Social Mobility Commission

State of the Nation 2023: People and places

State of the Nation 2023 - People and Places

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OGL

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

Alun Francis OBE, Principal and Chief Executive of Blackpool and The Fylde College.

Commissioners

Dr Raghib Ali, Senior Clinical Research Associate at the MRC Epidemiology Unit at the University of Cambridge.

Matthew Goodwin, Professor of Political Science at the University of Kent.

Ryan Henson, Chief Executive Officer at the Coalition for Global Prosperity.

Parminder Kohli, Senior Vice President EMEA at Shell Lubricants.

Resham Kotecha, Head of Policy at the Open Data Institute.

The Rt Hon Baroness Tina Stowell of Beeston MBE.

Rob Wilson, Chairman at WheelPower – British Wheelchair Sport.

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Foreword

This year, we have taken a more detailed look at the impact of geographical differences and protected characteristics such as sex, ethnicity and disability.

Improving social mobility is our priority, and we want to make sure that initiatives are targeted at the right people and based on effective, evidence-based practice. The starting point of this is high-quality information. As you will see in this report, we have collated a wealth of data that illustrates the successes and challenges for social mobility. This year, we have taken a more detailed look at the impact of geographical differences and protected characteristics such as sex, ethnicity and disability.

We will also produce an accompanying policy and strategy paper that outlines how we plan to address the challenges identified by our research.

**Alun Francis OBE,
Chair of the Social Mobility Commission**

Background

In our State of the Nation report in 2022 we showed that social mobility in the UK is not in decline and that the UK is not a low-mobility country. Of course there is still room for improvement. But an exaggerated picture of gloom should not be our motivation for change.

We also argued that conventional approaches to social mobility have been too narrow, tending to define 'the social mobility problem' as one of equal access to professional and managerial occupations. This analysis has serious weaknesses, which are illustrated by the findings from this report and outlined below.

The traditional approach focuses too much on the university route, pathways to professional careers, and long leaps in social mobility. But we need a wider focus. Thinking only about access to top professional jobs neglects far too many of those at the bottom.

There are many people who cannot, or simply do not want to, take this route. Some do not want to move to a big city to get a top professional job. Some are not in a position to achieve that kind of long-upwards mobility – they may have left school without basic levels of reading or

maths. For people in these positions, offers of internships at a top London law firm may be missing the point. Good, accessible, local jobs must be part of our mobility picture.

Along with the narrow focus on professional pathways, there is too much emphasis on improving relative mobility – the mobility chances of one social group relative to another. This is important, but one group's relative gain must be another group's relative loss. We argue that it is equally important, if not more so, to think about improving absolute mobility – increasing the total amount of opportunity available, so that more people can move upwards – whether that is measured in occupational status, income, or other measures.

Moreover, while relative mobility has remained stable, there is evidence to suggest there are some concerning changes in absolute mobility, partly in terms of occupation, but more in terms of income. We must think about how to tackle this, ideally by growing the economy so that opportunities can increase and wages can rise, especially in areas where growth has been weak.

It is important to deal with the slowing growth in professional jobs in the UK so that more people can move up the occupational ladder. We must broaden our view of what type of technical and professional skills are in demand in the labour market. Most of all, it means making sure that the next generation can look forward to good mobility prospects, just as previous generations have.

Data constraints and limitations often lead to poor definitions of social mobility and misdiagnosis of where the problems actually lie. One constraint is that we can only look at group averages in our reporting. Not everyone in a disadvantaged group will do poorly, but some will. Interventions that are based on this data need to be better targeted to those who have the worst prospects. We must not lose sight of the truly disadvantaged.

The traditional approach also tends to ignore culture and values as drivers of social mobility. Their impact should not be underestimated, but they are difficult to measure.

Our data shows very clear inequalities across the country, captured in our regional analysis of the mobility rates and drivers. But the findings illustrate the nuance and complexity of social mobility. For example, they show patterns that do not simply associate the location of elite professions with the need to 'move out to move up'. We want people to be able to remain where they grew up, if they want to, with access to the same opportunities they would get elsewhere.

The research also suggests a one-size-fits-all approach based on educational achievement does not work. Other factors, such as economic opportunity, the quality of jobs and wages, may be just as important. We are particularly interested in the relationship between social mobility and economic innovation, as this appears to be very important to a strong and fair economy.

What are we doing differently?

We have no intention of abandoning the focus on the areas of policy that the conventional approach takes. Instead, our fresh approach champions a broader view of social mobility to benefit a wider variety of people in a wider range of places.

Our programme, as set out in the accompanying paper to this report, will ask more rigorous questions about the nature of advantage and disadvantage, how far there is 'stickiness' at the top and bottom, what the sources of this may be, and what effective interventions look like. We also want to push further on investigating 'softer' drivers like culture, values, and family attitudes towards a child's aspirations to be socially mobile.

As well as taking a wider approach to social mobility, we have made progress in how we report on it. For example, we now break down outcomes and drivers by geography and protected characteristics. The report also groups the jobs people are currently doing and their 'occupational background' into 5 categories (higher and lower professional, intermediate, and high and lower working class), rather than the previous 3-class division.

This promises to open up a much more nuanced understanding of social mobility. It shows some important within-class differences with significantly weaker outcomes for the lower working class in comparison with the higher working class. For example, 21% of lower working-class young people are not in employment, education or training. This is significantly higher than all other socio-economic groups.

"We also want to push further on investigating 'softer' drivers like culture, values, and family attitudes towards a child's aspirations to be socially mobile."

This year's findings

The aim of this report is to provide a comprehensive overview of social mobility across the life course, which is developed and updated each year. This year's report extends and builds on the work we started in 2022 and contains important new elements. We have done this by looking at full mobility outcomes, intermediate (early-life) outcomes, and drivers, with breakdowns by geography and protected characteristics. The 3 main innovations this year:

1. New data relating to geography.

Our regional analysis shows differences in both mobility and opportunity across the country. It is worrying that social mobility outcomes not only depend on who your parents are, your education, and your skills, but also where you grew up. The data shows why it's just as important to look within areas as it is between them, and the picture isn't as simple as a north-south divide. For example, someone growing up in London and adjoining areas is more likely to attain high qualifications, earnings and occupational level than someone from the same socio-economic background (SEB) growing up in a more rural or remote area. Yet, for the same 2 individuals, the risk of unemployment, economic inactivity, and lower working-class employment is also higher in London. So the spread of outcomes, from high to low, is much greater in London, and simply looking at averages or single outcomes would hide this.

2. New data relating to ethnicity and differences between men and women.

There are some marked differences in group outcomes, with Chinese, Indian and Black African, for example, doing much better in education than Black Caribbean and White British people. For example, people from Chinese,

Indian, Black African, Mixed and Other ethnic groups are more likely to obtain degrees than White British and Black Caribbean people from the same SEB, although their degrees may come from less selective universities. Yet these better educational outcomes don't always yield better occupational outcomes. For example, several ethnic minority groups (Black Caribbean, Black African, Mixed, Pakistani and Indian) are more likely to be unemployed than White British young people from the same SEB.

There are also a variety of important nuances in terms of sex and gender[1]. We find gaps in favour of young women in education, but gaps in favour of young men in earnings. Across SEBs, women have a greater likelihood of attaining a first degree and are correspondingly less likely to have lower-level qualifications than men. However, young women are less likely than young men to be in higher professional occupations, and they earn less on average.

3. New data relating to disability.

Our analysis shows that people with a disability do significantly worse across all outcomes. In some cases, the gap is even wider among those from a lower working-class background, suggesting that professional families are better able to mitigate the effects of disability on young people's life chances.

You can find out more about what we are doing about these findings in our forthcoming policy paper. Here, we will outline where we believe we should be focusing social mobility interventions to make real change, based on what our evidence tells us. This will include an in-depth analysis of our policy recommendations.

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1 We use the terms "gender" and "sex" throughout this report depending on the data source and variable of measurement in respective datasets.

Conclusion

We are making progress with our ambition to ground the national debate about social mobility in the evidence. And we are asking harder questions about the focus of interventions. Over time we will work toward a new approach to a national strategy. Our focus will be on long-term, systematic approaches, which the evidence says need to be pursued relentlessly.

In the meantime, we will continue to deliver against our ambitious business plan to bring serious change to improve social mobility across the UK. To find out more about what we are planning, we are also publishing a policy paper that discusses in depth how we will address the challenges identified in this report.

Executive summary

Chapter 1

This year, we have delivered on the plan set out in 2022, to put the full Social Mobility Index into operation. We have done this by looking at full mobility outcomes, intermediate (early-life) outcomes, and drivers, but with breakdowns by geography and protected characteristics where possible. As in 2022, mobility outcomes are about progress from your starting point in life to your outcomes as an adult. These outcomes can be in your occupation, income, education, housing or wealth. Intermediate outcomes are measured earlier in life, typically when people are in their 20s or even earlier. Drivers are the background conditions that help or hinder social mobility – things like access to good-quality education or social capital.

Chapter 2

Our analysis of mobility outcomes builds on last year's report, which looked at trends over time. We do this by examining the different mobility rates in different groups and places in the UK. As might be expected, we have found that adults with lower working-class parents are about 3 times as likely – 30% against 11% – to be in a working-class occupation themselves compared with adults with higher professional parents. In education, people whose parents had degrees are far more likely – 64% against 18% – to get a degree than those whose parents had no qualifications. And on housing mobility, we have found a significant tightening of the link between parental home ownership and children's home ownership. Worryingly, your parents' ownership of their home has become a much better predictor of whether or not you will own yours.

