late 1970s and early to mid-1980s. For both men and women, we see fluctuating trends with multiple crossing points and no clear direction.⁶⁸ We see some recovery from the spike in unemployment in 2020, particularly for women. However, we must continue to monitor these trends, particularly for those exposed to poverty or with poor social mobility prospects.

"In 2021, both men and women from a professional background were more likely to be in a professional occupation than their working-class counterparts"

3.3 Occupational level

We now compare the occupational class composition of young people aged 25 to 29 from professional and working-class backgrounds over time. To account for differences in the composition of occupational class by gender, we provide separate charts for men and women.

In 2021, both men and women from a professional background were more likely to be in a professional occupation than their working-class counterparts (see figures 3.14 and 3.15). However, this gap appears to have narrowed for both men and women since 2014.⁶⁹

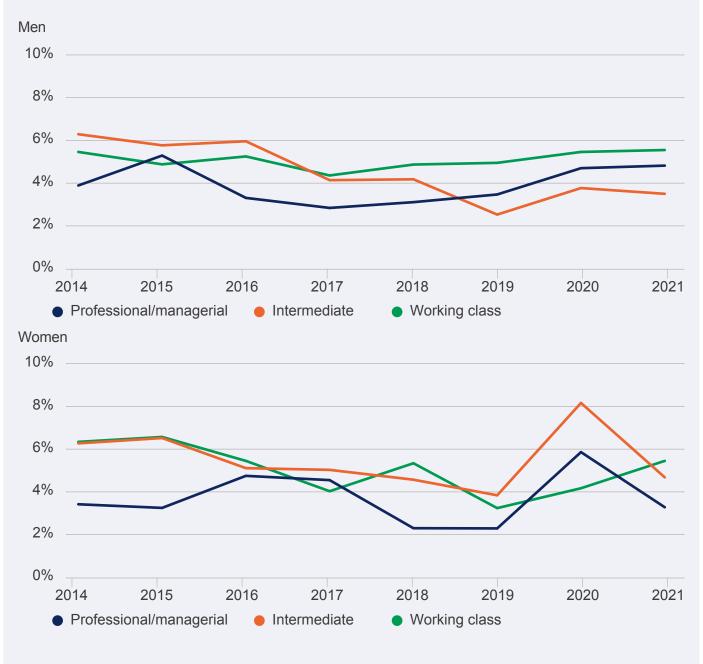
In 2014, men aged 25 to 29 from a professional background were on average 1.9 times more likely to be in a professional job than men from a working-class background (50.7% versus 26.4%). By 2021, this dropped to 1.6 times more likely (56.6% versus 33.9%). For women, the drop was from 2.3 times more likely (52.5% versus 22.9%) to 1.6 times more likely (55.7% versus 35.9%). However, the data suggests progress may have stalled during the pandemic. Further analysis is needed to confirm this trend.

- 67 This definition is consistent with that of Office for National Statistics, and with the internationally agreed definition recommended by the International Labour Organisation.
- 68 We conducted additional analysis to check whether movements in the data captured were due to sampling variation. For men, the odds ratios reflecting the gap between those from professional and working-class backgrounds was not statistically significant (at the 95% level) for any year.

For women, the odds ratios reflecting the gap between those from professional and working-class backgrounds was not statistically significant (at the 95% level) for most years, except for 2014, 2015 and 2018. As the majority of odds ratios are not statistically significant for both men and women, we do not conduct any significance testing on the difference between the 2014 and 2021 odds ratios.

69 We conducted additional analysis to check whether the trends reported were due to sampling variation. For men and women, the odds ratios reflecting the gap between those from professional and working-class backgrounds are statistically significant (at the 95% level) for all years. To see if the gap changed over time, we compared the 2021 odds ratio with the 2014 odds ratio. The difference between these ratios is significant (at the 95% level) for both men and women. **Figure 3.13:** There is no clear class-based trend in unemployment rates for men and women aged 25 to 29 years.

Social class differences in percentage of men (top) and women (bottom) aged 25 to 29 years who are unemployed in the UK, from 2014 to 2021.

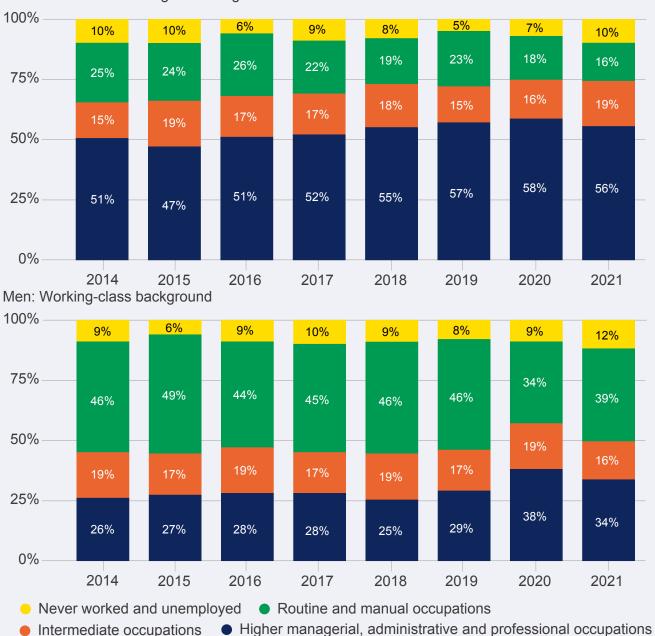


Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September; analysis based on LFS population weights 2020. The series for women is particularly volatile, potentially due to small sample sizes, so changes across years should be treated with caution.

Figure 3.14: Men from professional backgrounds are more likely to be in professional jobs than those from working-class backgrounds, but this gap has narrowed.

Social class differences in access to occupations for men (age 25 to 29 years) from professional (top) and working-class (bottom) backgrounds in the UK from 2014 to 2021.



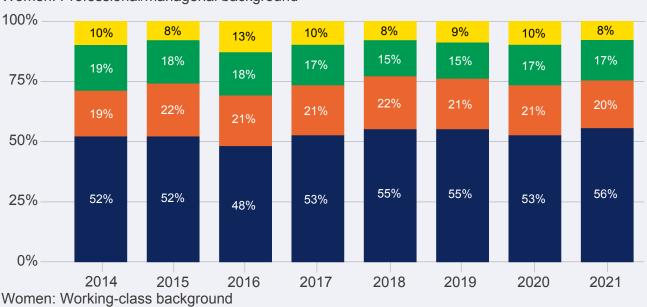
Men: Professional/managerial background

Source: ONS, LFS, from 2014 to 2021.

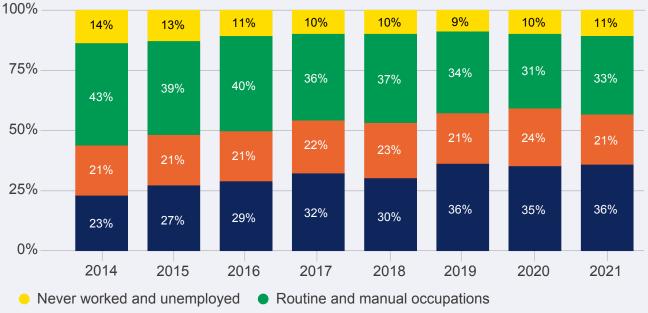
Note: Data collected from July to September, analysis based on LFS population weights 2020.

Figure 3.15: Women from professional backgrounds are more likely to be in professional jobs than those from working-class backgrounds, but this gap has narrowed.

Social class differences in access to occupations for women (age 25 to 29 years) from professional (top) and working-class (bottom) backgrounds in the UK from 2014 to 2021.



Women: Professional/managerial background



• Intermediate occupations • Higher managerial, administrative and professional occupations

Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September; analysis based on LFS population weights 2020.

3.4 Earnings of young people

Looking beyond participation in the labour market and types of occupations, we now turn to earnings. As with our other intermediate outcomes, we split this indicator by socioeconomic background and gender to provide a comprehensive overview.

Figure 3.16 shows that men and women from a professional background tend to earn more than those from a working-class background.

For men, the gap has slightly narrowed. In 2021, men from a professional background earned an average of £15.18 per hour, while men from a working-class background earned about 76% of this (£11.55). This compares favourably to 2014, when the ratio was only 70%.

For women, however, the gap has slightly widened. Women from a professional background earned on average £14.23 per hour in 2021, compared with £10.05 per hour for women from working-class backgrounds, or 71%. Yet the ratio in 2014 was better, at 79%. Most of this gap opened up in 2021, suggesting this may be related to the pandemic.

It is worth noting the differences in earnings between classes observed here may be explained by the findings we have seen in our other intermediate outcome measures. For example, with intermediate outcome 3.3, we found that people from professional backgrounds are more likely to be in professional occupations themselves, and professional occupations often have higher earnings. Differences in educational attainment might also explain some of the differences seen here.



Figure 3.16: Median earnings of young adults in work have trended upwards, with the gap slightly narrowing for men from different class backgrounds, and slightly widening for women.

Social class differences in nominal median hourly pay for men (top) and women (bottom) in employment, aged 25 to 29 years in the UK.



Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September, analysis based on LFS population weights 2020. Earnings are in nominal terms and therefore not adjusted for inflation.

Q Case study

Saraswati Balgobin, age 47, from Ilford in East London

My husband became violent and I had to leave and take the kids. I ended up in a women's refuge. Finances were a challenge. I was on my own. I didn't feel confident to trust people. We were living in one bedroom and sharing a kitchen and bathroom with others.

Tushar has always been very bright in his studies. When he was young his favourite word was 'persevere' and he has stuck to that! I used to buy loads of books for him and his sister and do a lot of reading with them. We started the ABC at a very young age.

We would go to Sainsbury's or Tesco and buy books about English and mathematics. We did not go out much to museums or galleries as finances were an issue. But when I used to do my shopping list, I would ask him to work out the total and in the supermarket I would say, "this is £1.50 for 200g and this is £4 for 300g. Which is cheaper?" He would work it out in the shop and say, "that one's cheaper mum, take that one".

Space has always been an issue. But I bought a dining table, not to eat dinner but for Tushar to do his homework. When he has exams, I will take time off from work to make sure he has eaten his breakfast and is sleeping well. I feel his education is important.

I've worked my way up from being a carer to a manager of a care home. But because of finances, I never got where I wanted to in my studies. I always say to him, "One day you will get somewhere I never did in life! Make me proud!" Before I felt my family used to look at me thinking, "She's a single parent, how will she manage the kids' education?" But I've proved everyone wrong. I've done it. I'm proud of myself.



"When I used to do my shopping list, I would ask him to work out the total and in the supermarket I would say, 'this is £1.50 for 200g and this is £4 for 300g. Which is cheaper?'"

Q Case study

Tushar Muralidharan, age 16, from Ilford in East London

As a kid, my mum was always asking me maths questions. She still does it to this day! Whenever she gets the chance she will be like, "I'm not sure I have enough money to spend on this. Which one is cheaper?" I enjoy it because I never like shopping so it gives me something to do.

I think maths came naturally to me because I did a lot when I was young and so by the time I started school I understood the basic principles. It meant I didn't have to put as much effort in as others.

As a child I really liked books too, especially non-fiction. My mum used to sit down and read with me a lot. I think that's why I do well in English, even though it's not my favourite subject.

Because I have read so many books, I have a wide vocabulary.

I go to Seven Kings School in Ilford. My favourite subjects are maths, sciences and design technology. For my recent design technology GCSE coursework I made a prototype for a theme park. My mum borrowed a knife from work so I could cut the cardboard. I have always really liked Lego and I think that it perfected my fine motor skills. I'm very precise and accurate.

When it's exam time my mum makes sure everything is flowing in the house and that I have a comfortable environment to work in when I come home. I work at the dining table. It's full of my revision cards and notes. After my A-levels I want to take a chemical engineering course, either at university or an apprenticeship, because it's good money and interesting. My mum has been a good loving mother. She makes me feel supported and like I always have someone to ask for help.

"My mum used to sit down and read with me a lot. I think that's why I do well in English, even though it's not my favourite subject."



