ANALYSIS OF TIER 2 GENERAL MIGRANTS
PREVIOUS SALARY AND OCCUPATION OF THOSE ELIGIBLE TO APPLY FOR SETTLEMENT

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Executive summary

The Government is committed to reforming the immigration system to reduce net migration and restore public confidence. It has stated that settling in the UK should be a privilege, reserved for those who contribute most.

As a consequence, the rules on employment-related settlement have been reviewed. A public consultation[1] ran from 9 June to 9 September 2011 and, amongst other things, set out proposals for reforming the settlement rules for migrants admitted to the UK under Tier 2 of the Points Based System for immigration (skilled workers). To assist in considering the options set out in that consultation, this report examines the profiles of a certain cohort of skilled workers, who were likely to become eligible to apply for settlement in early 2011.

Method

Prior to April 2011, the immigration rules for settlement as a Tier 2 General migrant did not include a salary requirement. Information on the salary and occupation of those who gained settlement before April 2011 was therefore not collected by the UK Border Agency, as a result the employment characteristics of those settling in the UK were not known.

To help fill this knowledge gap, a sample of migrants holding Tier 2 General leave to remain (for which occupation and salary data are held) was identified. The sample was chosen in such a way as to contain migrants who were likely to be eligible to settle as a result of time spent in the UK under a combination of leave held under Tier 2 General and their previous leave.

Data for this group were examined to provide an indication of the salary and occupation of skilled workers obtaining settlement. Specifically:

- a cohort of migrants was identified who in early 2006 either entered the UK in a work route leading to settlement, or switched into one of these work routes while in the UK, and as such were likely to be eligible to apply for settlement in early 2011 (five years later); and

- within this cohort, those who applied for further leave as a Tier 2 General migrant in 2009 were identified in order to extract occupation and salary level (where indicated).

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[1] Employment-related settlement, Tier 5 and overseas domestic workers: a consultation, Home Office, 9 June 2011.

This analysis identified a sample of 456 main applicants for whom occupation details could be obtained, the vast majority of whom would have been eligible to apply for settlement as a Tier 2 General migrant early in 2011.

Results

Of the 456 main applicants in the sample, 316 had been granted settlement between January 2011 and June 2011 (69%).

When the cohort was examined further, the following was found.

- Sixty-five per cent of main applicants in the sample who were working in graduate-level[2] occupations had settled soon after reaching eligibility (by June 2011).
- For comparison, 78 per cent of main applicants in the sample who were working in occupations skilled to less than graduate-level had settled by June 2011.

Within the cohort certain occupations, notably chefs, nurses and care workers, showed a greater propensity than average to settle within the same time frame. By contrast scientific researchers and secondary school teachers were less likely than average to settle soon after reaching the point of eligibility.

Analysis of the salaries of those in the sample showed that for many occupation groups, those workers who settled had lower salaries than those who had not. For the sample as a whole, the median salary of those who settled (£26,360) was around £6,000 less than the median salary of those who did not settle (£32,460).

The results should be treated with caution for two reasons. Firstly, the sample size is relatively small. Secondly, some of those who had not settled by June 2011 had leave remaining after this date and therefore may have applied for settlement at a later date. Nonetheless, these findings do indicate a higher propensity to settle, or to settle quickly, amongst those on lower salaries or in lower-skilled jobs.

1. Context

i. Objective

The Government believes that immigration has enriched the UK's culture and strengthened its economy, but that it must be controlled so that people have confidence in the system. It intends to be more selective about those workers allowed to settle in the UK, breaking the link between coming to work and staying permanently, and reserving settlement for those who make the biggest economic contribution.

This report examines the profiles of skilled workers possessing unexpired leave to remain within the Tier 2 General route, most of whom would have been eligible to apply for settlement in early 2011 on account of accrued time in a work-related route.