But the breakdowns reveal many variations inside this high-level pattern. For example, women are less likely than men to experience upward occupational mobility, even though their educational outcomes are better. Similarly, educational mobility is far better among some ethnic groups – for example, 64% of Chinese-British people whose parents had no degree went on to obtain a degree, compared with only 28% among White British people. Yet these better educational outcomes are not always mirrored by improved access to professional jobs. And unfortunately, the mobility outcomes of people with a disability are consistently worse than the outcomes of those without, across occupation, income, education and housing.

The geographical patterns are equally striking. People of a working-class background who grew up in Outer London (West and North) had a 46% chance of becoming professionals, while those growing up in Northern Ireland had only a 28% chance. Meanwhile, London and the South East appear to be particularly disadvantaged in terms of absolute housing mobility.

Chapter 3

Intermediate outcomes compare people's starting point with an earlier endpoint in their teens, 20s, or early 30s, as they move through education and into the labour market. We have significantly improved our index this year by adopting a 5-class measure of socio-economic background (SEB) rather than the original 3-class measure used in the 2022 report. We have also split these indicators by region and some protected characteristics, like sex, ethnicity, and disability. Putting all this together provides us with a more detailed picture of how social mobility might trend in the future. Our analysis has revealed striking patterns, both in geography and in individual characteristics.

Two individuals from the same SEB are likely to have different outcomes depending on where in the UK they grew up. For example, someone growing up in London is more likely to attain higher qualifications, higher earnings and a professional job than someone from the same SEB who grew up in a more rural or remote area. At the same time, the risk of unemployment, economic inactivity, and lower working-class employment is also higher in London. This contrast shows the importance of looking within areas, as well as between areas.

Breakdowns by individual characteristics show a wide variety in outcomes across different groups of people. Unfortunately, as we found with mobility outcomes, people with a disability tend to do worse on all intermediate outcomes that

we measure, including educational attainment, income, and employment. Crucially, the gap between those with a disability and those without is also larger among those from a working-class background.

When we look at ethnicity, the picture is complex. Overall, people from all ethnicities (apart from Black Caribbean) are more likely to gain a degree than White British people from the same SEB, although their degrees may come from less selective universities. As with the findings in Chapter 2, such educational success does not always translate into greater success in work. Some people, such as those from Pakistani, Bangladeshi and Black African ethnicities, are more likely to become university graduates than White British people, but less likely to work in a professional job. Another interesting finding is that SEB seems to play a smaller role in determining outcomes for some ethnic groups, such as those from Chinese, Bangladeshi and Pakistani groups.

When we look at differences by sex, we find that across all SEBs measured, women tend to do better than men when it comes to educational attainment. However, once in the workplace, this gap reverses, with women from the same SEB earning less than men, being less likely to be in a higher professional job and more likely to be economically inactive. We note that some of these differences may reflect a difference in career choices.

Chapter 4

Our drivers capture the background conditions which enable social mobility in the future. When we measure social mobility outcomes today, we note the factors which shaped these outcomes may have occurred decades ago. This is because what happens earlier in life helps shape our future outcomes.

We find that, despite the significant setbacks of the financial crisis of 2007 to 2009 and the COVID-19 pandemic, there are still encouraging signs for the future of social mobility in the UK.

Overall, more parents are educated to university level and working in professional occupations. More young people are in education, and fewer are not in employment, education or training. Meanwhile, people in their 20s participate in a more favourable job market, with more working in professional jobs compared with only 10 years ago.

However, relative child poverty has slightly risen since 2012, while young people's pay only recovered to the levels seen before the financial crisis in 2021, before falling again in 2022. Levels of social trust in the UK are low and have been for at least 20 years.

As with our mobility outcomes and intermediate outcomes, it is crucial to understand how drivers are distributed across the country. We find that there is no simple pattern across richer and poorer areas. In particular, London has both high levels of sociocultural advantage, and high levels of poverty and disadvantage. So any area-based approach to tackling social mobility must also consider the variation within areas.

1 – Introduction

Highlights

⭐ A person experiences social mobility – by which we mean intergenerational social mobility – when they have different life outcomes from their parents. This could mean a different income level, a different occupational class, or other differences, such as housing or education. Mobility can also be upwards or downwards.

⭐ Much existing research focuses on occupational mobility (what job we do) and income mobility (how much we earn). These are important signs of the equality of opportunity in a society.

⭐ Our work on public opinions about social mobility suggests that we need to take a broader view. Survey evidence shows that, when people think about what it means to have a 'better life' than the last generation, it is better health, happiness and education that are seen as more important than more money or a better job.

⭐ But even using a small number of measures to monitor social mobility can be difficult. The new Social Mobility Index, first published in 2022, provides a framework for measuring mobility clearly and systematically across a person's lifetime.

⭐ Our index includes social mobility outcomes, looking at people's jobs and earnings at different life stages, in comparison with their parents'. We also report on some drivers, or background conditions, that might help or hinder social mobility in the future.

⭐ We have made significant improvements to our annual report this year. We have deepened our analysis to show how social mobility outcomes and drivers vary by region and across different groups. We have also added more drivers.

⭐ We will continue to work on and improve the Index, as well as supplementing it with separate research. For example, into the role of childhood experiences.

Social mobility and the Index

Social mobility is important because people should be able to fulfil their potential, without being limited by the environment they were born into. Our circumstances should not limit us – instead, everyone should have a fair chance to succeed.

The Social Mobility Commission (SMC) monitors social mobility across the UK. We aim to understand how many people are socially mobile, in what parts of the country, and whether a person's background is limiting opportunity.

But monitoring social mobility is complex and difficult. Data can be hard to get hold of or may not exist at all, such as income records linked across generations. Where data does exist, it can be very hard to interpret. This is why we created the new Social Mobility Index (the Index), first published in 2022. We took the best available advice from academics, policymakers, and charities working in the field of social mobility.

People in their 40s and 50s

Observed social mobility outcomes

People in their 20s and 30s

Early life outcomes that provide insights into prospects of social mobility

Children and young people

Social and economic conditions that may help or hinder social mobility in the distant future

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Mobility outcomes

Later-life social mobility outcomes, comparing people's starting and end point. Long-term trends in:

Occupational, Income, Education, Housing and Wealth mobility

Intermediate outcomes

Annual

Compulsory schooling (5 to 16) e.g. attainment at 16

Routes into work (16 to 29) e.g destinations after compulsory schooling

Work in early adulthood (25 to 29) e.g. occupation

Career progression e.g. class pay gap

Intermediate outcomes

Every few years

Pooling data across years we can break down the intermediate outcomes by:

- Geography
- Gender or sex
- Ethnicity
- Disability
- Other protected characteristics

Drivers of social mobility

Conditions of childhood e.g. child poverty

Educational opportunities and quality e.g. school quality

Work opportunities and quality e.g. vacancy rates

Social capital e.g. civic engagement

Social mobility today

Future social mobility (in 30 years)

This new framework gives us a much more systematic and comprehensive approach. In our 2022 annual report, we published:

• Occupational and income mobility outcomes, looking at people's jobs and earnings later in life, in comparison with their parents'.

• A range of intermediate outcomes, focusing on younger people's education and employment.

• Drivers of social mobility, giving us an idea of the background conditions that might help or hinder social mobility in the future.

In this year's report, we deepen the analysis by splitting outcomes and drivers by geography and by protected characteristics, where the data allows.[2] This gives us much greater insight into where social mobility is and isn't working, and for whom. It allows us to explore the relationship between the drivers and the outcomes, to better understand how they are related. And finally, it allows us to focus policy recommendations and future research on where it will really make a difference.

2 According to the Equality Act 2010, protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief, sex, sexual orientation, and race (including colour, nationality, and ethnic or national origin). It is against the law to discriminate directly against someone with any of these characteristics.

What is social mobility?

The term 'social mobility' can have different meanings, but in this report 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 – the type of jobs people do. Economists have recently turned their attention to income mobility. 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 people born and brought up in one kind of situation to move up or down the social ladder to a higher or lower position than, or to stay in the same position as, their parents.

The Social Mobility Index continues to enrich and improve the evidence base. It goes well beyond solely reporting on the drivers of mobility. For the first time, we take an in-depth look at both outcomes and drivers split by geography and various characteristics. This is critical for understanding where and for which groups mobility is going well and where we need to improve it.

🔍 The Index in detail

Outcomes and drivers

The new framework that we introduced last year has 2 types of measure: outcomes and drivers.

Mobility outcomes

Mobility outcomes are about making progress from your parents' position to your own eventual position as an adult. For example, we might compare the income of a person's parents with the person's own income around the age of 50 years. Last year, we reviewed some of the important academic work on income and occupational mobility outcomes. This year, we have produced our own statistics from the most recent available data. We have also covered education, housing, and wealth mobility.

Intermediate outcomes

Intermediate outcomes are similar, but we look at people's progress from their parents' position to their own position at an earlier point in life, such as employment in their 20s or educational attainment at age 16 years. This is important, because a person's outcomes in their 20s can be a very good indicator of how their later life will turn out. It also means that we don't have to wait 30 or 40 years for full mobility outcomes.