Intermediate outcome 4: Career progression

We now look at the progress people make in their careers in their 20s to 30s. We do this by monitoring 2 dimensions: occupational class and income. By focusing on people in their early to midcareer, we are in essence comparing origins and destinations. This gives us a first glimpse at what mobility outcomes might look like in the future.

We present the next set of measures as experimental, since progression measures require a more complicated methodology and rely on large sample sizes to derive meaningful trends. While we encourage a cautious interpretation of this year's results, we note that these are important measures to include in future years. They do, however, need to be refined with further scrutiny and consideration. For these reasons, we do not include a summary of our findings.

4.1 Acquisition of further training and qualifications

This progression measure looks at young people who have gained training and qualifications, including vocational and professional qualifications, after the age of compulsory education. This can be an important indicator of job prospects, and particularly of likely progression in professional careers.

Unfortunately, we have not managed to identify data of good enough quality to publish this measure in 2022. We will continue to study the issue, with a view to adding the measure to our annual report in 2023.

"We see that people from professional backgrounds seem to be much more likely to 'bounce back' from having a lower occupational class at age 25 to 29 years, to a professional position at age 35 to 39 years, than people from other backgrounds."

4.2 Occupational progression

This measure considers the progress people in their 30s have made in achieving a higher occupational class relative to the job they were in during their 20s. Tracking the progress people make in rising up the occupational class ladder over 10 years can help inform how social background and occupational mobility interact now and may evolve in the future.

We provide early illustrations as a concept measure this year.⁷⁰ For clarity and concision we focus primarily on progression into professional class occupations. However, we must stress that this is only one type of intermediate outcome. Mobility can happen in both small and big steps. In the future we will consider progression at all levels to ensure we capture a more complete picture.

In figures 3.17, 3.18 and 3.19 we present 3 charts – one for each socio-economic background. Each chart shows what percentage of people have ended up in a professional job in their 30s, split by the type of job they were doing in their 20s. As we might expect, no matter what the socio-economic background, people are far more likely to be doing a professional job in their 30s, if they were already in a professional job in their 20s.

Among people of a professional background (figure 3.17), 82% of those that had a professional job at age 25 to 29 years still had a professional job 10 years later at age 35 to 39 years. 51% of those in an intermediate job at age 25 to 29 years progressed upwards to a professional job 10 years later. And only 38% of those in a working-class job progressed upwards to a professional job.

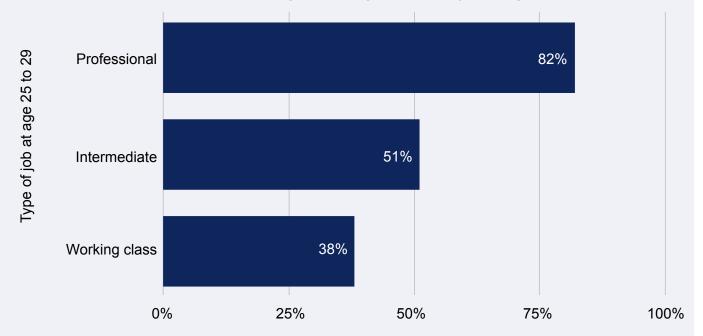
70 These measures are considered experimental and should be interpreted with caution this year.

People of an intermediate background (figure 3.18) had better chances of remaining professional (91%) if they were already in a professional job at age 25 to 29 years. But their chances of progressing up from an intermediate job or a working-class job were much worse than for those from a professional background – just 43% (versus 51%) and 22% (versus 38%).

The equivalent figures for people from a working-class background (figure 3.19) are similar: 81% managed to remain as professionals, while 35% and 23% progressed upwards from intermediate and working-class jobs respectively, at age 25 to 29 years.

So, we see that people from professional backgrounds seem to be much more likely to 'bounce back' from having a lower occupational class at age 25 to 29 years, to a professional position at age 35 to 39 years, than people from other backgrounds.

Figure 3.17: The percentage of people from a professional background doing a professional job now, at age 35 to 39 years, split by the type of job they had at age 25 to 29 years.

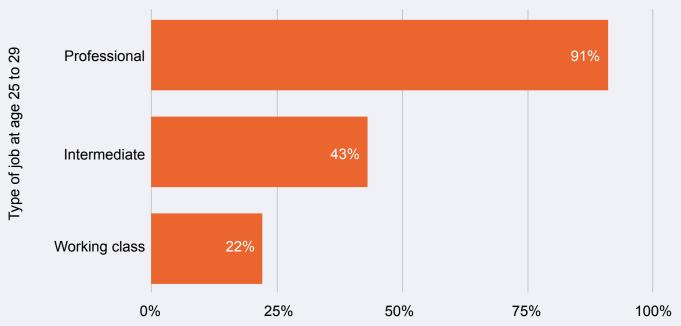


People from a professional background doing professional jobs at age 35 to 39

Source: University of Essex, Institute for Social and Economic Research, Understanding Society: Waves 1 to 11, 2009 to 2020; British Household Panel Survey, from 1999 to 2009.

Note: The vertical axis reflects the occupational origins of respondents at 25 to 29 years. The horizontal axis shows the proportion of the same respondents at age 35 to 39 years who are in a professional/managerial occupation. For example, the top bar gives the percentage of those who were from professional and/or managerial backgrounds and in professional jobs aged 25 to 29 years, who remained in professional jobs 10 years later (when aged 35 to 39 years). Due to small sample sizes, we draw on data pooled over 5 years. The sample consists of everyone aged 25 to 29 in the years of 2005 to 2009 and then compares this to their occupational class 10 years later (aged 35 to 39 in 2015 to 2019).



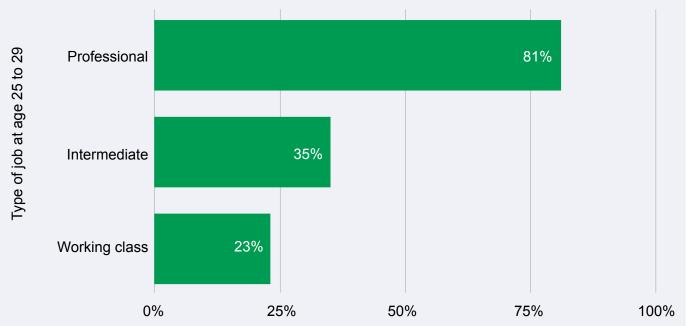


People from an intermediate background doing professional jobs at age 35 to 39

Source: University of Essex, Institute for Social and Economic Research, Understanding Society: Waves 1 to 11, 2009 to 2020; British Household Panel Survey, from 1999 to 2009.

Note: The vertical axis reflects the occupational origins of respondents at 25 to 29 years. The horizontal axis shows the proportion of the same respondents at age 35 to 39 years who are in a professional and/or managerial occupation. For example, the top bar gives the percentage of those who were from intermediate backgrounds and in professional jobs aged 25 to 29 years, who remained in professional jobs 10 years later (when aged 35 to 39 years). Due to small sample sizes, we draw on data pooled over 5 years. The sample consists of everyone aged 25 to 29 in the years of 2005 to 2009 and then compares this to their occupational class 10 years later (aged 35 to 39 in 2015 to 2019).

Figure 3.19: The percentage of people from a working-class background doing a professional job now, at age 35 to 39 years, split by the type of job they had at age 25 to 29 years.



People from a working-class background doing professional jobs at age 35 to 39

Source: University of Essex, Institute for Social and Economic Research, Understanding Society: Waves 1 to 11, 2009 to 2020; British Household Panel Survey, 1999 to 2009.

Note: The vertical axis reflects the occupational origins of respondents at 25 to 29 years. The horizontal axis shows the proportion of the same respondents at age 35 to 39 years who are in a professional and/or managerial occupation. For example, the top bar gives the percentage of those who were from working-class backgrounds and in professional jobs aged 25 to 29 years, who remained in professional jobs 10 years later (when aged 35 to 39 years). Due to small sample sizes, we draw on data pooled over 5 years. The sample consists of everyone aged 25 to 29 in the years of 2005 to 2009 and then compares this to their occupational class 10 years later (aged 35 to 39 in 2015 to 2019).

4.3 Income progression

Jobs tell only one side of the story – the other side is pay. This measure captures how people's pay progresses as they go through their careers. It compares the change in income level (measured in quintiles) of people in their 30s relative to their 20s.⁷¹

As with our occupational progress measure (4.2), this measure is still in development. We focus primarily on movement to the top quintile but acknowledge that this provides only one snapshot of a much more complex mobility picture.

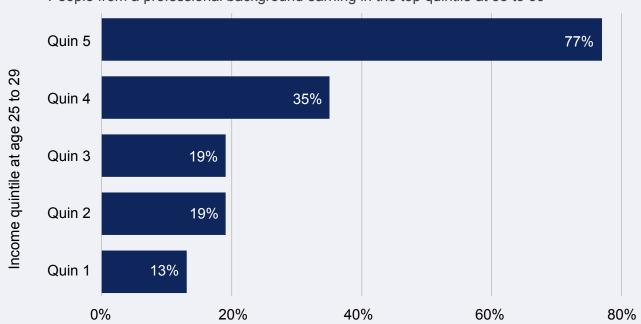
Due to small sample sizes, the most recent year we could use for those aged 35 to 39 years is 2012, and therefore for those aged 25 to 29 years it is 10 years previously, 2002. As with the occupational progression measure, we have pooled data over 5 years to boost sample sizes.

Among people of a professional background (figure 3.20), 77% who earned in the top quintile at age 25 to 29 years, continued to earn in the top quintile 10 years later, at age 35 to 39 years. As the starting income at age 25 to 29 years falls – in other words, as people had further to progress up the income ladder – a lower percentage made it to the top quintile. The higher a person's income at age 25 to 29 years, the more likely they are to be in the top income quintile by the age of 35 to 39 years. For those starting in the bottom quintile at age 25 to 29 years, only 13% were in the top quintile 10 years later. Figures 3.21 and 3.22 show the equivalent for people from intermediate class and working-class backgrounds. The picture is similar, with those from a higher income quintile at age 25 to 29 years being more likely to be in the top income quintile 10 years later.

However, comparing all 3 figures suggests that, on average, people from a professional background find it easier to reach the top income level than those from intermediate or working-class backgrounds. This is true for any given income quintile at the age of 25 to 29 years – being from a professional background corresponds to a greater percentage making it to the top income quintile 10 years later.

"Jobs tell only one side of the story – the other side is pay. This measure captures how people's pay progresses as they go through their careers."

71 Quintiles are fifths of the population, ordered from lowest to highest in terms of (in this case) income.

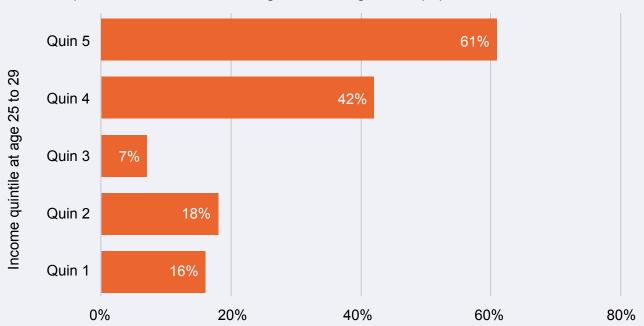


People from a professional background earning in the top quintile at 35 to 39

Figure 3.20: The percentage of people from a professional background who earn in the top quintile now, at age 35 to 39 years, split by the quintile they earned in at age 25 to 29 years.

Source: University of Essex, Institute for Social and Economic Research, Understanding Society: Waves 1 to 11, 2009 to 2020; British Household Panel Survey, from 2002 to 2009.