It is intended to enhance the evidence base for policy development by providing information on the relative propensities to settle amongst different groups of skilled migrant workers (within a cohort selected to contain migrants likely to have reached the point of eligibility to settle).

ii. Introduction to the Tier 2 General route

Tier 2 of the Points Based System for immigration was introduced at the end of November 2008. It replaced a number of precursor routes allowing migrants to work in the UK. The largest of these precursor routes (in terms of volume of migrants) was the Work Permit system. The Work Permit route was also a precursor to some other routes, including some other parts of Tiers 2 and 5 of the Points Based System.

Like the Work Permit route before it[3] migrants in the Tier 2 General route must spend five years in this route to be eligible to settle in the UK. Since Tier 2 General has succeeded the Work Permit system, this five-year period may comprise some time as a Work Permit holder, plus time spent as a Tier 2 General migrant.

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[2] Based on the Tier 2 graduate occupational codes of practice version 04/11, available at: http://www.ukba.homeoffice.gov.uk/sitecontent/documents/employersandsponsors/pointsbasedsystem/graduate-cop/soc-summary-tables.pdf?view=Binary

[3] Prior to 2006, migrants with work permits were required to spend four years in the UK to qualify for settlement. In 2006, the qualifying period for settlement in all employment-related categories changed from four to five years.

Since Tier 2 was implemented less than five years ago most of those currently eligible to settle as a Tier 2 General migrant will have spent time here as a Work Permit holder. For Work Permit holders, leave duration could be very variable, and was constrained by the duration of a migrant's employment contract. Some of those granted Work Permits in 2006 may therefore have qualified for settlement in 2011, after five years as a Work Permit holder; others may have switched into Tier 2 General. The sample for this study is drawn from the latter group, as it is for these migrants that the additional information on salary and occupation can be easily extracted.

The Migrant Journey report[4] looked at those issued visas in 2004, in the work routes leading to settlement (labelled as work (citz) in *The Migrant Journey*).

The Migrant Journey showed that for main applicants and their dependants considered together, of the 105,880 visas issued in 2004 in the work (citz) category, 29 per cent had gained settlement after five years; a further 11 per cent still had valid leave remaining, but had not attained settlement, as depicted in the figure below (reproduced from *The Migrant Journey*).

Figure 2   *The 2004 work (leading to citizenship) route migrants by end-of-year immigration status*
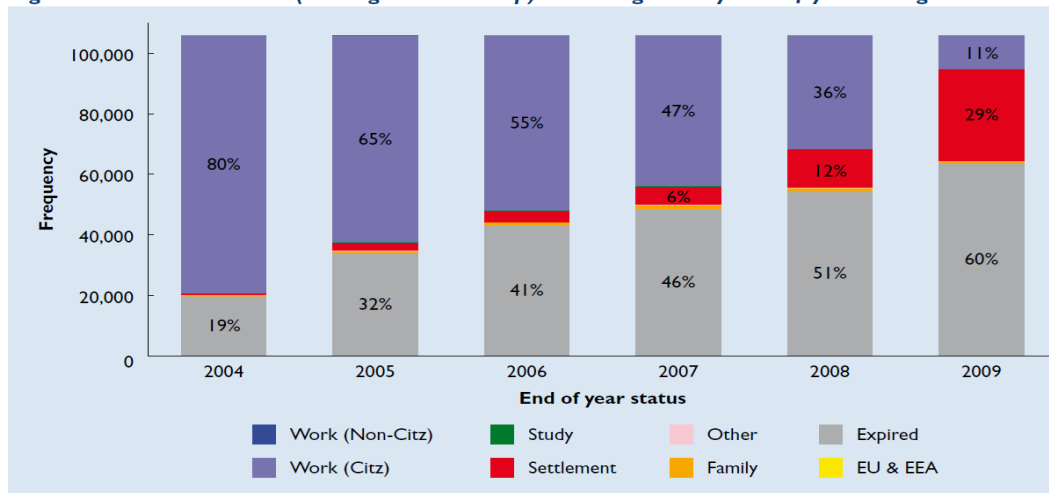
This report further examines the relative propensities of work migrants to settle within a cohort likely to have reached the point of eligibility to do so. Hence the findings are not directly comparable with those in *The Migrant Journey*.