What mobility and intermediate outcomes have in common is that we break outcome measures down by people's socio-economic background (SEB), so that we can see how different starting points might affect progress to later points.

Drivers

Drivers are the background conditions that make social mobility easier or more challenging. We have included things as drivers if we think they may affect aggregate social mobility rates. For example, the availability of good schools is a driver, because it helps people who wouldn't otherwise have had an opportunity to be upwardly mobile. Our drivers tell us about these nationwide and regional background conditions.

However, the drivers do not tell us what the UK's rates of mobility currently are, and they are not broken down by SEB. The question of what is or is not a driver is also distinct from the question of what might help someone achieve upward mobility (like getting a good degree, for example).

"Drivers are the background conditions that make social mobility easier or more challenging."

Socio-economic background

In our reporting, a person's SEB means the socio-economic situation of their parents. For example, this might be the parents' occupational class, income or education. So for instance, when we talk about someone with a "higher professional background", we mean that at least one of their parents had a higher professional occupation when this person was a child.

Socio-economic background in the Labour Force Survey

The Labour Force Survey (LFS) asks what job the main earner in the household did when the respondent was 14.[3][4] This enables us to look back at someone's SEB without having to track the same individual across all the intervening years.

Geography

Geographical regions outlined by the Office for National Statistics

In 2023, we have broken some indicators down by geography. The regions that we use are part of a system developed by the Office for National Statistics (ONS), known as International Territorial Levels (ITLs).[5] The level of the system we use, ITL2, divides the UK into 41 regions. Each region has between 800,000 and 3,000,000 inhabitants and contains about 4 upper-tier local authorities (LAs).[6]

In our previous index, published in 2016, we used local administrative data (which covers every individual) to divide the UK into over 300 lower-tier LAs. While this approach was much more geographically detailed, it had 2 major drawbacks: firstly, it only covered England, and secondly, the only measure of SEB available was eligibility for free school meals. This meant that we could report only on educational outcomes.

For the new index, our most important data source, the LFS, has a very large sample size of over 100,000, giving us enough data for the 41 regions. We would like to break down into smaller regions – upper-tier LAs, for example – but we are limited by the sample size

available. In the future, by pooling together more years of the LFS data, or by combining indicators into summary indices, we may be able to publish separate figures for each individual upper-tier LA.

In the meantime, using the LFS has greatly improved the power of our analysis. We can report not only on educational outcomes, but also on occupations and incomes. The LFS also gives us much better insight into people's SEB and covers the whole of the UK, in line with the SMC's statutory obligations.

Moreover, by breaking down both the drivers and the outcomes into 41 regions, we can start to look at how drivers and outcomes are related to each other. For example, we have found that, as expected, areas with a lot of professional jobs for young people (a driver) also tend to be areas where the people that grow up there are more likely to earn high salaries and do professional jobs, regardless of their background (an outcome). Yet in contrast, the availability of professional jobs is not correlated with low unemployment – the fact that one is high doesn't mean the other will be low. We say more about these findings when we discuss the intermediate outcomes in chapter 3.

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3 "The Labour Force Survey is a study of the employment circumstances of the UK population. It is the largest household study in the UK and provides the official measures of employment and unemployment." (Office for National Statistics website).

4 Office for National Statistics, 'Labour Force Survey, user guide volume 3 – details of LFS variables 2021. Version 1 – April to June 2021', 2021. Published on ONS.GOV.UK.

5 Office for National Statistics, 'Territorial levels UK, international territorial levels', 2021. Published on ONS.GOV.UK.

6 In some areas of England, local government is divided between a county council (upper tier) and a district council (lower tier), which are responsible for different services. In other areas, there is a single unitary authority instead.

Figure 1.1:
The 41 international territorial levels 2 regions of the UK in our analysis.

Table 1.2:
The 41 regions of the UK in our analysis.

	Region name			Region name
1	Inner London – West (London)		22	Lancashire (North West England)
2	Inner London – East (London)		23	Leicestershire, Rutland and Northamptonshire (East Midlands, England)
3	Outer London – South (London)		24	Lincolnshire (East Midlands, England)
4	Outer London – East and North East (London)		25	Merseyside (North West, England)
5	Outer London – West and North West (London)		26	North Yorkshire (Yorkshire and the Humber, England)
6	Bedfordshire and Hertfordshire (East of England)		27	Northern Ireland (Northern Ireland)
7	Berkshire, Buckinghamshire and Oxford (South East England)		28	Northumberland and Tyne and Wear (North East England)
8	Cheshire (North West, England)		29	Shropshire and Staffordshire (West Midlands, England)
9	Cornwall and Isles of Scilly (South West England)		30	South Yorkshire (Yorkshire and the Humber, England)
10	Cumbria (North West England)		31	Surrey, East and West Sussex (South East England)
11	Derbyshire and Nottinghamshire (East Midlands, England)		32	Tees Valley and Durham (North East England)
12	Devon (South West England)		33	West Midlands (England)
13	Dorset and Somerset (South- West England)		34	West Yorkshire (Yorkshire and the Humber)
14	East Anglia (East of England)		35	West Wales and The Valleys (Wales)
15	East Yorkshire and Northern Lincolnshire (Yorkshire and the Humber, England)		36	East Wales (Wales)
16	Essex (East of England)		37	Highlands and Islands (Scotland)
17	Gloucestershire, Wiltshire and Bristol and Bath area (South West England)		38	Eastern Scotland (Scotland)
18	Greater Manchester (North West England)		39	West Central Scotland (Scotland)
19	Hampshire and Isle of Wight (South East England)		40	Southern Scotland (Scotland)
20	Herefordshire, Worcestershire and Warwickshire (West Midlands, England)		41	North Eastern Scotland (Scotland)
21	Kent (South East England)			

Quintiles

To make things easier to interpret, we present our geographical results by ordering the regions from best to worst, and then dividing them into 5 tiers of equal size, known as quintiles. We use a consistent colour coding across all of our quintile maps, going from dark blue (best) to dark red (worst). We should emphasise that these are purely descriptive statistics and that we are not yet in a position to claim any causal effects of regions on outcomes. And because these statistics are based on sample surveys, they are affected by sampling error.

Data constraints

When doing regional, rather than national, analysis, we need a much larger sample size to be able to draw reliable conclusions. When using surveys other than the LFS, or when using a narrow age range from the LFS, the available sample size leads to imprecise estimates. To deal with this, we have grouped some drivers and intermediate outcomes together to create 'composite indices' for regional analysis.[7] This is explained further below. For the occupational mobility outcome, since this uses the LFS and doesn't have a narrow age range, this approach wasn't needed, so we have produced a full regional analysis of occupational mobility in chapter 2.

"To make things easier to interpret, we present our geographical results by ordering the regions from best to worst, and then dividing them into 5 tiers of equal size, known as quintiles."

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7   A composite index is an analytical technique that allows you to group several measures together to create a composite score.

Composite indices for geographical analysis

Why composite indices are needed

We have developed composite indices for some of our drivers and intermediate outcomes this year. These are measures that add and summarise a few drivers, or a few intermediate outcomes, into one score.

This is needed because the estimates for individual areas in most cases involve sampling errors (since they are based on sample surveys) and therefore need to be treated with caution.[8] The sample surveys, such as the LFS, on which we place most reliance, contain relatively small samples within each area. The problem is worse when we focus on results for specific age groups (as with the intermediate outcomes).

The imprecision of the survey-based statistics means that we cannot confidently draw conclusions about the differences in outcomes between geographical areas. Indeed, very few areas prove to be significantly different from the national average when single indicators are used, such as unemployment or earnings.

What the composite indices do

To get around this problem of imprecision, we have constructed composite indices, by combining results from several different individual indicators. These new indices give a summary of how different geographical areas of the UK compare on the main dimensions of mobility that we have identified from the data. This is useful because there's always a risk that differences between areas in respect of a single measure could be due to random sampling error. But when multiple measures all give a similar picture, we can be more confident that there are real differences among the areas.

Three indices relate to the drivers of mobility, that is to say, the conditions that are believed to promote, or hinder, upward mobility for the people who grew up in the area. We have termed these 3 indices 'childhood poverty and disadvantage', 'sociocultural advantage' and 'research and development (R&D) environment'.

There are also 2 indices relating to intermediate outcomes – the measures of how well young people from different areas of the UK are doing with their education and entry into the job market. We have termed these 'precarious situations' and 'promising prospects'. We also hope to develop an additional index summarising school attainment, but this will cover only England, not the whole of the UK.

8   Sampling errors are a common feature of survey design and cannot be completely avoided. They occur because no 2 random samples, even when taken from the same population, will be exactly the same.

Protected characteristics and their intersection with socio-economic background

As well as geographical breakdowns, the LFS has allowed us to break outcomes down by people's protected characteristics, such as ethnicity. Last year, we only published some limited breakdowns by gender and sex.[9] This year, we have gone much further, by looking at more protected characteristics, and by carrying out intersectional analysis of these characteristics with SEB.

For reasons of space and readability, not every possible breakdown is featured in this report. We have focused on those breakdowns that may have policy implications. We go into more detail about breakdowns by protected characteristics in chapter 3.

9   We use the terms "gender" and "sex" throughout this report depending on the data source and variable of measurement in respective datasets.