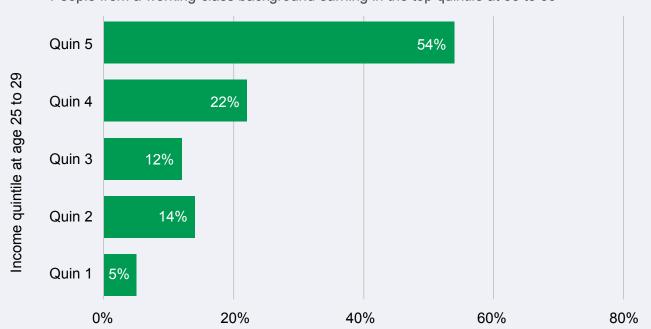
Note: The vertical axis gives the income of respondents (men and women) by quintile at age 25 to 29 years. The horizontal axis gives the proportion of the same respondents at age 35 to 39 years who are in the top income quintile (5th quintile). Respondents can be both part-time or full-time earners and income is derived from total gross personal monthly income. For example, the top bar gives the percentage of those from professional/managerial backgrounds in the top income quintile aged 25 to 29 years, who were then in the top quintile 10 years later at age 35 to 39 years. Due to small sample sizes, we draw on data pooled over 5 years (in other words, age 25 to 29 years from 1998 to 2002, and 35 to 39 years from 2008 to 2012). Quin = quintile. **Figure 3.21:** The percentage of people from an intermediate background who earn in the top quintile now, at age 35 to 39 years, split by the quintile they earned in at age 25 to 29 years.



People from an intermediate background earning in the top quintile at 35 to 39

Source: University of Essex, Institute for Social and Economic Research, Understanding Society: Waves 1 to 11, 2009 to 2020; British Household Panel Survey, 2002 to 2009.

Note: The vertical axis gives the income of respondents (men and women) by quintile at age 25 to 29 years. The horizontal axis gives the proportion of the same respondents at age 35 to 39 years who are in the top income quintile (5th quintile). Respondents can be both part-time or full-time earners and income is derived from total gross personal monthly income. For example, the top bar gives the percentage of those from intermediate backgrounds in the top income quintile aged 25 to 29 years, who were then in the top quintile 10 years later at age 35 to 39 years. Due to small sample sizes, we draw on data pooled over 5 years (in other words, age 25 to 29 years from 1998 to 2002, and 35 to 39 years from 2008 to 2012). Quin = quintile.



People from a working-class background earning in the top quintile at 35 to 39

Figure 3.22: The percentage of people from a working-class background who are in the top quintile now, at age 35 to 39 years, split by the income quintile they were in at age 25 to 29 years

Source: University of Essex, Institute for Social and Economic Research, Understanding Society: Waves 1 to 11, 2009 to 2020; British Household Panel Survey, 2002 to 2009.

Note: The vertical axis gives the income of respondents (men and women) by quintile at age 25 to 29 years. The horizontal axis gives the proportion of the same respondents at age 35 to 39 years who are in the top income quintile (5th quintile). Respondents can be both part-time or full-time earners and income is derived from total gross personal monthly income. For example, the top bar gives the percentage of those from working-class backgrounds in the top income quintile aged 25 to 29 years, who were then in the top quintile 10 years later at age 35 to 39 years. Due to small sample sizes, we draw on data pooled over 5 years (in other words, age 25 to 29 years from 1998 to 2002, and 35 to 39 years from 2008 to 2012). Quin = quintile.

4.4 Class pay gap

Recently there has been a great deal of interest in the gender pay gap. But there are also class pay gaps – essentially, the differences in average pay between people in the same occupational class but from different social class backgrounds. The class pay gap is calculated by comparing the average pay of people from different class backgrounds who are currently in the same occupational class. Comparisons of this kind require careful interpretation. The differences in average pay could be due to many factors, including differences in educational attainment or job choices within the same occupational class. However, we can start to unpick the trends by looking at the earnings of thousands of survey respondents.

Figure 3.23 (top) shows the class pay gap (in percentage terms) for men aged 35 to 44 vears from professional and working-class backgrounds. A positive difference implies a higher income for people from professional backgrounds relative to people from workingclass backgrounds in the same occupational class. The findings indicate that, for professional occupations, men from a professional background earn 18% more than men from a working-class background. For intermediate occupations, men from a professional background earn 4% more than those from a working-class background. For working-class occupations the class pay gap is 6% in favour of men from a professional background.

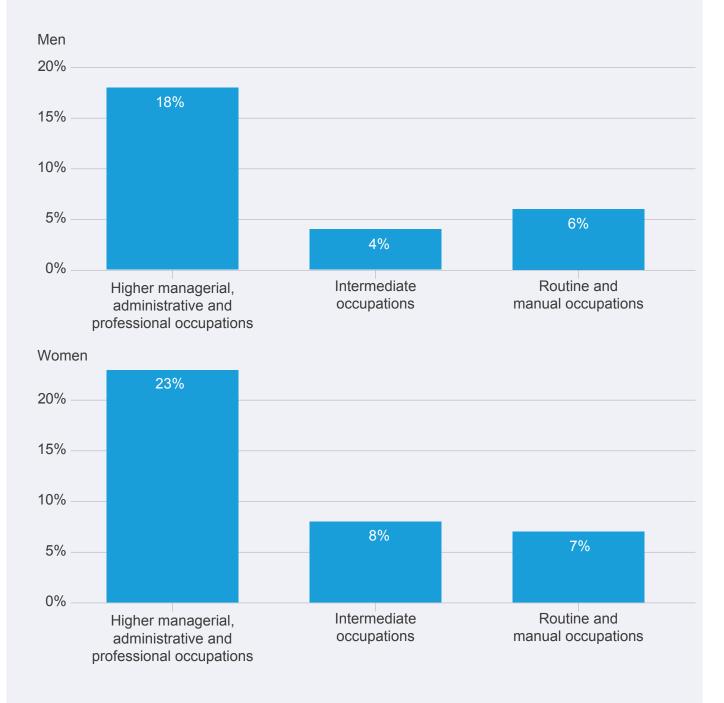
Figure 3.23 (bottom) illustrates the class pay gap for women aged 35 to 44 years of professional and working-class backgrounds. As with men, women from professional backgrounds earn more on average than women from working-class backgrounds in the same occupational class. Women from a professional background have 23% higher pay in professional jobs than women from working-class backgrounds. In intermediate and working-class jobs, those from a professional background earn 8% and 7% more respectively than women from a working-class background.

"The class pay gap is calculated by comparing the average pay of people from different class backgrounds who are currently in the same occupational class."



Women from a professional background have 23% higher pay in professional jobs than women from working-class backgrounds in professional jobs Figure 3.23: The class (background) pay gap is the largest in professional jobs.

Class pay gap between men (top) and women (bottom) from professional and working-class backgrounds within each occupational group in the UK, from 2014 to 2021 (aged 35 to 44 years).



Source: ONS, LFS, from 2014 to 2021.

Note: Data collected from July to September; weighted analysis. The figures are based on median hourly earnings (£). Due to challenges with small sample sizes and a volatile time series, we have calculated a weighted average of the median pay between 2014 and 2021.⁷² Due to likely differences in income levels between men and women, we split this measure by gender.

72 Weighted according to sample size.

Conclusion

Our analysis reveals that the gaps associated with social background – parental occupation or income – have generally narrowed for young people in recent years. This is good news for social mobility in the UK.

But this is only a first step. The real work has only just started, and improving social mobility requires a much deeper dive into the data. We can only use the data we have, and more work needs to be done to get the best possible metrics.

Data limitations are severe and pressing. We have very limited insight into the multitude of factors that might influence a young person's social mobility chances. Many of these factors, like upbringing, SEND, or parental education, might be only loosely correlated with the one social background indicator we have – FSM eligibility. The data picture improves slightly with the use of the LFS, as we then get access to more detailed information about parental occupation, but even then, far more information is missing than present.

"Data limitations are severe and pressing. We have very limited insight into the multitude of factors that might influence a young person's social mobility chances." It is also notable that earnings for women (Intermediate outcome 3.4), whose indicator did not show a significant improvement, is not a categorical outcome measure. This means that differences between classes are not obscured by the imposition of categories. For example, earnings vary greatly across professional occupations, but our analyses of occupational mobility treat all professional occupations as the same. So it may be that subdividing our categorical outcome measures, such as educational outcomes, would reveal further class differences.

Further research is needed now to understand detail and reasons behind these trends. Innovative analysis, going above and beyond disparities between groups, is essential. And this is exactly what we will do, starting with the geographical analysis that we aim to carry out next year. It is only then that we can identify exactly how and where to try and close these gaps even further.

As we will discuss further in chapter 4, the overall conditions in the UK – without taking background into account – also seem to have improved. Educational outcomes, employment prospects and earnings are almost all better than they were 10 years ago.

Chapter 4 Drivers of social mobility



Key insights

Trends in the drivers of social mobility over the last 20 years are generally positive.

The conditions of childhood have tended to improve over the past 2 decades, in terms of both finances and parental education levels.

Opportunities for good-quality education and employment have also improved. The UK's education system has been performing at or above the Organisation for Economic Co-operation and Development (OECD) average since 2006. Maths, in particular, has improved recently.

Job opportunities are currently high, and youth unemployment has trended downwards since the 2008 financial crisis.

Young people's median real hourly pay has increased steadily and now exceeds its pre-financial crisis high. The balance of professional over working-class jobs taken by young people has also improved.

Levels of social capital (trust and community relationships) in the UK compare well with those in other countries, although civic engagement has declined since the 1990s, and feelings of safety have decreased sharply from 2020 to 2021.

There are different trends in household finances when we consider the longer term, because income inequality and relative child poverty rose significantly in the 1980s, and have never fallen back to the levels seen in the 1960s and 1970s.

The full effects of the COVID-19 pandemic are still unlikely to be shown in the data.

Introduction

Since the causes of social mobility may lie years or even decades in the past, measuring mobility outcomes can be like 'looking in the rear-view mirror'.⁷³ But if we measure what is currently happening to the drivers of change, we can look forward and see what mobility trends might look like in the future. Drivers are the background conditions that make social mobility easier. They don't tell us the UK's rates of social mobility, and they aren't broken down by socio-economic background.⁷⁴

Driving mobility for the whole of the UK

No single driver determines the course of social mobility, and the simple existence of a particular trend or gap does not imply any clear answer or particular policy solution. Nor does any given child on the 'disadvantaged' side of a driver necessarily have poor life chances. Factors like individual talent, culture and hard work are almost certainly far more important at the individual level. Yet at the aggregate level, the drivers give a sense of how background conditions for mobility are changing over time, and (where data allows) how the UK compares internationally.

⁷³ Robert Putnam, 'Our kids: the American dream in crisis', 2016. Published on ACADEMIC.OUP.COM.

⁷⁴ This means that some concepts can be viewed as both driver and outcome. For example, when we look at educational outcomes split by parental class background, it is a mobility measure, since we have a starting point (the family background) and an end point (the educational outcome). But when we look at the quality of education across the whole UK, it is a driver.

We should distinguish between the question of aggregate mobility rates of change from the distinct (but related) one of an individual's chances of mobility. If we were considering an individual's chances of upward mobility, for example, we would want to look at a range of individual characteristics. These include cognitive skills, ambition and aspirations, or conscientiousness and hard work. Such individual characteristics are important, but to fulfil our remit to make recommendations on the promotion of social mobility, we concentrate on the factors with evidence linking them to aggregate rates. These are the background or environmental factors that the UK as a whole should be thinking about to boost social mobility. This also means that drivers are not broken down by socio-economic background.