2. Methodology overview

A more detailed description of the methodology is given in Annex 1. In summary, this study explored salary and occupation information for those migrants deemed likely to have become eligible to settle in early 2011, based on information about their migration histories. The salary and occupation information represents a snapshot of these attributes from 2009, for those who submitted a Tier 2 General application in that year.

i. The cohort considered

This analysis considered main applicants only, and not those who had been the dependants of other migrants.

The first step in creating the cohort was to consider those who switched into, or entered the UK via, a work-related route between January and April 2006, and who had unexpired Tier 2 General leave by the end of 2010. The resulting group contained 1,196 migrants.

The second step, was to retain only those who had a Tier 2 General record in their journey during 2009, and who could be matched to occupation information. This group contained 456 migrants, (or 38% of the initial 1,196 migrants considered). Considering only those from 2009 meant that the salaries compared were for the same year.

The final step was then to examine which of them had gained settlement between January and June 2011.

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[4] Achato *et al* (2010) *The Migrant Journey*, Home Office Research Report 43, found at: http://www.homeoffice.gov.uk/publications/science-research-statistics/research-statistics/immigration-asylum-research/horr43/horr43-report?view=Binary

3. Results

For the cohort considered, of the 456 migrants for whom occupation information was retrieved, 316 of them had gained settlement by the end of June 2011, corresponding to 69 per cent of the cohort.

By contrast, the earlier analysis in *The Migrant Journey* had found that of those issued visas in the work (with a route to settlement) category in 2004, 29 per cent had gained settlement after five years and a further 11 per cent still had valid leave remaining, but had not attained settlement.

The settlement rates in this study are not directly comparable with those in *The Migrant Journey* for the following reasons.

- *The Migrant Journey* forward-view analysis examined migrants granted visas in 2004. It tracked their progress through the immigration system in order to identify their immigration status five years later, at the end of 2009. This analysis, by contrast, examined the 2009 immigration records of Tier 2 General migrants already likely to have become eligible for settlement in early 2011. It was concerned with people on a journey towards settlement rather than all migrants who had obtained a work visa, some of whom would have left the UK after just one or two years. Thus this report calculates propensities to settle with a different denominator to *The Migrant Journey* results.

- *The Migrant Journey* forward-view cohorts consisted only of those granted entry clearance in a given route in a given year. However, in this study, the cohort examined included in-country 'switchers', as well as those granted out-of-country visas. 'Switchers' are those who entered the UK via another route, for example on a study visa, and later changed to a work visa.

- *The Migrant Journey* considered both main applicants and dependants, whereas this analysis considered main applicants only.

i. Propensity to settle by occupation

Tables 1 and 2 present the numbers of migrants in the cohort who had settled by end of June 2011 (described as settlers), and those who had not settled by that time (described as non-settlers).

These breakdowns are based on the Standard Occupation Codes (SOC)[5], which can be specified at different levels of detail, based on a hierarchy of occupation groupings.

Table 1 displays settler and non-settler breakdowns at the four-digit level of detail, whilst Table 2 displays occupations at the two-digit level of detail in the occupation codes.

Table 1: Numbers of settlers and non-settlers and the proportion who gained settlement, between January and July 2011, by four-digit SOC

Four-digit SOC	Non-settlers	Settlers	Subtotal	% in occupation who settle
3211 Nurses	19	67	86	**78**
6115 Care assistants and home carers	9	55	64	**86**
5434 Chefs, cooks	11	33	44	**75**
2321 Researchers, scientific	10	14	24	**58**
2314 Teachers, secondary education	8	14	22	**64**
Other occupations*	83	131	214	**61**
Total	**140**	**314**	**454**	**69**

*Due to sample size limitations, groups with fewer than 20 cases have been combined into the 'Other' category.