More detailed occupational classes

Our occupational classes are based on the National Statistics Socio-Economic Classification (NS-SEC) which is the official socio-economic classification of the UK, as set by the ONS.[10] There are 8 'analytic' classes in the NS-SEC, and in our 2022 report we grouped them into 3. The 3 categories – 'professional and managerial', 'intermediate' and 'working class' – are those set by the ONS and used widely to understand the structure of socio-economic positions in society. This year, we've improved on this by grouping them into 5, giving us a more granular analysis. This new grouping allows us to see short-range mobility and differences within the existing professional and working classes.

We use this 5-part grouping to classify both what jobs people are currently doing and their 'occupational background' – the jobs that their parents did. For example, if we say that someone has a 'higher-professional background', this means that their parents had a higher-professional or higher-managerial occupation.[11]

By breaking down SEB into 5 categories, we can start to look at important differences within the old professional and working-class groups. For example, we have found that young people from a higher working-class background are no more likely to be not in education, employment or training (NEET) than anyone else. Yet young people from a lower working-class background are much more likely to be NEET. We say more about these findings in chapter 3.

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.[12]

It is important to highlight that occupational class is not about salary. People in lower occupational classes can sometimes earn more than people in higher occupational classes. There can also be great variation in earnings within a class. The point in a person's working life at which they reach peak earnings also varies, with the peak typically coming later for professional jobs. Finally, 2 people doing the same type of work – plumbing, for example – can be in different classes if one is an employee and the other is self-employed, since the self-employed tend to be classed as intermediate.

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10 The Office for National Statistics collects, analyses and shares statistics about the UK's economy, society and population.

11 The Labour Force Survey (LFS) asks respondents what the occupation of the main earner in the household was when the respondent was aged 14 years. This is what we use when reporting socio-economic background using the LFS.

12 Between 2014 and 2022, our sample from the Labour Force Survey has the following composition by occupational class: Higher professional (14.1%), Lower professional (23%), Intermediate class (19.5%), Higher working class (16.8%) and Lower working class (26.5%).

Table 1.3:
The National Statistics Socio-economic Classification (NS-SEC).

NS-SEC	OUR 2022 REPORT	THIS YEAR'S REPORT	EXAMPLE OCCUPATIONS
1	**Professional and managerial**	**Higher professional** including higher managerial, administrative and professional	Chief executive officer of large firm, doctor, clergy, engineer, senior army officer
2		**Lower professional** including lower managerial, administrative and professional	Teacher, nurse, office manager, journalist, web designer
3 4	**Intermediate**[13]	**Intermediate** including intermediate occupations, small employers and freelance workers	Clerical worker, driving instructor, graphic designer, IT engineer, shopkeeper, hotel manager, taxi driver, roofer
5 6	**Working class**	**Higher working class** including lower supervisory, technical and semi-routine workers	Foreman, mechanic, electrician, train driver, printer, shop assistant, traffic warden, housekeeper, farmworker
7 8		**Lower working class** and workless families	Cleaner, porter, waiter, labourer, refuse collector, bricklayer

13 Some routine occupations can count as intermediate if the worker is self-employed.

The speech therapist and the metal worker

Higher occupational class does not always mean higher salary. For example, speech and language therapists count as higher professionals, NS-SEC1, because their job requires extensive professional training and accreditation, and they have a high level of autonomy. Yet their average salary is lower than that of many routine manual occupations.

Speech and language therapists
NS-SEC1 – higher professional
Average salary £28,179[14]

Metal plate workers and riveters
NS-SEC7 – lower working class
Average salary £31,247[15]

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

Other changes from the 2022 report

Our index remains comparable with the one we published last year. But we have updated several indicators and added new ones. We have also incorporated other technical changes to improve the robustness of the Index. A more detailed explanation of our methodology can be found in the technical annex.

New mobility outcomes

Mobility outcomes – looking at people at a later stage of life – are the core of social mobility analysis, because they show the most reliable estimate of the state of social mobility in the UK. In 2023, we include more types of mobility outcomes beyond income and occupation. We have added education, housing and wealth outcomes, and will keep our list of outcomes under review to make sure that we are capturing what matters.

New drivers

We have included drivers of social mobility in our index if evidence suggests that they affect overall mobility rates at a national or local level. This year, we have added 3 more drivers related to innovation and entrepreneurship, as there are reasons to think that this may increase mobility. In chapter 4, we set out in detail our measures of broadband speed, business spending on research, and numbers of university research students.

In some cases, such as various types of parenting activities, there is no annual data source for us to use, so we have not been able to include it.[16] We will look into publishing separate reports on drivers like this. In other cases, such as levels of innovation, there is currently no good data at all. We will continue to monitor the situation and add or remove drivers as evidence suggests and data allows.

New data sources

In a few cases, we have changed the data source that we are using to measure a concept. For example, in June 2022, we used the UK Household Longitudinal Survey (UKHLS, also known as Understanding Society) to report the number of parents with degrees and other qualifications.[17] This year, to take advantage of its larger sample size, we are using the LFS.

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16 Social Mobility Commission, 'The childhood origins of social mobility', 2016. Published on GOV.UK.
17 Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.

Data quality and missing data

Data gaps

There are still significant data gaps in the analysis of social mobility in the UK. This isn't a headline-grabbing issue, but it is fundamental for good analysis and good policy. Without the correct data, expensive and lengthy policy interventions can end up being misdirected.

In December 2022, we published a report detailing these gaps and calling for action.[18] We will publish updates on progress in our future annual reports.

There continue to be surprising gaps in the data and a lack of harmonisation in some measures across England, Northern Ireland, Scotland and Wales. These challenges tend to arise when devolved governments adopt different systems and 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 make possible consistent comparisons across the UK nations.

Table 1.4:
Examples of data gaps in the analysis of social mobility.

Issue	Data gaps
Socio-economic background of children in school	Eligibility for free school meals (FSM) is still the only measure in use.[19] It has different eligibility criteria across the UK, and eligibility has changed over time, so meaningful comparisons are difficult. Since it's a binary measure (eligible or not eligible), we cannot focus on the very worst off or those just above the FSM threshold.
Household income	There is still no administrative dataset giving a household picture of income, as children are not linked with their parents in the existing data. Instead, we have to use rather small and irregular longitudinal studies that, for example, follow children from birth to adulthood. This means that we have a limited understanding of the economic circumstances of children, especially concerning its geographical distribution.
Occupational data	There is very limited administrative data on occupations, so occupational mobility has to be estimated from surveys, with consequent limitations on geographical detail.
Cross-generational linking of income	Unlike, for example, the US, the UK doesn't link tax records across generations. The UK has no official data source for the reliable measurement of income mobility.

18 Social Mobility Commission, 'Data for social mobility: improving the collection and availability of data across government', 2022. Published on GOV.UK.
19 For some disadvantage measures the Department for Education includes children who have been in care.

Limitations of the Labour Force Survey

While the LFS is an incredibly useful tool, it still does not allow us to get reliable estimates from small geographical areas, such as lower-tier local authorities.[20] This is unfortunate because there may be very notable differences, for example, between different areas of large conurbations or different parts of a county.

We also know that, as with any survey, some groups of people are less likely to respond. While the ONS takes measures to avoid such sampling bias, it can cause particular problems for the analysis of social mobility.[21] This is because the groups least likely to respond tend to be those from more disadvantaged areas and have the most problems with social mobility.

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20 As specified by the Office for National Statistics (ONS). A lower-tier local authority can consist of: local authority districts, unitary authorities, metropolitan districts, London boroughs. For more information, see ONS, Lower-tier local authority to upper-tier local authority (April 2019) lookup in England and Wales', 2019. Published on DATA.GOV.UK.

21 See the Labour Force Survey – user guidance document on background and methodology for more information. Published on ONS.GOV.UK.

Public perceptions of social mobility

Conversations in the media and among politicians about social mobility may be very different from those taking place among the public. For that reason, we used our findings from the 2022 British Social Attitudes Survey and follow-up focus groups to find out what 'social mobility' means to some members of the public, and how they think the UK is doing.

Our survey of 3,389 UK adults gave us a timely snapshot of people's thoughts on social mobility after 2 years of the COVID-19 pandemic. It revealed that most people think having a better life than your parents means being healthier (57%), happier (52%) or having a better education (44%). Material circumstances, like earning more (18%), a better job (15%), or a better home (14%) were seen as less important.

People still think that there are large differences between social classes in the UK. 91% of all surveyed adults believed that these differences are wide (with 56% describing them as 'very wide' and 35% as 'fairly wide'). 4% said they were 'not very wide' and 2% stated that there were 'no differences between classes'.

In follow-up discussions, there was general agreement that access to a good education is important, as well as knowledge of the work opportunities that exist. Participants also agreed that everyone needs a mixture of self-motivation and the right conditions to succeed, with governments playing an important role in the latter.

A finding that was perhaps more surprising, and maybe more significant, is that participants did not always rank wealth and money as the most important outcomes. Other important attributes of a 'good life' included good health, access to quality education and, perhaps, good emotional or psychological elements.

"My parents would say – we have to go to university. There were 5 of us but we all had to go. There was no choice. If you don't have qualifications, how are you going to succeed?"

Focus group member

"The individual has got to want to change in the first place. You have to be resilient – you will always get knockbacks in life."