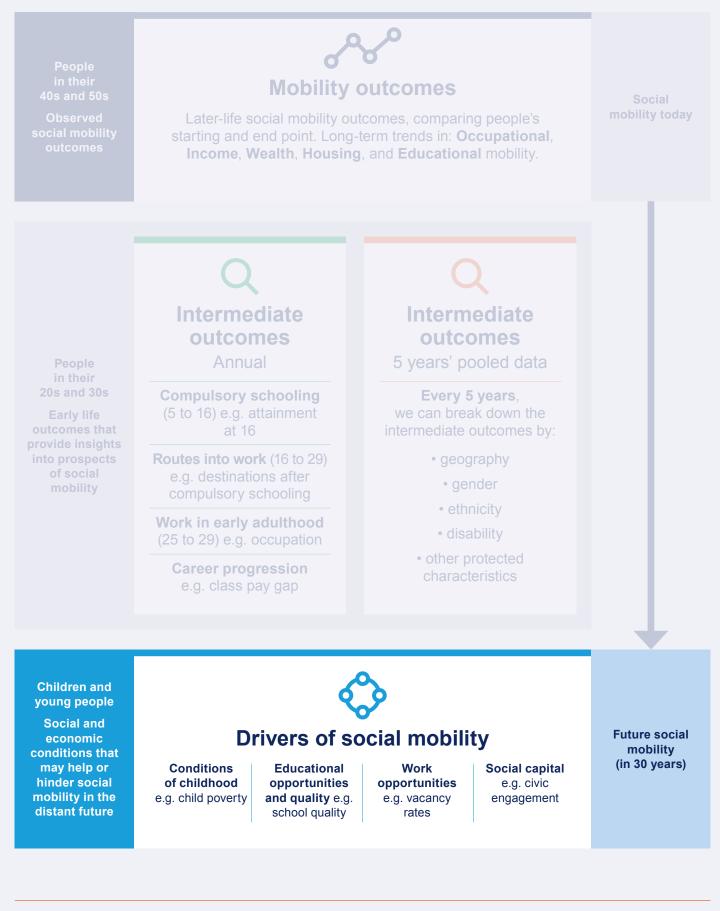
The unmeasured enablers of mobility

In future, we will look at ways to estimate the impact of important factors like parenting or culture on people's mobility chances. We will also keep our list of drivers under constant review to examine whether additional ones might be added or whether any should be removed. In this section, we focus on the following drivers of social mobility:

Drivers

- 1 Conditions of childhood
- 2 Educational opportunities and quality of schooling
- 3 Work opportunities for young people
- 4 Social capital and connections

"If we were considering an individual's chances of upward mobility, for example, we would want to look at a range of individual characteristics." Figure 4.0: Drivers of social mobility.



Driver 1: Conditions of childhood

Children's social mobility chances partly depend on the resources their parents have to help them get ahead. However, the family resources that aid mobility are not just economic ones. Educational and cultural resources are also important, perhaps just as important for children's success within the education system, or for obtaining good jobs. Having parents who have been through higher education (HE) themselves is a great help when trying to understand the complex British HE system. The distribution of parenting skills and family environment are likely to be important too, although they are far harder to measure. We illustrate these conditions with indicators Drivers 1.1 to 1.3 on economic and cultural disparities, using parental education as a rough proxy for the cultural capital that may help children's mobility. Where trends are based on survey data, they have not been tested for significance unless noted.

With these drivers, we try to show the financial and cultural resources that might be put into place to increase children's future upward mobility chances. This is an incredibly complex set of circumstances to represent in a small set of measures, and the measures do not in themselves suggest policy solutions. But at the national level, large variations in the financial and cultural resources available to children may act as a barrier to mobility.

"Having parents who have been through higher education themselves is a great help when trying to understand the complex British higher education system."

Driver 1.1 Distribution of income across families: the 90:10 ratio		The high-to-low income gap is broadly stable and dropped slightly to 3.25 in 2021
Driver 1.2 Childhood poverty: children in relative poverty after housing costs		After housing costs, 30% of the UK's children were in relative poverty by 2020, a recent rise
Driver 1.3 Distribution of parental education across families: families where both parents are graduates	19% 🔶 33%	2010 to 2020 saw an increase in the proportion of families where both parents are graduates

Driver 1.1: Distribution of earnings

The 90:10 ratio is the income at the 90th percentile divided by the income at the 10th percentile. The higher the number, the greater the gap between relatively high rates of pay and relatively low rates of pay. When the number is 1, there is no gap (since any number divided by the same number is equal to 1). This can affect social mobility because larger differences in hourly pay will in turn cause larger differences in families' resources. As a secondary effect, higher hourly pay gives parents more flexibility to work fewer hours, allowing them to spend more time on childcare.

The ratio fell slightly between 2010 and 2020, and more markedly in 2021. The most recent figures indicate that hourly earnings

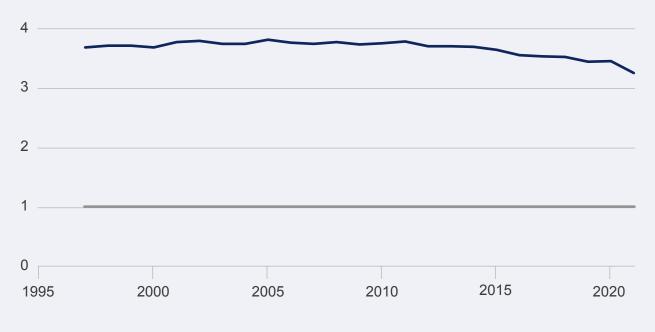
at the 90th percentile were 3.25 times the earnings at the 10th percentile in 2020.

Growth in employment and a fall in real earnings have probably contributed to this. As real earnings fall, they may fall more markedly at the higher end. In addition, the furlough scheme kept unemployment from rising sharply during the pandemic.

Historically, income inequality was far lower in the 1960s and 1970s, rose considerably in the 1980s, and has remained at a similar level since the mid-1990s, across a range of measures.⁷⁵ Yet, while general earnings growth in the UK has been poor, there is no sign that disparities in earnings are creating a higher barrier to mobility than in the late 1990s or early 2000s.

Figure 4.1: The gap between high and low hourly earnings has remained relatively stable, with a slight drop recently.

The gap in hourly earnings calculated as a ratio between the 90th and 10th percentiles in the UK, from 1997 to 2021. When the ratio equals 1, there is no gap in earnings.



Source: ONS, Annual Survey of Hours and Earnings (ASHE).

Note: Values to calculate ratio are taken from earnings and hours worked, place of work by local authority: ASHE table 7.5a. Gross hourly pay from 1997 to 2021.

75 Institute for Fiscal Studies, 'Living standards, poverty and inequality in the UK', 2021. Published on IFS.ORG.UK.

Driver 1.2: Childhood poverty

We illustrate with indicator Driver 1.2 on childhood poverty. Figure 4.2 shows how the percentage of children living in relative poverty – that is, in households with an income below 60% of the contemporary median, after housing costs – has changed over time. Lines show the UK as a whole, and England, Northern Ireland, Scotland and Wales separately.

A household is said to be in relative poverty if their equivalised income is below 60% of the median income. 'Equivalised' means adjusted for the number and ages of the people living in the household. Relative poverty is not a measure of material deprivation, but rather of the number of families and children whose means are significantly less than what might currently be considered 'normal'. With this definition, there are around 4.3 million children in the UK, or almost 30%, living in poverty.⁷⁶ Figure 4.2 shows that England and Wales have consistently had higher percentages of children living in relative poverty than Northern Ireland and Scotland. Over the last 5 years, levels of poverty have been rising everywhere except in Northern Ireland.

Relative poverty may affect social mobility because children and families living with a relatively low income experience many comparative disadvantages. This can have negative health and social consequences throughout life. In particular, if there is higher income inequality, we might expect an increase in the inequality of investments that richer and poorer parents make in their children.

For example, the most affluent parents can support their children through HE without running into debt, pay for private schooling or private coaching for high-stakes exams or even buy a house within the catchment area of a particular school.^{77 78 79 80} Families of greater financial means might also have more flexibility to reduce working hours and devote more time to quality childcare.

As with the distribution of income, the picture is worse now than in the 1960s and 1970s.⁸¹ Yet since child poverty rates have remained consistently below their peak in the mid-1990s, there is little sign that they now amount to a significantly worsening barrier to mobility than at that time.

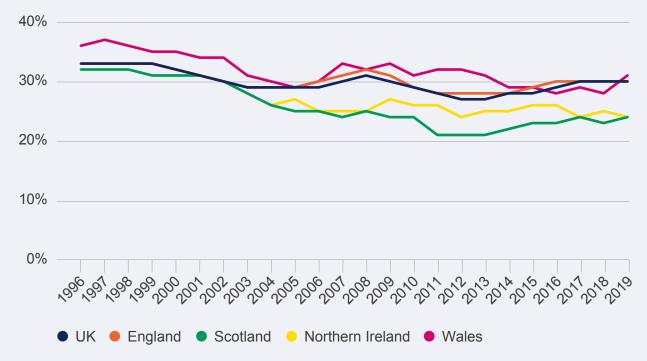
- 76 UK Government, '<u>Households below average income: for</u> <u>financial years ending 1995 to 2020</u>', 2021. Published on GOV.UK.
- 77 Student Loans Company, '<u>Understanding living costs while</u> studying at university or college', 2021. Published on GOV.UK.
- 78 The Sutton Trust, '<u>Poor grammar: entry into grammar</u> schools disadvantaged pupils in England', 2013. Published on SUTTONTRUST.COM.
- 79 Department for Education, <u>House prices and schools: do</u> <u>houses close to the best-performing schools cost more?</u>, 2017. Published on ASSETS.PUBLISHING.SERVICE. GOV.UK.
- 80 Gary Solon (2004) for a formal exposition of these theories. Gary Solon, '<u>A model of intergenerational</u> <u>mobility variation over time and place</u>', in Miles Corak (editor), '<u>Generational income mobility in North America</u> <u>and Europe</u>', 2009. Published on CAMBRIDGE.ORG.
- 81 Institute for Fiscal Studies, 'Living standards, poverty and inequality in the UK', 2021. Published on IFS.ORG.UK.



There are around 4.3 million children in the UK, or almost 30%, living in relative poverty after housing costs

Figure 4.2: The percentage of children living in relative poverty after housing costs has slightly declined since the mid-1990s.

Percentage of children in relative poverty after housing costs in the UK and in England, Northern Ireland, Wales and Scotland, from financial years starting in 1994 to 2019.



Source: Department for Work and Pensions, Households Below Average Income, 2021.

Note: Based on a poverty line defined as 60% of the contemporary median equivalised family income after deduction of housing costs. The number for each year is a moving average of the 3 most recent financial years (FY). For example, the figure for 2019 represents the average of the financial years starting in 2017, 2018 and 2019. FY are reported by the year in which they start. For example, 2019 represents the financial year ending in 2020 (FY 2019 to 2020).

Driver 1.3: Distribution of parental education across families

Analysis of data from Understanding Society (the UK Household Longitudinal Study) shows that the qualifications of young people's parents have substantially improved since the 2008 recession. As figure 4.3 illustrates, the proportion of young people in dual-parent households whose parents both have a degree increased by approximately 74% between 2009 to 2010 and 2019 to 2020 (from 19% to 33%). Similarly, the proportion in single-parent households where the parent is a graduate increased from 14% to 25%. The proportions of households where the single parent, or either parent (in dual-parent households), has below GCSE-level gualifications has also dropped (from 24% to 11%, and from 14% to 6%, respectively).

While these figures tell us little about the relative positioning of parents on the occupational ladder – more people with degrees could simply result in more qualified people competing for the same positions they indicate that more children are now in a position to benefit from the cultural capital gained by their parents during their parents' post-school education. 'Cultural capital' loosely means the social and cultural knowledge that can help an individual to be socially mobile. Here, we use parental education as a proxy for that cultural capital, but education may also correlate with other family characteristics, such as composition and double incomes. These are relevant to social mobility and we will look further into this in the future.