The data for *all* tables in this report are based on unpublished Management Information, derived from live UK Border Agency administrative systems; this means the data are correct at the time of analysis but may be liable to change.

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[5] For more information on SOC see the Office for National Statistics website, available at: http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/soc2010/index.html

Table 2: Numbers of settlers and non-settlers and the proportion who gained settlement, between January and July 2011, by two-digit SOC

Two-digit SOC	Non-settlers	Settlers	Subtotal	% in occupation who settle
32 Health and social welfare associate professionals	27	88	115	**77**
61 Caring personal service occupations	14	60	74	**81**
23 Teaching and research professionals	34	39	73	**53**
54 Textiles, printing and other skilled trades (including chefs)	11	34	45	**76**
11 Corporate managers	14	25	39	**64**
21 Science and technology professionals	13	19	32	**59**
Other occupations*	27	49	76	**64**
Total	**140**	**314**	**454**	**69**

* Due to sample size limitations, groups with fewer than 20 cases have been combined into the 'Other' category.

Table 1 shows that a number of occupations within the cohort, including the chef, nurse and care worker occupations, had a higher than average proportion gaining settlement within the timeframe considered, when compared with the average proportion for the whole cohort.

On the other hand, some other high volume occupations, such as secondary school teachers and scientific researchers, had a lower proportion gaining settlement within the same time period.

The limited sample size means it is only the highest volume occupations for which occupation-specific data are presented in Table 1. Table 2 presents the same data at a less detailed level, based on the first two digits of the migrant's SOC. It shows that health and social welfare occupations, caring personal service occupations and occupations classified as textiles, printing and other skilled trades were more likely than average to settle within the timeframe considered. However, in this sample some of the groupings within Table 2 were dominated by particular occupations:

- of the 115 migrants in the grouping of health and social welfare associate professionals, 86 were nurses;
- of the 74 migrants in the grouping of caring personal service occupations, 64 were care assistants and home carers;
- of the 73 migrants in the grouping of teaching and research professionals, 24 were scientific researchers, and 22 secondary education teachers; and
- of the 45 migrants in the grouping of textiles, printing and other skilled trades, 44 were chefs/cooks.

Two additional groupings displayed, namely corporate managers, and science and technology professionals, appeared to have a propensity to settle that was either similar to, or lower than, the overall average for the cohort examined.

An alternative occupation grouping found that 65 per cent of main applicants in the sample, who were working in graduate occupations, had settled by the end of June 2011. This compares with 78 per cent of main applicants working in non-graduate occupations who had settled by end June 2011.

In order to understand whether the decision to apply for settlement was motivated by expiring leave, the expiry date of migrants' current leave in the non-settler group was analysed, alongside the date of expiry of the previous leave of those in the settler group.

The tables in Annex 2 display these results by year of leave expiry. Whilst there are some differences between the settler and non-settler groups, it can be seen that many of those who settled did so when they had a significant amount of leave remaining.

Conversely, many of those who did not settle by the end of June 2011 still had leave remaining, and may have applied for settlement later on.

It is therefore difficult to find a clear link between propensity to settle and leave remaining.

ii. Salaries of settlers and non-settlers, by occupation

This section presents information on the salaries of migrants in the cohort who had settled by end of June 2011, compared with the non-settlers.

The salaries presented are those recorded on the migrant's Certificate of Sponsorship in 2009, not at the point of settlement (when salary data is not routinely recorded).

Tables 3 and 4 present median salaries for specific occupations and occupation groupings (as described in the previous subsection), where salary information could be extracted. Of the 456 migrants in the cohort, salary information was extracted in 399 cases.

As a whole, those within the cohort who settled by the end of June 2011 had lower median salaries than the non-settlers.

As Table 3 shows, only three of the high volume occupations (care assistants and home carers, chefs/cooks and scientific researchers) displayed similar median salaries when the salaries of settlers and non-settlers were compared.