Focus group member

Respondents referred to strong family relationships, stability, being happy, being content with your life, and having the sense of living a fair and equal life.

It might be that, once a reasonable level of income, wealth and housing are reached, these things matter less than health, education or happiness. This is consistent with standard economic thinking – once we have a reasonable level of any material thing, acquiring more of it might matter less.

Participants also described disadvantage in a nuanced way. Factors mentioned as contributing to disadvantage included: living on benefits or minimum wage, poor housing, lack of access to good healthcare, low level of literacy, lack of employment prospects, and lack of emotional stability growing up. Interestingly, good personal relationships were seen as just as important as access to services and resources for tackling disadvantage.

As we take forward our programme of research into social mobility, we will revisit this topic to ensure that we capture what really matters to the people behind the statistics.

> **"People think of success as being at the top and having lots of money. But, for me, it's not really about that. It's about having enough money not to worry about money."**
>
> **Focus group member**

> **"Good relationships – with your parents, your partners, your neighbours. A good support network for when times go bad."**
>
> **Focus group member**

Summary of improvements and future work

This year's report is a significant step forward from last year, which in turn built on previous work. Our Index is more systematic and brings more insights than before, but there is still room for improvement. No single publication could ever be the last word on this topic. As the evidence base develops, we expect to modify our selection of drivers. And as more and better data becomes available, we can attempt more sophisticated analysis.

Strengths of this year's approach

Our development of the Index from last year has brought many improvements:

- We have added new drivers, intermediate outcomes, and mobility outcomes to the Index, making it more comprehensive and giving a fuller picture.

- We have broken down several outcomes by geography, showing where social mobility is working relatively well and where it may need improvement.

- Our new geographical approach has allowed us to start to investigate how outcomes might be related to drivers, by checking how drivers and outcomes correlate across regions.

- Breakdowns by protected characteristics mean we can understand how differences between groups and how they are treated may affect mobility.

- Our new 5-part division of SEB gives a much more detailed look at the very top and bottom, revealing important new findings.

- We have used more sophisticated techniques, such as multilevel modelling, to take account of how people are clustered within different areas.

- When using sample surveys, we have taken account of sampling error and the resulting imprecision of the estimates.

Selection of drivers

As we did last year, we have included drivers that we think may have a causal influence on rates of social mobility. The evidence will always evolve, so we may include further drivers (such as digital connectivity or crime), or remove some that are already included if this is appropriate.

Analysis of causes

While we have chosen drivers thought to be causally related to social mobility, none of the indicators reported here have a causal design. This means that we cannot infer cause and effect, or the size of effects, from the statistics reported here.

Yet descriptive statistics can help to narrow the search for causes. They can identify where particular problems warrant further investigation. From this starting point, we – and, we hope, others – can conduct further research. This might look at an individual's chances of mobility, what governments can do to raise mobility rates, what parents can do to help their children, and what people can do to help themselves.

2 –
Mobility outcomes

Highlights

☆ **The total occupational mobility rate – that is, the percentage of people in a different occupational class from their parents – has remained fairly constant for many decades. However, the surplus of upward over downward mobility is shrinking, as the growth in professional jobs has slowed.**

☆ **In the most recent data, 52% of people from a lower working-class background have gone on to work in professional or intermediate jobs. For people from a higher working-class background, 61% have done so.**

☆ **Adults in the UK with lower working-class parents are about 3 times as likely to be in a lower working-class occupation themselves (30%) as adults with higher professional parents (11%).**

☆ **Women are less likely than men to experience upward occupational mobility. For example, only 8% of women moved from a lower working-class background to a higher professional job, compared with 14% of men.**

☆ **There are very different mobility trends across ethnic groups. For example, Indian-British adults from a working-class background are about twice as likely to be in professional jobs (44%) as Bangladeshi-British adults from the same background (23%).**

☆ **People who grew up in Outer London West and North West (46%) or Surrey and Sussex (40%) have the greatest likelihood of long-range upward mobility (from the working classes to the professional classes).[22] People who grew up in Northern Ireland have the lowest (28%).**

☆ **Absolute income mobility in the UK was good for people born in the mid-1970s, but has since declined.[23] Just under 70% of those born in the mid-1980s have gone on to earn more than their parents did at a similar age.**

☆ **Compared with almost 20 years ago, relative income mobility – the strength of the link between parents' and children's income – has been roughly stable.**

☆ **People's highest level of qualification is strongly related to the level of education that their parents achieved. Most people whose parents went to university go on to gain a degree (64%). Only 18% of those whose parents have no qualifications go on to gain a degree.**

22 See chapter 1, table 1.2 for an explanation of these region names.
23 Absolute income mobility concerns the proportion of people whose income is higher than that of their parents, when they were of the same age.

Highlights

⭐ **Upward educational mobility – measured as children obtaining degrees whose parents did not – is much more common among certain ethnic groups. For example, 64% of Chinese-British people whose parents had no degree went on to obtain a degree, compared with only 28% among White British people. It is also more common in certain regions: 39% in London, for example, and only 22% in the East Midlands.**

⭐ **Since the 1990s, there has been considerable improvement in relative educational mobility. This means that people's chances of obtaining a degree have become less related to whether their parents had a degree or not.**

⭐ **People whose parents owned their own home are much more likely to own their own home (71%) compared with those whose parents did not own their own home (46%).**

⭐ **Relative housing mobility – the link between parents' home ownership and their children's home ownership – has worsened consistently and significantly since 1991. This means that the link is now much stronger – parental home ownership is a better predictor of children's home ownership. The link is also significantly stronger between women and their parents, than between men and their parents.**

⭐ **As we might expect, there is a link between parents' and children's wealth. A 10% increase in parents' wealth is associated with around a 3% increase in their children's wealth at a similar stage of life. Although data is limited, it seems plausible that relative wealth mobility is worsening along with relative housing mobility.**

⭐ **The mobility outcomes of people with a disability are consistently worse than the outcomes of those without, across occupation, education and housing.**

Introduction
Types of social mobility measures

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.

Success in one outcome doesn't guarantee success in another, and there is good evidence that shows that intergenerational links are strongest in the same types of outcome.[24] For example, parents' educational advantage or disadvantage seems most strongly linked to their children's educational outcomes, and the same goes for occupation and income.

Additional research has shown that wealth is no exception to this rule, and it has suggested that education, occupation, income and wealth are the 'big 4' dimensions of intergenerational social mobility. This means that advantage, or disadvantage, seems to be transmitted across one of these 'big 4 channels'.[25]

Housing mobility is not included as one of the 4, as it is a major component of wealth for most people. However we include it in this report. Data on wealth mobility is a problem for the UK, but we also make a first attempt to deal with it in this report.

Focusing on these 5 mobility outcomes – occupation, income, education, housing and wealth – gives us a more complete picture of individuals.

For occupation, income, education and housing mobility, we report on absolute and relative mobility rates, and also provide analysis by sex, ethnicity, disability and region, where permitted.

We should note that there has been little previous research in Britain on either education or housing mobility. We include them in this report for the first time.

> "Focusing on these 5 mobility outcomes – occupation, income, education, housing and wealth – gives us a more complete picture of individuals."

24 Max Thaning, 'Multidimensional intergenerational inequality: resource specificity in education, occupation, and income', 2019. Stockholm University. Published on SU.FIGSHARE.COM.

25 Martin Hällsten and Max Thaning, 'Wealth as one of the "big four" SES dimensions in intergenerational transmission', 2021. Published on ACADEMIC.OUP.COM.

Explainer

Absolute measures

Absolute measures capture the number of people who have experienced mobility. They are usually expressed as percentages of the population. For example, the absolute 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. We can compare these rates across different regions of the UK.

Relative measures

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 socially mobile people. Low relative mobility means that those who start life in a particular position are more likely than others to be in the same position later in life. For that reason, low relative mobility can be thought of as 'stickiness', while high relative mobility can be thought of as 'fluidity'.

Upward social mobility

Means doing better than our parents, whether that's in income, occupation, or other outcomes. How much better depends partly on effort and talent, and partly on starting point or background.

Higher absolute upward mobility

Means that more people are moving up in life. But our starting point still makes a difference – those who started further back are disadvantaged.

Higher relative mobility

Means that our starting point matters less. The total absolute upward mobility hasn't changed, but people at the back are now relatively better off.

Odds ratios

An odds ratio can be interpreted as the outcome of a competition between people from 2 different origins to achieve a particular outcome and avoid the alternative outcome. It is a standard measure of relative mobility, as it is independent of changes in the distributions.

For example, in figure 2.26, we see that 71% of people whose parents were homeowners became owners themselves, compared with only 46% of people whose parents were renters. But what if we check the relative chances of becoming a renter? As expected, people whose parents were renters have a higher chance of being a renter themselves, but the numbers are different – 54% became renters themselves, compared with 29% of people whose parents were homeowners.

All 4 of these percentages could change in different directions over time. So we need a measure of the combined inequality in becoming an owner rather than a renter,

taking into account all 4 percentages. The most commonly used method is to calculate the ratio of the odds, or the 'odds ratio'.