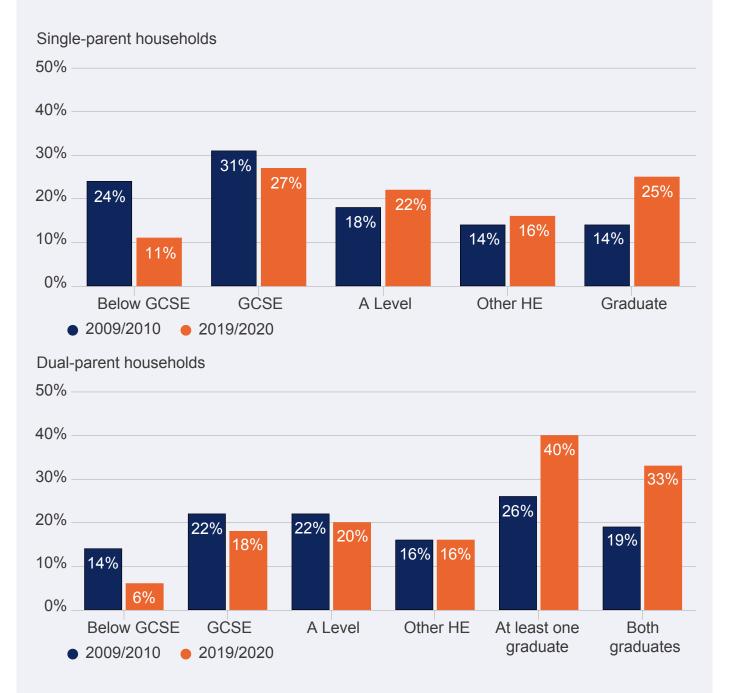
Parental education only captures a part of cultural capital, and of course, other factors need to be considered. For example, neighbourhoods might be important too. Many young people grow up in neighbourhoods where they only meet others who are similar to them. This may impact their knowledge of opportunities available to them, which in turn can impact their life aspirations.

"Parental education only captures a part of cultural capital, and of course, other factors need to be considered."



The proportion of young people in dual-parent households whose parents both have a degree increased by approximately 74% between 2009 to 2010 and 2019 to 2020 Figure 4.3: Parents now have higher levels of qualifications than they did in 2009 to 2010.

The percentage of highest parental qualification levels for children in single and dual-parent households in 2009 to 2010 and 2019 to 2020 in the UK.



Source: University of Essex, Institute for Social and Economic Research, Understanding Society: Waves 1 to 11, 2009 to 2020.

Note: Percentage of single and 2 co-resident parent households who have children aged 5 to 16 years by highest qualification. HE = Higher education.

Driver 2: Educational opportunities and quality of schooling

Educational expansion over time has occurred in all developed countries. Contributing to this is the progressive raising of the school leaving age and the increasing provision of higher and further education after that age.

An expansion of opportunities will increase upward absolute educational mobility, and may also be important in increasing relative educational mobility. For example, while the mandatory school age applies to families of all social backgrounds, raising the age has made more difference to disadvantaged groups. This is because children from advantaged families already stayed on longer at school. Rigorous studies in the UK and Germany have both shown that raising the school leaving age to 16 reduced class inequalities in educational achievement. In Germany, it also had knockon effects on relative occupational mobility. UK researchers were unable to find any impact on subsequent occupational mobility, but it had positive impacts on educational mobility.⁸²

The drivers in this section focus on the quality of education provided, and the opportunities for access to different forms of education after the age of 16. Where trends are based on survey data, they have not been tested for significance unless noted.

We focus on data for England primarily, as education is devolved, and there is no harmonised administrative educational data covering all 4 countries of the UK. In some cases, we look at the OECD average to understand how the UK compares with similar countries.

Driver 2.1 Opportunities for post-16 education and training: the Not in education, employment or training (NEET) rate at age 18	12% of 18-year-olds are NEET, up from 10% in 2016, but still lower than in 2011
Driver 2.2 Opportunities for high-quality school education: UK PISA scores	The UK has been at or above the OECD average since 2006
Driver 2.3 Opportunities for access to higher education: secondary and tertiary enrolment rate	At the age of 19, 62.4% are enrolled in education in the UK ; it's 61% in the OECD
Driver 2.4 Availability of high- quality higher education: non-continuation rates	5.3% dropped out before year 2 of their studies, a sharp drop in 2020

82 On Britain, see Franz Buscha and Patrick Sturgis, '<u>Increasing inter-generational social mobility: is educational expansion the</u> <u>answer?</u>', 2015. Published on ONLINELIBRARY.WILEY.COM; On Germany, see Bastian Betthäuser, '<u>Fostering equality of</u> <u>opportunity? Compulsory schooling reform and social mobility in Germany</u>', 2017. Published on ACADEMIC.OUP.COM.

Driver 2.1: Opportunities for education and training post 16

We illustrate this with driver 2.1 in figure 4.4, participation in education and training between age 16 and 18 years. At first glance, the trends seem quite positive: participation in education or apprenticeships is now the highest on record, at 82.3% in 2020. The proportion of young people aged 16 to 18 years who are not in education, employment or training (NEET) has decreased over time, particularly from 2012 to 2013. This rate has remained stable and is still one of the lowest on record at the end of 2020.

However, this is in the context of a legal requirement, since 2013, for all young people in England to be in education or training. So those who are NEET are in breach of this requirement. Youth employment levels also fell during the pandemic, and apprenticeships were also affected negatively.^{83 84} There is evidence from Germany (where apprenticeships are much more prevalent than in the UK) that there were difficulties moving to the digital delivery and interaction that other educational sectors adopted.⁸⁵

Moving to young people aged 18 years, we see that participation falls considerably. Figure 4.5 shows young people aged 18 years in their first year after compulsory education or training. There were only 64% participating in education or apprenticeships, and 12% NEET, in 2020. While levels of participation in education or apprenticeships show a positive trend, levels of NEET are on the rise. They show and increase compared with 2019 and are at their highest since 2014. Increases in the levels of NEET are likely due to the effects of the COVID-19 pandemic, which saw decreases in both youth employment and participation in wider training. Even so, the broad stability of the rate despite the effect of the pandemic suggests that some of the underlying phenomena of interest, such as the quality and stability of work, are not being captured.

"Increases in the levels of NEET are likely due to the effects of the COVID-19 pandemic, which saw decreases in both youth employment and participation in wider training."

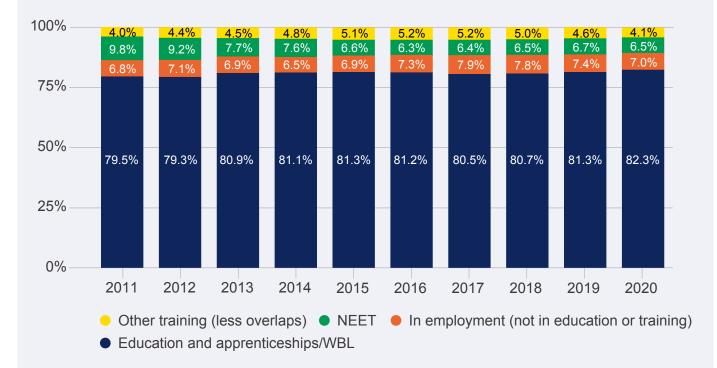
82.3%

Participation in education or apprenticeships is now the highest on record, at 82.3% in 2020

- 83 UK Parliament, '<u>Youth unemployment statistics</u>', 2022. Published on HOUSE OF COMMONS LIBRARY.
- London School of Economics Business Review, '<u>UK</u> <u>apprenticeships: impacts of the levy and COVID-19</u>', 2021. Published on BLOGS.LSE.AC.UK.
- 85 Multidisciplinary Digital Publishing Institute, '<u>Challenges in</u> the Digitization of Apprenticeships during the Coronavirus Pandemic: Who Needs Special Assistance?', 2021. Published on MDPI.COM.

Figure 4.4: More young people aged 16 to 18 years are in education and training than ever before, yet many are still NEET despite legal changes.

Percentage of young people aged 16 to 18 years participating in education, training and employment in England between 2011 and 2020.

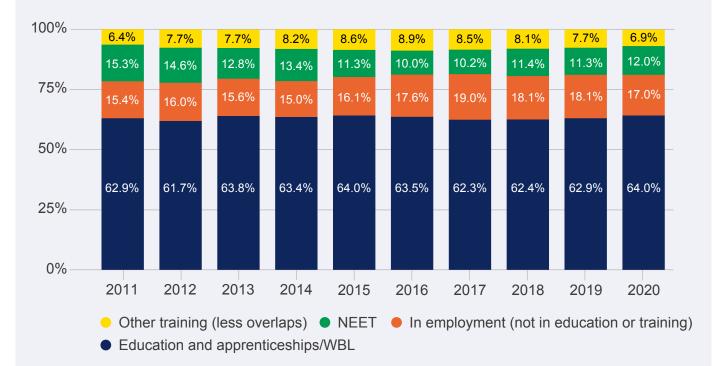


Source: DfE, Participation in education, training and employment, 2020.

Note: Work-based learning (WBL); Not in education, employment or training (NEET); NEET includes anybody who is not in any forms of education or training and who is not in employment. This means that a person identified as NEET is either unemployed or economically inactive. Historically, there have been very small overlaps of students studying in further education and HE and WBL at the same time. The total number of young people in training is calculated by omitting these overlaps. Of note, 16 to 17 year olds are required to remain in education and training in England following raising the participation age legislation in 2013. Participation estimates for the 2020 cohort impacted by COVID-19 may not fully reflect engagement and attendance.

Figure 4.5: More 18-year-olds are in education and employment than 10 years ago, and fewer are NEET.

The percentage of young people aged 18 years participating in education, training and employment in England between 2011 and 2020.



Source: DfE, Participation in education, training and employment, 2020.

Note: Work-based learning (WBL); Not in education, employment or training (NEET). NEET includes anybody who is not in any form of education or training and who is not in employment. This means that a person identified as NEET is either unemployed or economically inactive. Historically there have been very small overlaps of students studying in further education and HE and WBL at the same time. The total number of young people in training is calculated by omitting these overlaps. Of note, young people aged 16 to 17 years are required to remain in education and training in England following raising the participation age legislation in 2013.

Driver 2.2: Availability of high-quality school education

We illustrate the quality of school education in the UK with the OECD's Programme for International Student Assessment (PISA) survey, which measures 15-year-old school pupils' performance in mathematics, science and reading. This survey is designed to evaluate education systems by measuring the performance of pupils at 15 years old, on a comparable basis, across the OECD and certain partner jurisdictions.

PISA allows us to look at the UK as a whole (rather than just England), but also to see how our performance compares with similar countries'. The UK has performed at or above the OECD average since the beginning of the programme in 2000 (although scores in 2000 and 2003 are thought to have low reliability and aren't plotted – see figure 4.6 on page 116). In 2018, students in the UK scored above the OECD averages in reading (504 score points), mathematics (502), and science (505).

Average performance was not statistically significantly different from that of Australia, Belgium, Germany, New Zealand, Norway, Sweden and the US in at least 2 of the 3 subjects. However, it was lower than the average performance of several regions in China, as well as Canada, Estonia, Korea, and Singapore in all 3 subjects.⁸⁶

The UK's reading and science scores have remained stable since 2006, with no significant change. Yet in mathematics, there was a significant 9-point improvement between 2015 and 2018.

Driver 2.3: Opportunities for access to higher education

Proxy measures for participation in HE are plotted for the UK and England in figures 4.7 and 4.8. As we can see, enrolments increased in the UK from 2010 to 2019.⁸⁷ That is, the data reveals a steady increase in participation rates during this period. Over recent years the qualifications landscape within the UK HE sector has continued to expand with more degree-level courses, including degree apprenticeships. These are accessible for learners from more non-traditional academic backgrounds.

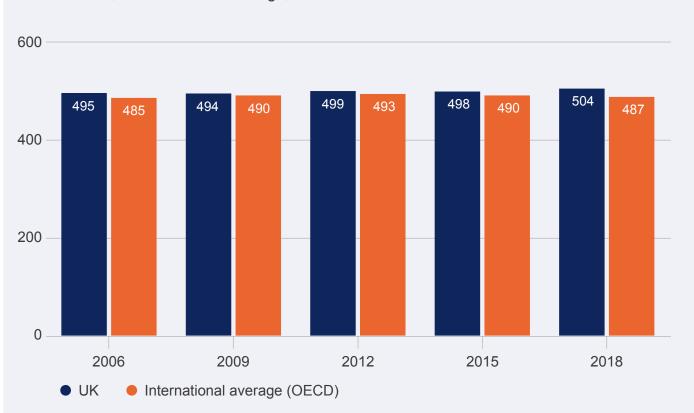
This driver seeks to capture the idea of better access to HE – there is no implied recommendation that any particular group should or should not seek HE.