Table 3: Median 2009 salaries of settlers and non-settlers in each occupation (at four-digit SOC), to nearest £10

Four-digit SOC	Non-settlers	Settlers	Subtotal
3211 Nurses	£27,010	£24,850	75
6115 Care assistants and home carers	£13,930	£14,600	29
5434 Chefs, cooks	£18,000	£18,000	40
2321 Researchers, scientific	£29,700	£31,510	24
2314 Teachers, secondary education	£34,950	£31,500	22
Other occupations*	£37,540	£30,450	209
Total	**£32,460**	**£26,360**	**399**

*Due to sample size limitations, groups with fewer than 20 cases have been combined into the 'Other' category.

Table 4 displays similar results, reflecting the dominance of some of the more common occupations within these groupings, although the salary difference between settlers and non-settlers for health and social welfare associate professionals is less acute than for the specific occupation of nurse.

Table 4: Median 2009 salaries of settlers and non-settlers in each occupation group (at two-digit SOC), to nearest £10

Two-digit SOC	Non-settlers	Settlers	Subtotal
32 Health and social welfare associate professionals	£28,060	£26,500	103
61 Caring personal service occupations	£15,250	£14,600	38
23 Teaching and research professionals	£34,530	£32,360	73
54 Textiles, printing and other skilled trades (including chefs)	£18,000	£18,000	41
11 Corporate managers	£53,500	£31,000	39
21 Science and technology professionals	£33,730	£34,500	31
Other occupations*	£44,000	£26,550	74
Total	**£32,460**	**£26,360**	**399**

*Due to sample size limitations, groups with fewer than 20 cases have been combined into the 'Other' category.

Additionally, Table 4 shows that amongst corporate managers, those who settled had a far lower median salary than those who did not settle within the timeframe considered.

For science and technology professionals, the median salary was higher for those settling, but the difference was small.

To end, a few further factors may have affected these results.

- Changes to settlement policy occurred in April 2011 and may have had some influence over the decision to settle, for those who did so during the timeframe considered.
- The Government announced in November 2010 that it intended to change the settlement rules in the future, which may also have influenced this cohort's behaviour.
- Similarly, there have been successive adjustments to the Points Based System, for example increasing the skills requirements and salaries of those entering Tier 2, and removing the ability for intra-company transferees to extend their leave beyond five years. Some of these changes may have indirectly affected the cohort examined.
- Finally, the impact of the global recession in the period under consideration may also have affected individuals' propensity to seek the greater security that permanent settlement might provide.

4. Conclusions

1. Within the cohort of Tier 2 General migrants examined, those in lower skilled occupations appear more likely to obtain settlement soon after reaching the point of eligibility to do so, when compared with those in graduate level occupations.

In this cohort, certain occupations, such as chefs, nurses and care workers, showed a greater propensity than average to settle within the time frame considered.

This is in contrast to some other significant groups, including certain types of teacher and researcher, who were less likely than average to settle soon after reaching the point of eligibility.

2. The 2009 salaries of the Tier 2 General migrants who settled within the timeframe considered, were lower as a whole (£26,360) than those of the non-settlers (£32,460).

Many of those who settled did so when they had a significant amount of leave remaining. Many of those who did not settle by the end of June 2011 still had leave remaining, and may therefore have applied to do so later, or may do so in future.

Annex 1: Methodology

Salary and occupation information was analysed for those migrants deemed likely to have become eligible to settle in early 2011, based on information about their migration histories, and the time that a migrant had accrued within a work route leading to settlement.

The approach used was based on the methodology employed for *The Migrant Journey* report.

In summary, *The Migrant Journey* matched migrants' visa and leave records to create complete personal histories of an individual's migration.

This matching linked data from different UK Border Agency databases, and allowed cohorts of migrants to be selected. *The Migrant Journey* datasets were used for the purposes of this paper.