Calculating the odds ratio is done as follows. If we think only about the children of homeowners, 71% of them became homeowners themselves, while 29% became renters. This gives odds of 71 to 29. For the children of renters, it was 46 to 54. We then divide the first set of odds by the second. 71/29 divided by 46/54 roughly equals 2.9. This figure of 2.9 is the odds ratio. We can now see that all 4 percentages have been included in the calculation. For example, if the percentage of homeowners whose parents were homeowners (71%) were to increase, then the odds ratio of 2.9 would also have to increase, showing increased inequality. Or if the percentage of homeowners whose parents were renters (46%) were to increase, then the odds ratio would decrease, showing decreased inequality.

What are we doing this year?

Much research on social class mobility has been based on large-scale representative national surveys, such as the Labour Force Survey (LFS) and the UK Household Longitudinal Survey (UKHLS), also known as Understanding Society.

Respondents are typically asked to provide the information necessary to measure their own current occupational class position or educational qualifications. They are also asked to report the same kind of information about their parents' occupational class and educational qualifications.

These datasets are rich, and provide large sample sizes that allow for some regional and intersectional analysis.[26] However, the main social mobility questions, particularly those from the LFS, don't go back far enough in time for us to have a large enough sample to provide a clear time series of mobility trends. We also need breakdowns by geography and protected characteristics.[27]

In 2022, we focused on how mobility outcomes changed over time. We showed the intergenerational mobility patterns experienced by successive cohorts of people born throughout the 20th century. This year, we focus on comparing outcomes across regions and by groups of people according to gender or sex, ethnicity, and disability.

26 Intersectional analysis means looking at more than one characteristic at once, to check how they might interact. For example, we might look at both SEB and sex, and the interaction between them.

27 According to the Equality Act 2010, protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief, sex, sexual orientation, and race (including colour, nationality, and ethnic or national origin). It is against the law to discriminate directly against someone with any of these characteristics.

Summary of findings

Measuring mobility outcomes is challenging, especially in the case of income mobility where we have to rely on a small number of long-term panel studies for appropriate measures of parental income. While the inclusion of detailed questions on parental occupations in the LFS helps us to study occupational mobility and the Wealth and Assets Survey (WAS) enables the study of housing mobility, there are still serious data gaps for both education and wealth mobility.

There are also complex technical issues which limit how well we can use these data sources to understand social mobility. Some of these challenges include: recall bias, life-cycle bias, attrition and attenuation.[28] These need to be addressed when analysing the available data, especially when looking at differences across ages. We hope to tackle this in future reports.

Nevertheless, the main findings are as follows. While there are a few shared patterns across the different aspects and dimensions of mobility, the difference in results is more striking. It is important not to over-simplify what is actually a complex set of results. This complexity is not surprising since we are comparing absolute and relative levels of mobility, different dimensions of mobility – occupational, educational, income, housing and wealth mobility – and we are investigating intersectionality with gender or sex, disability, ethnicity and region of the UK.

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28 "Recall bias" means that people's memory can affect the accuracy of results. "Life-cycle bias" means that the outcomes we are looking at are correlated with people's age, so comparing people of different ages is difficult. "Attrition" means people dropping out of surveys over time. "Attenuation" means that random measurement error can make it hard to spot genuine statistical relationships.

Broadly speaking:

With respect to trends over time and across regions, housing mobility looks very different from the other main dimensions.

For absolute mobility, the most common pattern is to find more upward than downward mobility, although the contrast was more marked in previous decades than it is today.

For relative mobility, there continue to be quite high levels of intergenerational persistence in most domains, although the trends over time differ – in the case of housing mobility, there has been a marked increase in persistence in contrast to educational mobility where there has been a marked decrease in persistence.

Differences between sexes vary from one type of mobility outcome to another.

On disability, we uniformly find that people with a long-term illness or disability are substantially disadvantaged in all domains (in absolute terms).

In the case of ethnicity, patterns vary markedly from one group to another although absolute educational mobility tends to be significantly higher for many ethnic minorities compared with White British people, while absolute occupational mobility tends to be significantly lower for some minorities than for White British people.

When looking at geography, London and the South East appear to be particularly advantaged in terms of absolute upward educational and occupational mobility, but particularly disadvantaged in terms of absolute housing mobility – it is however quite difficult to detect significant differences between regions in terms of relative mobility (partly due to small sample sizes and high imprecision in the estimates), and most areas of the UK are quite similar in all domains.

Occupational mobility

Occupational mobility has historically been the focus of social mobility research, for good reason. First, occupational mobility captures the link between parents' occupational class and their children's, providing a snapshot of generational outcomes in terms of type of jobs.

"**Short-range occupational mobility means moving from one broad occupational category to an adjacent one. For example, moving from an intermediate origin to a working-class or professional occupation would be short-range mobility, as would moving from working class to intermediate, or professional to intermediate**

Long-range occupational mobility means moving either from a working-class origin to a professional occupation, or a professional origin to a working-class occupation."

Second, occupations are associated with a wide range of important life outcomes, including income, employment conditions and security, risks of unemployment, and health and wellbeing. This provides rich insights about mobility more generally.

Absolute occupational mobility

Absolute mobility concerns whether people have a higher or lower occupation level than their parents. Upward absolute occupational mobility can be measured by the proportion of people who have jobs in a higher occupational class than their parents did at a similar stage of life.

We define socio-economic background (SEB) as the occupation of the main earner in the respondent's household when the respondent was aged 14 years. As mentioned earlier, we use 5 categories:

- higher professional and managerial
- lower professional and managerial
- intermediate
- higher working class
- lower working class

These are defined based on 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).[29] [30] This classification is used widely to understand the structure of socio-economic positions in society.

As we note in chapter 1, occupational class is not about salary. People in lower occupational classes can sometimes earn more than people in higher occupational classes.

In figure 2.0 to 2.3 we show long-term trends in rates of absolute occupational class mobility. We compare the experience of cohorts of men and women born in the decades from the 1910s to the 1990s.[31] The oldest of these cohorts entered the labour market before World War 2 and the youngest entered the labour market 70 years later, in the 21st century. The most recent cohorts are still early in their working lives, and this could influence the results.

For both men and women, the percentage of upwardly mobile people has always been higher than downwardly mobile. This surplus of upward over downward mobility is a consequence of the changing shape of the occupational structure, with increasing room at the top, especially in the middle part of the period covered by figure 2.0.

In the case of men, the gap between the 2 curves – the surplus of upward over downward mobility – has been gradually shrinking, as upward mobility has declined and downward mobility increased. This shrinking could be due to the younger age of the latest birth cohorts, because people's likelihood of being upwardly mobile increases as they get older, up until about age 40 years (see figure 3.56). But this is unlikely to fully explain it. More detailed research by Bukodi and Goldthorpe (2019) which studied recent trends across cohorts at the same age, confirms that upward mobility has been declining and downward mobility increasing.[32]

One explanation for the closing of the gap is that there are now more people at risk of downward mobility, because of the expansion of the professional classes in their parents' generation. Similarly, there are now fewer people from working-class backgrounds, so fewer people are in a position to move upwards. So what we are seeing is partly a consequence of the demographic changes arising from the great expansion of the professional classes in the 1960s and 1970s.

There is a third element that we need to take into account. The shape of the occupational structure is now changing at a slower pace than it was during the second half of the 20th century. The chances of a man of working-class origin reaching a professional job improved greatly over the 20th century. But if we want that to continue, we will still need to create more professional jobs.

29 The Office for National Statistics collects, analyses and shares statistics about the UK's economy, society and population.

30 The NS-SEC was developed from a classification known as the Goldthorpe Scheme. 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 higher occupational classes. There can also be great variation in earnings within a class.

31 Cohorts are groups of people used in a study who show similar characteristics such as age.

32 See figure 2.3 in Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2019. Published on CAMBRIDGE.ORG.

Figure 2.0:
There continues to be more upward than downward mobility for men, but the size of this surplus has been shrinking in recent decades and chances of long-range upward mobility have been declining.

Percentages of men experiencing occupational mobility (upward, downward, and total), by birth cohort, UK, data collected from 1972 to 2022.

Source: The General Household Survey (1972 to 2005), British Household Panel Survey (1991 to 2009), Taking Part Survey (2005 to 2006), Understanding Society (2010 to 2019) and Labour Force Survey (2014 to 2022), male respondents aged 25 to 65 years.

Note: The figures for total mobility are the sum of the percentages upwardly and downwardly mobile. This represents the percentage of the sample as a whole who were in a different social class position from the one in which they were brought up (based on 5 social classes: professional, intermediate, own account, skilled manual, unskilled manual. Classes differ from those used elsewhere in this report, due to data availability).

Figure 2.1:
The chances of a man of working-class origin reaching a professional job improved greatly over the 20th century. The cohorts born in the 1980s or 1990s have not yet reached occupational maturity, so these numbers will tend to be lower.

Percentages of men of working-class origin in professional jobs, and men of professional origin in working-class jobs, by birth cohort, UK, data collected from 1972 to 2022.

Source: The General Household Survey (1972 to 2005), British Household Panel Survey (1991 to 2009), Taking Part Survey (2005 to 2006), Understanding Society (2010 to 2019) and Labour Force Survey (2014 to 2022), male respondents aged 25 to 65 years.

Note: The figures for long-range upward mobility are percentages of those from a working-class background who went on to work in a professional occupation. The figures for long-range downward mobility are the opposite, that is, percentages of those from a professional background who went on to work in a working-class occupation. Analysis is based on 5 social classes: professional, intermediate, own account, skilled manual, unskilled manual. Classes differ from those used elsewhere in this report, due to data availability.