This trend is mirrored by the participation rates for England alone (figure 4.8). The Higher Education Initial Participation (HEIP) measure for those aged 17 to 30 years has seen yearon-year increases in all years apart from in the academic year 2012 to 2013, when there was an increase in tuition fees. The HEIP measure spiked again in the 2019 to 2020 academic year to 53.4%, an increase of 1.5 percentage points from 51.9% in the previous academic year. This increase was largely driven by the contribution to the HEIP measure of those aged 18, which increased by 1.2 percentage points to 30.6% in the academic year 2019 to 2020. This may be because the COVID-19 pandemic limited labour market opportunities for young people, but the UK participation rate is now much closer to the OECD average.

⁸⁶ Organisation for Economic Co-operation and Development, 'PISA 2018 results', 2018. Published on OECD.ORG.

⁸⁷ We note that international comparisons are not straightforward. In this case, it is much more common for young people aged 19 years to be in secondary education in many countries than in the UK, which can skew the comparison and interpretation. These trends should therefore be treated with caution.

Figure 4.6: The UK has performed at or above the OECD average in the Programme for International Student Assessment (PISA) since at least 2006.



Average pupil attainment scores (out of 1,000) on PISA reading, maths, and science assessments, UK and OECD average, 2006 to 2018.

Source: OECD, Programme for International Student Assessment (PISA), 2006, 2009, 2012, 2015, and 2018 reading, mathematics and science assessments.

Note: Proxy to measure opportunities for high-quality school education. Average scores for young people aged 15 years on PISA's overall reading, mathematics and science. The reading, mathematics and science scale ranges from 0 to 1,000.

Figure 4.7: More young people aged 19 years are enrolled in education than ever before and the UK has now reached the OECD average.

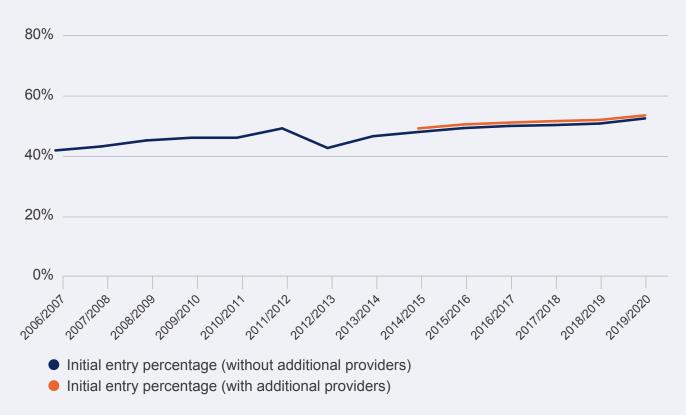
Percentage of pupils enrolled in secondary or tertiary education at age 19, UK and international average, from 2010 to 2019.



Source: OECD, Online Education Database: Enrolment by age.

Note: Proxy measure of the participation rate relative to the number of young people aged 19 years in the population. Enrolment rates in secondary and tertiary education are expressed as net rates. These are calculated by dividing the number of students aged 19 years enrolled in these levels of education by the size of the population of 19-year-olds. Generally, figures are based on headcounts and do not distinguish between full-time and part-time study. In some OECD countries, part-time education is only partially covered in the reported data. Figure 4.8: Enrolment in higher education is higher than ever before.

The percentage of initial entrants to higher education in England aged 17 to 30 years, from 2006 to 2020.



Source: DfE, Participation measures in higher education, 2019 to 2020.

Note: Figure represents the Higher Education Initial Participation (HEIP) measure. The HEIP has been published by the DfE (and its predecessors) since 2004. The measure is the sum of the age-specific participation rates for the 17 to 30 year old population in England in each academic year. It can be thought of as a projection of the likelihood of a 17-year-old today participating in higher education by age 30 if the latest year's entry rates persisted in the future. An initial entrant is defined as an English-domiciled entrant to higher education who participates for at least 6 months for the first time. Additional providers who returned data to the Higher Education Statistics Agency Student Alternative record have been included from 2014/15. Figures are therefore not directly comparable with earlier years. The HEIP measure includes participation in first degrees, foundation degrees, Higher National Certificates and Higher National Diplomas, postgraduate taught, postgraduate research, and other undergraduate qualifications.

Analysis of the impact of previous crises shows that economic downturns can encourage more young people to stay in education after leaving school. However, as we reported in chapter 3, young people from higher socioeconomic backgrounds are still more likely to attend and benefit from university. This is probably due to the increased influence of parental educational background during periods of crisis. For example, secondary analysis of the UK British Household Panel Survey and Understanding Society's UK Household Longitudinal Survey (HLS) datasets by the University of Essex shows that, during periods of high unemployment, the influence of parents' educational background on their children's educational choices increases. The analysis found that immediately after the 2008 recession, young people whose parents had low levels of education were 25 percentage points less likely to want to attend university than young people with highly educated parents.⁸⁸

In future, it may be possible to look at the value of new level 4 and level 5 qualifications (post-18 but below degree level), and to broaden the scope of this driver to include those. We do not, by the inclusion of this driver, wish to suggest that any particular individuals or groups should increase their participation in HE.

Driver 2.4: Availability of high-quality higher education

We illustrate this driver with retention and completion rates. The proportion of UK students dropping out of university after the first year of their course hit a record low in the 2019 to 2020 academic year (see figure 4.9). Just 5.3% of full-time undergraduate students who started their course in the 2019 to 2020 academic year were no longer in HE at the start of their 2nd year. This represents a fall of 1.4 percentage points on the previous year, and the lowest non-continuation rate observed since the statistics have been collected.⁸⁹

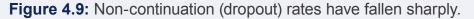
Despite these increases, many questions remain. Understanding how the rise in participation rates relates to completion rates, and how HE relates to subsequent employment, forms key aspects of future work for the Social Mobility Commission.

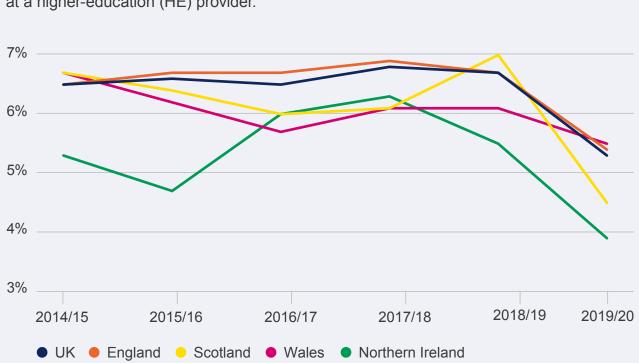
A similar pattern is seen for the noncontinuation rate for mature full-time, first degree entrants (aged 21 years and older). The number of students dropping out was 11.9% – down 1.6% points from the previous year. Projected outcome statistics show that only 9.4% of full-time first degree entrants in the UK are projected to drop out of HE without a qualification. This is the lowest rate on record.⁹⁰

"Analysis of the impact of previous crises shows that economic downturns can encourage more young people to stay in education after leaving school."

- 88 Institute for Social and Economic Research, '<u>Recession:</u> <u>the impact on young people and social mobility</u>'. Published on UNDERSTANDING SOCIETY.AC.UK.
- 89 Higher Education Statistics Agency, '<u>Non-continuation</u> <u>summary: UK performance indicators</u>', 2022. Published on HESA.AC.UK.
- 90 Higher Education Statistics Agency, '<u>Non-continuation</u> <u>summary: UK performance indicators</u>', 2022.
 Published on HESA.AC.UK.

The UK's tertiary graduation rate – the rate at which people graduate with a bachelor's, master's or doctoral degree for the first time before a threshold age – is higher than the OECD average. This has been rising (see figure 4.10). However, this OECD average hides a wide variation, which is shown with a few examples below. The equivalent rate in Germany is lower, while that in Spain is considerably higher. The rate in New Zealand was higher in the early 2010s, but has now fallen below the UK's. The examples shown here may be more reflective of cultural differences around the age at which study is undertaken, or around things like the vocational training being inside or outside HE institutions, than of the quality of HE. As with the other drivers, we will keep the measure under review.





Non-continuation (dropout) rates of full-time entrants during their first year at a higher-education (HE) provider.

Source: Higher Education Statistics Agency, non-continuation summary: UK performance indicators.

Note: Years represent the academic year of entry. Percentage of UK domiciled full-time entrants who did not leave within 50 days of commencement and did not continue in HE after their first year, academic years of entry 2014 to 2015 to 2019 to 2020.

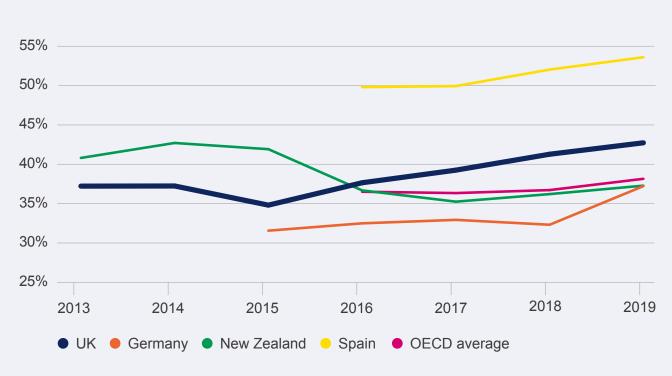


Figure 4.10: The UK's graduation rate has risen since 2015.

The tertiary graduation rate in the UK and internationally, from 2013 to 2019.

Source: OECD, tertiary graduation rate, 2022.

Note: The tertiary graduation rate represents the expected probability of graduating for the first time from tertiary education before the age threshold if current patterns continue. The threshold is age 30 for completing bachelor's degrees and first-time tertiary education overall, and age 35 at the master's and doctoral levels. International students are excluded.

Driver 3: Work opportunities for young people

Reducing disparities in educational opportunities is important, but not the only consideration for improving mobility chances in the labour market. It is therefore encouraging to see positive recent trends in all measures of work opportunity for young people.

Research has shown that, even among young people with similar educational achievements, those from more advantaged backgrounds do better in the labour market. Even within the same occupations, they earn substantially more than their equally qualified peers from less advantaged backgrounds.⁹¹

Work opportunities are important for understanding changing prospects for mobility both over time and across the different areas of the UK. The next set of drivers, 3.1 to 3.4, looks at these aspects in greater detail and includes metrics on job vacancy rates, youth unemployment, type of employment, and earnings. Where trends are based on survey data, they have not been tested for statistical significance unless noted.

Driver 3.1 Vacancy rate at entry level: number of vacancies per jobseeker	\sim	There were over 0.9 vacancies for every jobseeker in 2021, a sharp increase
Driver 3.2 Youth unemployment: percentage age 18 to 24 years unemployed		13.1% of young people age 18 to 24 years were unemployed in 2021, a drop from 2020
Driver 3.3 Type of employment taken by young men: employment split by occupational class at age 25 to 29 years		48% were in professional jobs in 2021, with 28.1% in working-class jobs
Driver 3.4 Young people's earnings: average real hourly pay for people aged 22 to 29 years		Median hourly pay was £13.33 in 2021, finally exceeding the previous peak from 2009 ⁹²

92 Once adjusted for inflation. Using 2021 as the base year.

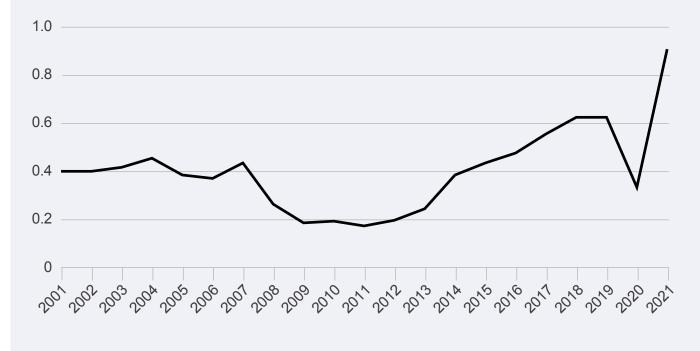
⁹¹ Social Mobility Commission, 'Social mobility, the class pay gap and intergenerational worklessness', 2017. Published on GOV. UK; Sam Friedman and Daniel Laurison, 'The class ceiling: why it pays to be privileged', 2019. Published on BRISTOL UNIVERSITY PRESS.CO.UK.