Extensive descriptions of the methodology used in *The Migrant Journey* analysis and the databases holding visa and leave records, along with matching techniques used, can be found in the first report[6] and are not repeated here. The result of this data matching for each migrant produced details of:

- the type of leave to remain granted ('route');
- the grant issue date; and
- the expiry date.

These details were put in chronological order using the grant issue date, with the type of leave to remain granted (usually a visa) denoting the initial route of entry. This chronological ordering showed when and how each individual entered the immigration system, and the date of expiry of their last recorded extension or change of leave to remain.

In addition to the databases containing the visa and leave records of migrants, data from the Sponsor Management System database was utilised specifically data from electronic Certificate of Sponsorship (CoS) records, which a migrant must possess to submit a Tier 2 application.

For the time period under consideration for extracting salaries (2009), the CoS records are the only source of salary and occupation data available for Tier 2 migrants. However, to utilise this information, it was necessary to link it back to the visa and leave records of the relevant migrants.

Apart from use of the CoS data, the main design consideration underpinning the analytical approach taken is the five-year residence requirement for settlement in the Tier 2 General category.

This means that those who reached the point of eligibility for settlement through Tier 2 General in 2011 must by definition have been in a work route (leading to settlement) since 2006.

The year 2006 (in which the migrants entered a work route leading to settlement), was before the rollout of Tier 2 General. This means that the migrants considered must have started their journey to settlement in a pre-Points Based System precursor route (primarily as Work Permit holders). In this sense, a cohort of *transitional* Tier 2 General cases were considered.

i. The cohort considered

This analysis considered main applicants only, and not those who had been the dependants of other migrants.

The first step in creating the cohort was to consider those who switched into, or entered the UK via a work-related route in January to April 2006, and who had unexpired Tier 2 General leave by end of 2010.

- This excluded those who switched out of a work (leading to settlement) route prior to the end of 2010.
- It also excluded those whose leave expired before end 2010 (and who effectively left the immigration system).

The resulting group contained 1,196 migrants.

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[6] Ibid.

The second step was to retain only those from the first step who had a Tier 2 General record in their journey during 2009, and who could be matched (based on passport number) to a CoS. Such matching made the chances of a mismatch unlikely. This step excluded those:

whose Tier 2 General record did not occur in 2009; and
who had a Tier 2 General record in 2009, but could not be matched to the CoS records.

This group contained 456 migrants, (or 38 per cent of the initial 1,196 migrants considered).

Having identified the cohort, the final step was to examine which of them gained settlement between January and June 2011.

The rationale for considering only those with a Tier 2 General record in 2009 (as opposed to those with Tier 2 General records in, say, 2010) was to enable the results to be easier to interpret, especially the salary breakdowns.

Where multiple Tier 2 General records existed in 2009 for a given migrant (for example, due to migrant workers on short contracts) the latest record within 2009 was considered.

Annex 2: Leave Remaining for Groups Considered

To understand better the settlement behaviours of those migrants within the cohort selected, the expiry date of migrants' current leave in the non-settler group was analysed, alongside the date of expiry of the previous leave of those in the settler group.

The aim was to see whether there were differences to indicate that the decision to apply for settlement was motivated by expiring leave.

Tables A2.1 and A2.2 display these results by year of expiry. Whilst there were some differences between the settler and non-settler groups, many of those who settled did so when they had a significant amount of leave remaining.

Conversely, many of those who did not settle by the end of June 2011 still had leave remaining, and may therefore have applied to do so at a later stage, or may do so in future.

Table A2.1: Numbers and proportion of non-settlers by year of expiry of leave

Year of expiry	Number	%
2011	48	34
2012	70	50
After 2012	22	16
Grand total	140	100

Table A2.2: Number and proportion of settlers by year of expiry of previous leave before settlement

Year of expiry	Number	%
2011	157	50
2012	136	43
After 2012	23	7
Grand total	316	100

The data for these two tables are based on unpublished Management Information, derived from live UK Border Agency administrative systems; this means the data are correct at the time of analysis but may be liable to change.