

Quarterly Commentary

December 2022



Dear Reader,

It's been an eventful autumn at the Commission. In September Katharine and I were pleased to welcome our <u>full Commission Board</u>. We then published a <u>business plan</u> taking us up to our next annual report, due in June 2023. We've published a new <u>employer toolkit</u>, for smaller organisations and those starting out on their journeys. We launched an <u>Employer Advisory Group</u> and will

publish a report on our Employer Consultation in the new year. We published a flagship report on data for social mobility. We published a <u>comment on the Autumn Statement</u>. And we've launched a <u>podcast series</u>. Behind the scenes, far more than this has been going on, of course - which will bear fruit in 2023.

At the same time, we recognise that it has been a hugely eventful autumn for the nation as a whole, with real and serious impacts for many, including the most vulnerable in our society. Economic turmoil, the cost of living crisis and major announcements in the Autumn Statement all affect the context we're working in. As a Commission, we can't and shouldn't look at every issue with a link to social mobility - it's a huge, cross-cutting issue. We have to prioritise, and that's what we've done with our work plan. But we do want to be part of the conversation, and we do think the developments I highlight below are an important backdrop to our work. We hope that by highlighting them to you we can open that conversation, and think collectively about how these issues intersect and affect the work we do.

It might even make for good festive reading.

Alun Francis Deputy Chair of the Social Mobility Commission

Data and measurement

To start with, The IFS Deaton Review is a goldmine of data and we've been looking at several of its chapters. Since the summer's chapter on <u>Education inequalities</u> they've published on <u>Health inequalities</u>, <u>Inequality and immigration</u> and <u>Political inequality</u>. Of particular interest here at the SMC were the chapters on <u>Trends in income and wealth</u>

inequalities which they illustrated in 5 charts and the fascinating Race and ethnicity chapter which goes beyond the headlines to find that there is no single story of advantage or disadvantage.

Meanwhile, Resolution Foundation have published their fourth <u>Intergenerational Audit</u> looking at data on household income and costs; jobs, skills and pay; wealth and assets; and housing costs and security.

Education and Families

Innovation charity Nesta have written about the <u>importance of improving early years data</u> and are running a workshop on the subject in January. Nesta's work is particularly interesting because they use contemporary techniques that allow for more robust analysis of the data. One surprising finding from their 'fairer start' mission was that <u>children on free</u> <u>school meals have poorer educational outcomes in more affluent areas</u> - something they and others will no doubt want to dig deeper into. Meanwhile, the IFS looked at <u>the impact</u> <u>of inflation on early years spending</u> - particularly important given the absence of Early Years in the Autumn Statement.

Think-tank Onward have released a report on <u>The case for school enrichment</u> identifying geographical and class differences in children's participation in extra curricular activities. Meanwhile, charity the Children's University has looked at the impact and importance of learning beyond the classroom in their <u>State of the Nation 2022</u> report. They share evidence that children eligible for Free School Meals participating in their programmes made three additional months' progress in Maths compared to children in other schools.

Policy Exchange looked at household taxation in <u>Taxing Families Fairly</u> to argue that families with young children in the UK pay significantly more in income tax than in comparable countries - very relevant given current debates about the cost of childcare and what should be subsidised by the government.

And finally, we were concerned to see the latest figures from the DfE on attainment gaps. In our June 2022 State of the Nation report we highlighted that attainment gaps between pupils from higher and lower socio-economic backgrounds had narrowed, especially at key stages 2 and 4. But we made clear that this was without the most recent data reflecting the impact of the pandemic. That data is now beginning to emerge. The <u>KS2</u> and <u>KS4</u> attainment gaps in 2022 have reached their highest levels since 2012. Another one to watch is the <u>COVID Social Mobility and Opportunities Study</u> which is shining a light on the differential impacts of the pandemic. Meanwhile, the Children's Commissioner announced a <u>100% attendance target</u> aimed at ensuring no child is left behind, and Sutton Trust reported on the issues that <u>teachers are seeing their pupils face</u> linked to living costs this autumn term.

Employment and routes to work

The Institute of Student Employers released their <u>Student Recruitment Survey 2022.</u> The report itself is available to members only, but you can read a range of blogs on its results. We were pleased to see the key finding that school and college leavers are an increasingly important part of the early talent landscape, with 5% more respondents recruiting non-graduate hires alongside graduate hires than in 2021. On the other hand, this IFS <u>extended commentary on educational polarisation</u> argues that there is increased social stratification between graduates and non-graduates, and calls for further expansion of HE/FE (they include within this two-year vocational 'sub-degrees'). Meanwhile, City & Guilds released this <u>interesting but worrying report</u> which leads us to conclude that we should focus much of our effort on improving social mobility options for those who are giving up.

Linked to this the Centre for Social Justice set out their <u>plan to unleash the potential of</u> <u>adult community education and bolster economic growth</u>, arguing that growth has failed to improve the lot of ordinary working families and that this is partly because of a "long tail of low skills." They sell the report as a "blueprint" for improved lifelong learning which "engages adults on the very fringes of our labour market" - a sentiment we as a Commission can wholeheartedly support.

We've been watching Amol Rajan's <u>How to Crack the Class Ceiling</u>, in which he explores how class can hold people back in the workplace, raises issues such as classism and the class pay gap, and ultimately asks whether socioeconomic background should be a protected characteristic. But as we know from the experience of race, gender and other characteristics, this is certainly no silver bullet - which is why at the SMC we're focused on practical ways to support people so there is no limit to their aspirations.

One such piece of work is the <u>Social Mobility Employer Index</u>, which, <u>in the words of Alan</u> <u>Milburn</u>, celebrates employers who are building "a society where aptitude and ability, not background or birth, determine how far people progress." We've been doing our own piece of work consulting employers on the challenges they face making that a reality, and will report back in the new year. On a similar theme, Sutton Trust looked at the impacts of <u>accent bias in the workplace</u> and the City of London Taskforce published their own recommendations on <u>Breaking the Class Barrier</u>.

Finally, Luke Sibieta at IFS published this <u>short video</u> on schools and colleges funding ahead of the Autumn Statement. Given the disappointing lack of any funding announcement for Further Education, we think it's still worth a look.

Economy and enterprise

Onward have been looking at <u>how to incentivise innovation</u> through reform of R&D tax credits, while consultancy MetroDynamics have launched a <u>place-based agenda for</u> <u>change</u> under the tagline 'Time to Get Serious About Inclusive Growth.' It focuses on three key themes: investment and innovation; prevention and human capital development; and adapting to climate change and growing the green economy. A key question for us as a Commission is how to ensure we look at differences within places as well as between them - to make sure the benefits of growth and opportunity reach those who need it most.

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