Driver 3.1: Vacancy rate at entry level

Figure 4.11 illustrates the trend over time in vacancy rates, showing the number of vacancies per jobseeker. This ratio serves as a proxy for job opportunities. A higher ratio indicates that there are more vacancies, and so greater job opportunities. Figure 4.11 indicates that the trend in vacancy rates is volatile and impacted by events like the financial crisis of 2008 and the COVID-19 pandemic in 2020. However, there were over 0.9 vacancies for every jobseeker in 2021. This trend is promising and reflective of some of the government's positive actions during the COVID-19 pandemic, but it is unclear if this trend will continue.

Figure 4.11: There are more vacancies available per jobseeker now than at any time in the last 20 years.

The number of vacancies per unemployed person in the UK (seasonally adjusted), quarter 4 from 2001 to 2021.

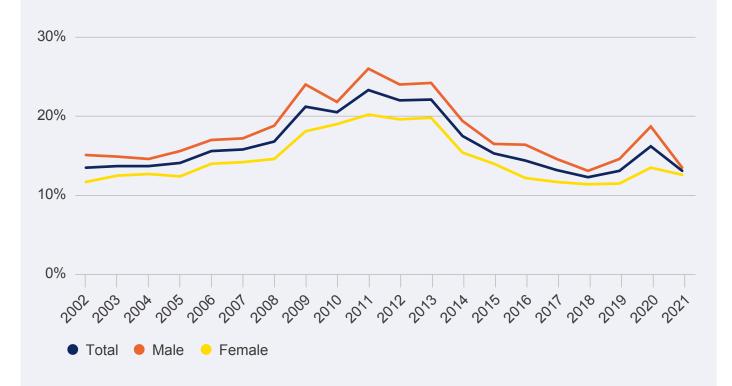


Source: ONS, Vacancy Survey/LFS.

Note: It is not currently possible to distinguish vacancies in entry-level jobs from other types of jobs. A proxy for job opportunities is calculated by ONS as the ratio of the number of unemployed relative to the number of vacancies and published here as the reciprocal. Ratios were calculated using quarter 4 (October to December) from 2001 to 2021 to use the most recent quarter for 2021. A higher value indicates a more positive trend. It is important to note that this data represents all people aged 16 to 64 years who are unemployed.

Figure 4.12: Youth unemployment increased sharply in 2020. But it has fallen again, to a similar level as the early 2000s.

The percentage of those aged 16 to 24 years who were unemployed in the UK, by gender, from 2002 to 2021.



Source: ONS, LFS, from 2002 to 2021.

Note: Derived from July to September waves, weighted analysis based on 2020. The LFS follows the internationally agreed definition for unemployment recommended by the International Labour Organisation (ILO) – an agency of the UN. Unemployed people are those without a job, who have actively sought work in the last 4 weeks and are available to start work in the next 2 weeks; or are out of work, have found a job and are waiting to start it in the next 2 weeks.^{93 94}

93 Office for National Statistics, '<u>A guide to labour market statistics</u>', 2020. Published on ONS.GOV.UK.

94 Office for National Statistics, 'People in work', 2022. Published on ONS.GOV.UK.

Driver 3.2: Youth unemployment

To illustrate young people's work opportunities, we show in figure 4.12 youth unemployment rates for the period 2002 to 2021. Unemployment is measured here as the percentage of economically active young people – those who are either in work or available for and seeking work. Those in full-time education, looking after the home, or permanently sick and disabled are excluded from the calculations.

The most striking aspect of figure 4.12 is the very high unemployment rates for young people after the 2008 financial crisis and again from 2011 to 2013, when youth unemployment rates, particularly those for men, reached 20% or more. While unemployment rates spiked again in 2020 to approximately 16%, the rate in 2021 was considerably lower, at approximately 13% for the UK as a whole (13.5% for men and 12.6% for women). As mentioned earlier, the increase in education participation may have helped to limit a sharp rise in unemployment among young people.⁹⁵

It is clear that the pandemic has had an impact on young people's employment prospects. The introduction of restrictions from 2020 to 2021 directly resulted in increased rates of unemployment and impacted working conditions. However, the initial negative impact on employment among this age group in the earlier stages of the pandemic had shown signs of reducing by the end of the third lockdown in March 2021. This positive trend has been experienced by all income groups, except for the lowest earners. They have been, and may still be, suffering financially as a result of the pandemic.⁹⁶ So, there is a potential long-term scarring effect of youth unemployment, particularly for those exposed to poverty or with poor social mobility prospects.

Driver 3.3: Type of employment taken by young people

Vacancies and unemployment do not tell the full story about work opportunities – the type of employment matters too. To look at the level of work available, not just the rate of employment, we include indicators of the percentage of young people taking up professional and managerial, intermediate, and manual work.

Between 2002 and 2019, the number of young men and women in professional jobs has remained roughly the same. As figure 4.13 shows, in 2002, 45.5% of men and 47.5% of women aged 25 to 29 were in professional jobs. This has remained largely unchanged, with estimates of 44.0% of men and 48.7% of women in 2019. The numbers of those in working-class jobs have also remained relatively stable over the same period. 36.1% of men and 26.6% of women were in working-class jobs in 2002, compared with 35.7% and 24.8% in 2019.

But increases in the last 2 years have seen percentages of men in professional jobs reach a high of 51.1% and 48.0% in 2020 and 2021, respectively. Numbers for men in working-class jobs have reached new lows of 27.1% in 2020 and 28.1% in 2021.

This might be thought of as an encouraging trend, but it is explained by high rates of job loss in sectors such as hospitality and retail, that were the hardest hit during periods of the COVID-19 pandemic. While it is reported that as restrictions eased and some young people got jobs in sales, administration and public service roles, these positives are not likely to have outweighed the damage done in the sectors that traditionally employ young people.⁹⁷

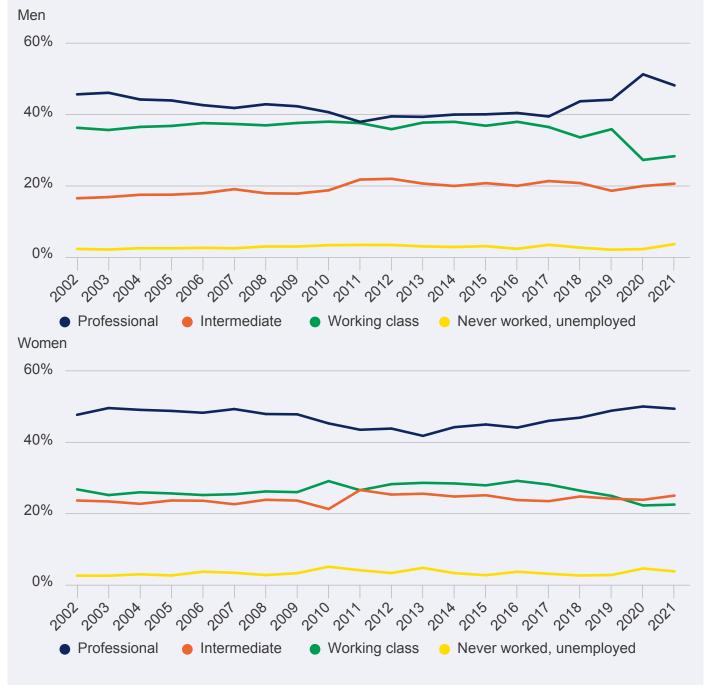
⁹⁵ Resolution Foundation, 'Uneven steps', 2021. Published on RESOLUTION FOUNDATION.ORG.

⁹⁶ Thomas Crossley and others, '<u>A year of COVID: The evolution of labour market and financial inequalities through the crisis</u>', 2021. Published on UNDERSTANDINGSOCIETY.AC.UK.

⁹⁷ Institute for Employment Studies, '<u>An unequal crisis: the impact of the pandemic on the youth labour market</u>', 2021. Published on EMPLOYMENT-STUDIES.CO.UK.

Figure 4.13: The type of employment taken by young men has recently shifted towards professional occupations. In young women this had already been the case for at least 20 years.

The percentage of young men (top) and women (bottom) aged 25 to 29 years by type of employment, in the UK, from 2002 to 2021.



Source: ONS, LFS, from 2002 to 2021.

Note: Derived from July to September waves, weighted analysis based on 2020.

This is supported by an analysis by the Institute for Fiscal Studies, which found that young people aged under 25 years were about 2.5 times more likely than other workers to work in a sector that was closed during the lockdown.98

Analysis of the Understanding Society – the UK Household Longitudinal Survey (UKHLS) data highlights the need for young people to move job sector as a result of loss of employment due to the pandemic. This raises concerns about career disruption and long-term consequences for their earnings and progression, despite the mitigation provided by the Coronavirus Job Retention Scheme.⁹⁹ While it is possible that some people changed from working-class jobs to professional jobs, we cannot confirm that from the available data.

The trend for young women is largely similar to that for young men. However, a comparison of the figures above (figure 4.13) suggests that there was a somewhat greater negative impact of falls in youth employment among men, compared to women. As we can see, historically there have been fewer women than men in working-class jobs, and the proportion of women in these jobs has remained relatively stable over time. Consistent with our findings. another analysis of Labour Force Survey data suggests that young women have been impacted less by shrinking jobs and have benefited more from employment growth in the past 2 years. Young women have also turned to education in greater numbers than young men.100

Driver 3.4: Earnings of young people

Overall, the hourly earnings of young people have increased over time (see figure 4.14). The long-term trend shows a steady increase in earnings from 1997 to 2009, peaking at £13.31 per hour in 2009. Earnings decreased sharply between 2009 and 2012, likely due to the financial crisis of 2008. Average hourly earnings remained stable until 2015, after which they increased again. In 2021, the average hourly pay reached a peak of £13.33, the highest it has been since 2009.

It is critical to mention, however, that interpreting average earnings data is difficult at the moment. The data from 2020 and 2021 was affected by both the COVID-19 pandemic, in terms of wages and hours worked in the economy, and also disruption to the collection of data from businesses. This means that comparisons with previous years need to be treated with caution.

- 98 Institute for Fiscal Studies, 'Sector shutdowns during the coronavirus crisis: which workers are most exposed?', 2020. Published on IFS.ORG.UK.
 - 99 Thomas Crossley and others, 'A year of COVID: The evolution of labour market and financial inequalities through the crisis', 2021. Published on UNDERSTANDINGSOCIETY.AC.UK.
 - 100 Institute for Employment Studies, 'An unequal crisis: the impact of the pandemic on the youth labour market', 2021. Published on EMPLOYMENT-STUDIES.CO.UK.

In 2021, the average hourly pay reached a peak of £13.33, the highest it has been since 2009 (adjusting for inflation)

£13.33

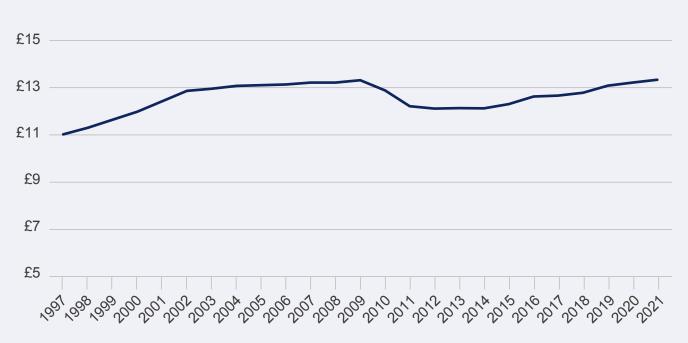


Figure 4.14: Real hourly pay for young people has recovered to pre-financial crisis levels. The median real hourly pay for people aged 22 to 29 years in the UK, from 1997 to 2021.

Source: ONS, Annual Survey of Hours and Earnings (ASHE) table 6.