The picture is broadly similar among women, although the process began somewhat later. Among the oldest cohorts of women, in contrast to the picture for men, there was more downward than upward mobility. It was only among the cohort born in the 1930s, who would have been entering the labour market after the war, that overall upward mobility actually overtook downward mobility. This may be connected with the lack of employment opportunities for women in the inter-war period, particularly in higher-level professions and managerial work.[33]

There appears to be a greater decline in the total rate of mobility among women than men after the 1950s. This is due to the downward mobility trends differing between men and women: men saw a bigger increase in downward mobility than women did over this period. This may be linked to the shift from an industrial to a post-industrial occupational system and a decline in gender segregation at work.

33 A Halsey and Josephine Webb, 'Twentieth-century British social trends', 2000. Published on SEMANTICSCHOLAR.ORG.

Figure 2.2:

There continues to be more upward than downward mobility for women, but the size of this surplus has been shrinking in recent decades, as has the total percentage who are mobile.

Percentages of women experiencing occupational mobility (upward, downward, and total), by birth cohort, UK, data collected from 1972 to 2022.

Source: The General Household Survey (1972 to 2005), British Household Panel Survey (1991 to 2009), Taking Part Survey (2005 to 2006), Understanding Society (2010 to 2019) and Labour Force Survey (2014 to 2022), female respondents aged 25 to 65 years.

Note: The figures for total mobility are the sum of the percentages upwardly and downwardly mobile. This represents the percentage of the sample as a whole who were in a different social class position from the one in which they were brought up (based on 5 social classes: professional, intermediate, own account, skilled manual, unskilled manual. Classes differ from those used elsewhere in this report, due to data availability).

Figure 2.3:

The chances of a woman of working-class origin reaching a professional job improved greatly over the 20th century. The cohorts born in the 1980s or 1990s have not yet reached occupational maturity, so these numbers will tend to be lower.

Percentages of women of working-class origin in professional jobs, and women of professional origin in working-class jobs, by birth cohort, UK, data collected from 1972 to 2022.

Source: The General Household Survey (1972 to 2005), British Household Panel Survey (1991 to 2009), Taking Part Survey (2005 to 2006), Understanding Society (2010 to 2019) and Labour Force Survey (2014 to 2022), female respondents aged 25 to 65 years.

Note: The figures for long-range upward mobility are percentages of those from a working-class background who went on to work in a professional occupation. The figures for long-range downward mobility are the opposite, that is, percentages of those from a professional background who went on to work in a working-class occupation. Analysis is based on 5 social classes: professional, intermediate, own account, skilled manual, unskilled manual. Classes differ from those used elsewhere in this report, due to data availability.

Figure 2.4 shows the occupational class position of people aged 25 to 64 years in the UK by the occupational class of their parents. Overall we find substantial upward occupational mobility. Among those from a lower working-class background, around 70% experienced either short or long-range upward mobility, and 32% experienced long-range upward mobility into the professional classes. In contrast, only 18% (7% plus 11%) of people from higher-professional backgrounds experienced long-range downward mobility into the working classes. This surplus of upward over downward mobility reflects the great expansion of professional and managerial employment over the last decades of the 20th century.

People's occupational class position is strongly related to their socio-economic background.

Occupational class position of respondents aged 25 to 64 years in the UK, 2022, by highest level of parental occupational class.

Source: Office for National Statistics, Labour Force Survey (LFS) 2022, respondents aged 25 to 64 years in the UK, data collected from July to September 2022.

Notes: Parental social class in the LFS is measured by asking respondents to recall the occupation of the main wage earner in their household when they were aged 14 years. A formal chi-square test shows that the relationship is statistically significant at the 0.001 level. Due to rounding errors, in some instances the totals may not add up to 100%.

However, substantial inequalities continue in mobility outcomes. Respondents from higher professional backgrounds were by far the most likely to have higher professional positions: 34% were in the higher professional class,

around 3 times as many as from the lower working class (11%).

This picture is closely in line with that from other recent research and previous State of the Nation reports.[34] [35] [36]

34 Brian Bell and others, 'Where is the land of hope and glory? The geography of intergenerational mobility in England and Wales', 2018. Published on CENTRE FOR ECONOMIC PERFORMANCE. LSE.AC.UK; Jo Blanden and others, 'Trends in intergenerational home ownership and wealth transmission', 2021. Published on CENTRE FOR ECONOMIC PERFORMANCE LSE.AC.UK.

35 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.

36 Brian Bell and others, 'Where is the land of hope and glory? The geography of intergenerational mobility in England and Wales', 2018. Published on CENTRE FOR ECONOMIC PERFORMANCE.

Geographical analysis of absolute occupational mobility

By pooling all years of the LFS between 2018 and 2022, we have been able to look at absolute occupational mobility across regions. We compare the chances of people from different regions of the UK, but from the same SEB, of getting into the professional and managerial classes. Figure 2.5 shows that people who grew up in London and the south-east tend to have better chances of upward occupational mobility and those who grew up in the north and the south-west have the poorest. There are elements both of centre/periphery and north/south divisions although either division on its own is an oversimplification of a more complex reality. This probably reflects the presence of several different causes of unfavourable mobility chances, as we describe in our section on the drivers of mobility.

Figure 2.5:

Those who grew up in London and the south-east have the best upward occupational mobility rates, and those who grew up in the north and the south-west have the worst.

Chances of having a professional class position in the UK, 2022, by International Territorial Level 2 regions, controlling for socio-economic background (SEB).

Chances of having a professional class position

- Q1 (Worst 20%)
- Q2
- Q3
- Q4
- Q5 (Best 20%)

Source: Office for National Statistics, pooled Labour Force Survey (LFS) 2018 to 2022, respondents aged 25 to 64 years in the UK, data collected from July to September each year.

Note: The data used is weighted using the LFS probability weights. The data was analysed using a multilevel logistic regression model, controlling for SEB, in order to achieve more reliable estimates and avoid the risk of obtaining extreme outliers by chance.[37] We have also checked the patterns by estimating rates of long-range upward mobility from working class origins to professional class destinations.

37 Outliers are values or points that are extreme and different from most other parts of a data set.

Intersectional analysis of absolute occupational mobility

We now look at how levels of absolute occupational mobility differ across sex, ethnicity, disability and place.[38]

Differences between men and women

It is not surprising that we see important differences across sexes. Women are significantly less likely to be in the higher professional class than men from the same SEB.

We see this trend in figure 2.6. Among people from higher-professional backgrounds, 40% of men and only 27% of women are in the higher-professional class. Women from higher-professional backgrounds are also more likely than men to be in the lower-working class. 12% of women from higher-professional backgrounds are in lower working-class jobs, compared to only 9% of men from the same SEB (a statistically significant difference). This means that women are more likely to experience long-range downward mobility than men.

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38 Intersectional analysis means looking at more than one characteristic at once, to check how they might interact. For example, we might look at both SEB and sex, and the interaction between them.

Figure 2.6:

Women's chances of being in the higher-professional class are poorer than the chances of men from the same socio-economic background.

Occupational class position of respondents aged 25 to 64 years in the UK, 2022, by highest level of parental occupational class and sex.

Notes: Differences between men and women in access to the higher professional class are statistically significant at the 1% level. The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances, the totals may not add up to 100%. Due to rounding errors, in some instances the totals may not add up to 100%.

A range of explanations for this discrepancy have been suggested. Potentially important explanations are that women are more likely than men to take on caring responsibilities and to work part-time at some stage of their lives, and may therefore find it harder to make progress in their careers. Even for full-time workers, some high-level positions may not provide the time flexibility needed for coping with family emergencies (or may insist on long hours that do not fit with routine family responsibilities).[39]

Differences between ethnic groups

We also find differences across ethnic groups. In figure 2.7, we find that people of Indian (44%) and Chinese (46%) backgrounds have significantly higher chances of long-range upward mobility than their White British peers, possibly reflecting their high rates of upward educational mobility. However, evidence shows that these patterns vary across generations.

For example, it is common that first-generation migrants experience a notable social decline, while their children – second-generation migrants – experience advancement.[40] This means that mobility rates, in turn, will be affected by the balance of first and second (or later) generation immigrants in that particular ethnicity.

39 Claudia Goldin and Lawrence Katz, 'The cost of workplace flexibility for high-powered professionals', 2011. Published on JOURNALS.SAGEPUB.COM.
40 Yaojun Li and Anthony Heath, 'Class matters: A study of minority and majority social mobility in Britain, 1982–2011', 2016. Published on JOURNALS.UCHICAGO.EDU.

Figure 2.7:

People with Indian and Chinese ethnic backgrounds have a greater likelihood of long-range upward mobility from the working classes than other groups.

Proportion of respondents aged 25 to 64 years in the UK, from 2014 to 2022, experiencing long-range upward and downward mobility by ethnic group.

Source: Office for National Statistics, pooled Labour Force Survey 2014 to 2022, respondents aged 25 to 64 years in the UK, data collected from July to September each year.

Notes: The blue bars (long-range upward occupational mobility) represent the proportion of respondents from a working-class background who are now in a professional occupation. The red bars (long-range downward occupational mobility) represent the proportion of respondents from a professional background who are now in a working-class occupation. "Other" are people whose self-reported ethnicity is not 1 of the first 9 categories. The results for the Indian, Chinese, Bangladeshi and Pakistani groups are significantly different from the White British results at a 0.01 level of significance. The error bars show 95% confidence intervals.