Note: Values taken from earnings and hours worked by employees, place of work by local authority: ASHE table 6.5. Hourly pay: gross from 1997 to 2021. Earnings are inflation-adjusted using the Consumer Price Index (base year = 2021).¹⁰¹ ASHE covers employee jobs in the UK. It does not cover the self-employed, nor does it cover employees not paid during the reference period.

101 The Consumer Price Index is a headline measure of inflation – the rate at which prices increase. This is calculated by the Office for National Statistics (ONS) which tracks the changes in prices for a basket of goods representing the average consumer. For more information see the <u>ONS website</u>. Published on ONS.GOV.UK.

Driver 4: Social capital and connections

This is a largely experimental section of the measurement framework. Social capital means the social connections and the trusting relationships that are gained from them. It is a property of society rather than of individuals. Its role in promoting social mobility is less well understood than the role of the labour market, at least in the UK. But research suggests that social capital can enable a more dynamic economy and society. Drivers in this section all broadly relate to social capital, and are not subdivided.

Social capital could also aid entrepreneurship, and has been emphasised in the literature on entrepreneurship within ethnic communities.¹⁰² The theory behind this idea is that high levels of 'generalised trust' within a community reduce transaction costs, making it easier for people to do business with each other. We show this component of the measurement framework with data on civic engagement, using the UKHLS. In the first instance, we use an exploratory measure of civic engagement, namely volunteering.

We then use a similar measure – participation in voluntary organisations – which American research has found to be causally related to area differences in absolute rates of upward income mobility. Finally, we use a measure from the OECD, which allows for international comparisons.

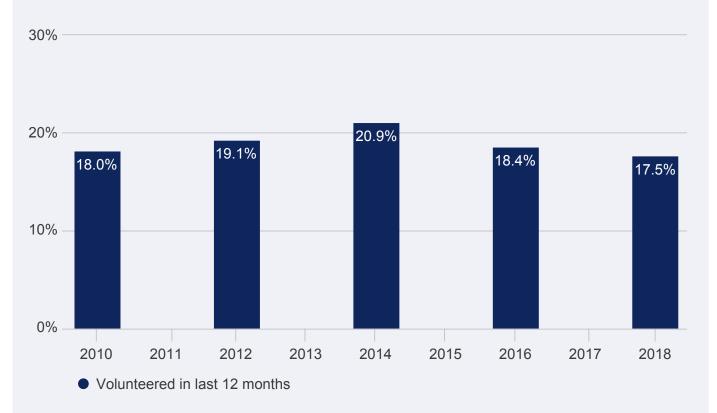
These trends are based on survey evidence and have not been tested for significance or broken down by socio-economic background. It may be possible to provide such breakdowns in future.

Percentage of adults who volunteered in the last 12 months	17.5% of adults volunteered in 2018, with no clear 10-year trend, but a drop from 2014
Percentage of adults involved in civic organisations	Civic involvement has decreased in the UK since 1991, but less so in Scotland
Self-reported satisfaction with personal relationships	Self-reported satisfaction is relatively high in the UK compared to other European countries
Percentage of adults who feel safe walking home at night	68.1% reported feeling safe in 2021, a sharp drop from 2020 not seen in other countries

102 Monder Ram, '<u>Enterprise support and minority ethnic firms</u>', 1988. Published on TAYLOR AND FRANCIS.ONLINE; Monder Ram and Trevor Jones, '<u>Ethnic minority business in the UK: a review of research and policy developments</u>', 2008. Published on JOURNALS SAGEPUB.COM.

Figure 4.15: There is no clear trend in volunteering over the last 10 years, although there is a noticeable drop after 2014.

The percentage of people volunteering in the last 12 months in the UK (men and women aged 16 years and older).



Source: University of Essex, Institute for Social and Economic Research, Understanding Society: Waves 2 to 10, 2010 to 2018.

Note: Social capital here is measured as volunteering over the past 12 months. Data for this question is collected every 2 years.

Figure 4.15 suggests that levels of civic engagement, as measured by the percentage of people volunteering, have remained relatively low across time. Analysis of the UKHLS data shows that less than 21% of respondents aged 16 years and over had volunteered within the last 12 months, and that this has remained consistent from 2010 to 2018.

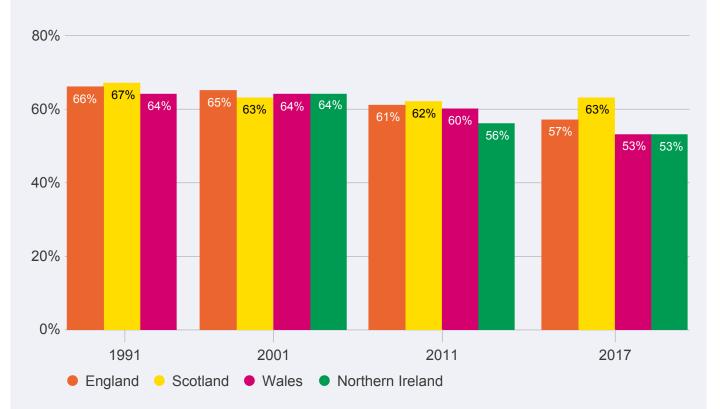
Similarly, figure 4.16 suggests that levels of civic engagement, as measured by participation in civic organisations, have been declining, more so in England, Wales and Northern Ireland than in Scotland. This decline is in line with previous research, although it has been suggested that newer forms of online activity may be serving to replace the more traditional forms of civic engagement covered by our measure.¹⁰³ It is perhaps premature to regard this as a warning sign of potential problems, but it could benefit from deeper analysis. As figure 4.17 shows, self-reported satisfaction with personal relationships is relatively high in the UK compared with the other countries surveyed. Since the survey asks about all relationships, this may be a rather weak proxy for social capital, but there is no obvious cause for concern in the results.

Fear of crime can be an adverse indicator of generalised social trust. This means that more widespread feelings of safety when walking home at night are likely to indicate higher levels of trust. A time series for the UK is given here, along with an example selection of other wealthy countries. While feelings of safety are not quite as high in the UK as in, for example, Denmark, there is a notable upward trend, but with a very sharp drop in 2021.

"Figure 4.15 suggests that levels of civic engagement, as measured by the percentage of people volunteering, have remained relatively low across time."

103 The classic study of the decline of social capital is Robert Putnam's, 'Bowling alone: the collapse and revival of American community', 2000. Published on BOWLING ALONE.COM. For investigation of trends in Britain, see Peter Hall, 'Social capital in Britain', 1999. Published on CAMBRIDGE.ORG; Yaojun Li and others, 'Social capital and social exclusion in England and Wales (1972-1999)', 2004. Published on ONLINELIBRARY. WILEY.COM; Yaojun Li and others, 'Social capital and social trust in Britain'. 2005. Published on ACADEMIC. OUP.COM. **Figure 4.16:** Participation in civic organisations has dropped markedly across the UK, except in Scotland.

Civic engagement in England, Wales, Scotland and Northern Ireland from 1991 to 2017 (men and women aged 25 to 65 years).

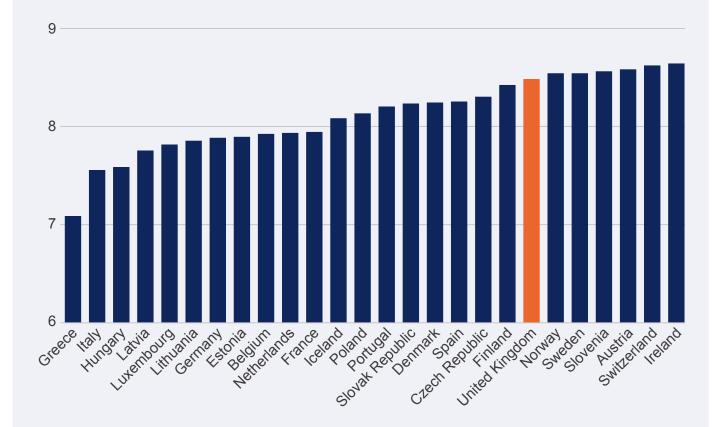


Source: British Household Panel Survey (BHPS; 1991 and 2001) and University of Essex, Institute for Social and Economic Research, Understanding Society, 2011 and 2017.

Note: Civic engagement is measured as membership of or activity in any of a range of different types of civic organisation. The BHPS initially covered Great Britain but was subsequently extended to include Northern Ireland as well.

Figure 4.17: People in the UK report being more satisfied with personal relationships than in most other countries surveyed.

Self-reported satisfaction with personal relationships (score out of 10), 2018, for those aged 16 years and over.

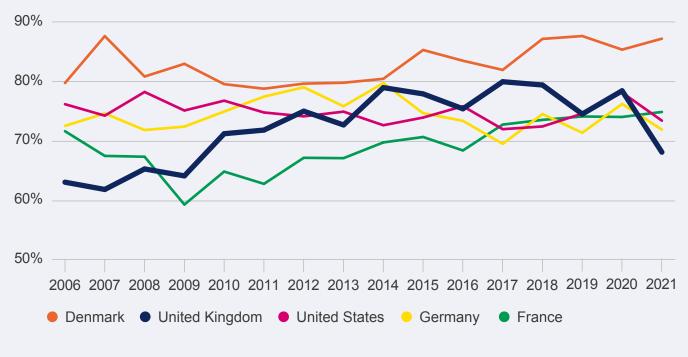


Source: OECD, Eurostat's European Union Statistics on Income and Living Conditions.

Note: Satisfaction with personal relationships refers to the mean score of survey respondents who rate their satisfaction with their personal relationships on an 11-point scale, from 0 (not at all satisfied) to 10 (completely satisfied). The variable refers to the respondent's opinion/feeling about the degree of satisfaction with their personal relationships. The respondent is expected to make a broad, reflective appraisal of all areas of their personal relationships (for example, relatives, friends, colleagues from work and so on) at a particular point in time (these days). This indicator refers to individuals aged 16 or more.

Figure 4.18: Feelings of safety when walking home at night have dropped sharply in the last year in the UK.

The percentage of respondents who report feeling safe walking home at night, people aged 15 years and over, from 2006 to 2021.



Source: OECD, Gallup World Poll.

Note: Based on the survey question: 'Do you feel safe walking alone at night in the city or area where you live?' Averages reflect the share of all respondents who replied 'yes' to this question.

Conclusion

Trends in the drivers of social mobility in the UK look broadly positive, despite more difficult economic conditions following the 2008 financial crisis. In particular, education and young people's employment have improved over the past decade. The picture on the conditions of childhood has been fairly stable, with a slight recent rise in child poverty, but a slight drop in income inequality. Social capital gives perhaps the greatest cause for concern in recent years, with drops in civic engagement, volunteering and feelings of safety. A note of caution must underlie all of these conclusions. The UK has just gone through 2 major economic upheavals – the COVID-19 pandemic, and exiting the European Union – and is now entering a cost of living crisis. Future trends in these drivers, and their relationship to social mobility, may be unpredictable.

Next steps

As we stated in the foreword, the innovative new metrics set out in this report are a starting point.

But these are only the building blocks. We want the findings in the index to help identify specific successes or problems and we hope it will be widely used across government and the wider social mobility community.

We intend it to be a living, breathing index – one that will be improved year on year, as we improve our understanding of what works and what doesn't; as we receive feedback from those working on the frontlines; and as we make progress in closing the data gaps we've identified. Crucially, we also want to look at how we can measure previously unmeasured factors such as culture.

"Our fresh approach will focus on the need for social mobility to be about opportunities for everyone, not just an elite few." Ultimately, the data alone can suggest areas of focus and help us to measure success, but it does not in itself prescribe policy solutions. For these, the questions of talent and ability, families, culture and values will be crucial, and will need to help inform the priority areas we set out in the foreword:

- education
- employment
- enterprise and the economy

Our fresh approach will focus on the need for social mobility to be about opportunities for everyone, not just an elite few. So we will be looking at the wider range of factors which influence good social mobility outcomes – for individuals and wider society.

It is going to be a challenging 4 years, but an exciting challenge to be part of. We hope that at the end of them we will be able to show how we can all make a bigger difference.

Design: red-stone.com

978-1-5286-3483-0 E02761182