We also see that there are some high rates of long-range downward mobility among ethnic minorities. For example, people from the Bangladeshi (45%) and Pakistani (40%) groups have the highest proportion of long-range downward mobility. This implies that some ethnic minority families may not be so able as White British families to protect their children from downward mobility.

Differences by disability status

Figure 2.8 shows that people from all SEB who have a limiting long-term illness or disability are much less likely than people without a disability to enter the professional classes. They are also more likely to have a lower working-class position. Extraordinarily high percentages of people with a disability hold lower working-class positions – from over 25% of those from higher-professional backgrounds

to over 50% of those from lower working-class backgrounds. Long-range downward mobility rates are greater than upward mobility rates for people with a disability, in marked contrast to the general picture for occupational mobility. For example, only 16% of people with a disability were upwardly mobile into the professional classes compared with 38% from the higher-professional class who were downwardly mobile into the working classes.[41]

Figure 2.8:

People with a disability or long-term limiting condition have a much lower likelihood of long-range upward mobility and much higher chances of downward mobility than the population as a whole.

Proportion of respondents aged 25 to 64 years in the UK, from 2014 to 2022, experiencing long-range upward and downward mobility by limiting long-term conditions.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) 2014 to 2022, respondents aged 25 to 64 years in the UK, data collected from July to September each year.

Note: We use the LFS variable DISEA (disability status). This provides a measure of disability consistent with the Equality Act. It considers whether the respondent has a health condition or illness lasting 12 months or more (or both), and whether that condition reduces their ability to carry out day-to-day activities (for details see the LFS user guides volumes 3 and 4). The percentages of people with a disability who experienced long-range upward or downward mobility are all significantly different from the percentages without a disability at the 1% level. The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

41 For a general review of the economic situation of people with a disability see, 'Being disabled in Britain: a journey less equal', 2017. Published on EQUALITYHUMANRIGHTS.COM.

Differences between regions

Where you grow up is also associated with how you get ahead in terms of occupational class. We see this in figure 2.9 where we look at differences in absolute occupational mobility by region, with a similar pattern to figure 2.5. London, and Surrey and Sussex (East and West), provide particularly high rates of long-range upward mobility. In contrast, Cornwall and Isles of Scilly, East Yorkshire and North Lincolnshire, and the Highlands and Islands of Scotland tend to have lower rates of long-range upward mobility or higher rates of long-range downward mobility. This suggests a distinction between the centre and the periphery. Areas of the central mainland tend to have higher rates than those that are coastal.

Figure 2.9:

People who grew up in Outer London or Surrey and Sussex have the greatest likelihood of long-range upward mobility from the working classes.

Proportion of respondents aged 25 to 64 years in the UK, 2022, who experienced long-range upward and downward mobility, by area in which they grew up.

Source: Office for National Statistics, pooled Labour Force Survey 2018 to 2022, respondents aged 25 to 64 years in the UK, data collected from July to September each year.

Notes: The figure represents the proportion of people from a working-class background belonging to the professional classes (long-range upward mobility) and the proportion from a professional-class background belonging to the working classes (long-range downward mobility) across each region. The error bars show 95% confidence intervals.

Relative occupational mobility

Relative mobility compares the mobility chances of people from different social backgrounds. It focuses on the chances of someone from one SEB attaining a given occupational class compared to someone from another SEB. Measures of relative mobility can be thought of as describing the strength of the intrinsic link (or 'stickiness') between parents' and adult children's occupational class.

Figure 2.10 shows the extent to which your parent's occupational class is related to your own occupational class. The numbers in the chart are all relative to 2014. A negative number implies that a person's SEB is less related to their current occupational class than in 2014. In other words, relative mobility is higher than in 2014. Overall our figure shows that relative to 2014, the strength of the link between people's occupational class and their parents' occupational class is getting weaker, and significantly so from 2019 onwards. There are signs of social progress even though social inequalities are still marked in 2022.

Figure 2.10:
Relative occupational mobility has been improving since 2014, with significant differences between mobility in 2019 to 2022 and the base year, 2014.

Relative occupational mobility in the UK from 2014 to 2022, uniform difference (UNIDIFF) parameter estimates compared with 2014. The UNIDIFF parameter shows whether odds ratios have grown or shrunk over time.

Notes: The UNIDIFF model assumes that all odds ratios differ by a common multiplier in comparison with a benchmark group (in this case, year 2014). This common percentage is expressed in log form, the log UNIDIFF parameter shown above. When the logged value is near 0, there is no change in the odds ratios – relative mobility is constant across all groups. But when it is negative, the link between origins and destinations is weaker – the odds ratios are lower, and relative mobility is higher. At very large negative values, there would be almost no link at all between origins and destinations.

Intersectional analysis of relative occupational mobility

We now look at how levels of relative occupational mobility differ across sex, ethnicity, disability and region.

Differences between sex and ethnic groups

We see in figure 2.11 some clear differences across groups in terms of relative occupational mobility.

Although the White Other group has a similar level of relative mobility to the White British majority group, several other minorities show significantly higher levels of fluidity (that is, a looser link between parents and children).

High levels of fluidity are often regarded as desirable, but higher fluidity can arise from downward mobility as well as upward.

It could reflect the fact that many first-generation minorities experienced downward social mobility. This so-called perverse (or undesirable) fluidity is consistent with some of the findings for absolute occupational mobility – we see some of the highest rates of downward mobility for the same groups, particularly the Pakistani and Bangladeshi groups. Possible explanations might relate to a lack of fluency in the English language, foreign qualifications that are not easily transferable, or discrimination.

Deeper analysis is required, particularly distinguishing the first generation (the migrants) from the second generation (who were born in Britain and will typically be fluent in English and have British qualifications).

Figure 2.11:

Men and women from Black, Pakistani, Bangladeshi and Chinese backgrounds experience higher levels of relative mobility than do White British or White Other groups.

Relative mobility by ethnic background and sex in the UK, from 2018 to 2022, uniform difference parameter estimates compared to the White British group.

Source: Office for National Statistics, pooled Labour Force Survey 2018 to 2022, respondents aged 25 to 64 years in the UK, data collected from July to September each year.

Notes: The UNIDIFF (uniform difference) model assumes that all odds ratios differ by a common multiplier in comparison with a benchmark group (in this case, White British). This common percentage is expressed in log form, the log UNIDIFF parameter shown above. When the logged value is near 0, there is no change in the odds ratios – relative mobility is constant across all groups. But when it is negative, the link between origins and destinations is weaker – the odds ratios are lower, and relative mobility is higher. At very large negative values, there would be almost no link at all between origins and destinations.

Differences by disability status

We can also use the UNIDIFF model to compare the level of relative mobility among people with and without a disability.

Figure 2.12 shows that among those with a disability there is a stronger association between social class origins and current social class position. This is in line with our findings in chapter 3 on intermediate outcomes which show that disability gaps tend to be larger among people from more disadvantaged backgrounds. One possible interpretation of this pattern is that people with a disability are more dependent on their parents for help than are people without a disability.

"Among those with a disability there is a stronger association between social class origins and current social class position."

Figure 2.12:

There is significantly greater intergenerational persistence of occupational class among people with a disability than among those without a disability.

Relative mobility by disability status in the UK, from 2018 to 2022, UNIDIFF parameter estimates for respondents with a disability compared to those without a disability.

Source: Office for National Statistics, pooled Labour Force Survey (LFS), from 2018 to 2022, respondents aged 25 to 64 years in the UK, data collected from July to September each year.

Note: We use the LFS variable DISEA (disability status). This provides a measure of disability consistent with the Equality Act. It considers whether the respondent has a health condition or illness lasting 12 months or more (or both), and whether that condition reduces their ability to carry out day-to-day activities. The UNIDIFF parameter estimate means that the association between people's social class and their parents' social class is significantly stronger among those with a disability than among those without a disability.

Differences between regions

Unlike the findings for absolute occupational mobility, we don't see any clear regional distinctions. Instead, in figure 2.13, we see levels of relative mobility that are similar across most areas of the UK, including London.

These results are closely in line with those reported recently by Granström and Engzell (2023), who summarise their findings as follows:

"How do opportunities for intergenerational mobility depend on the place where you live? … there is a clear distinction between upward mobility, largely driven by structural change, and relative mobility which is thought to closer reflect (in)equality of opportunity. Capital regions are hubs of absolute upward, but not always relative, mobility. Absolute upward mobility is correlated with a range of human capital, labour market, demographic, and socio-spatial characteristics. By contrast, the only robust predictor of relative mobility is income differences between social classes. More inequality entails less mobility, and this relationship holds within countries."[42]

42 Olivia Granström and Per Engzell, 'The geography of intergenerational mobility in Europe', 2023. Published OSF.IO.PREPRINTS.

Figure 2.13:

Levels of relative mobility are similar across most areas of the UK, including London.

Relative mobility by area in which people grew up, uniform difference (UNIDIFF) parameter estimates compared with Inner London – West.

Source: Office for National Statistics, pooled Labour Force Survey 2018 to 2022, respondents aged 25 to 64 years in the UK, data collected from July to September each year.

Notes: Areas are where respondents lived when they were aged 14 years. These do not refer to current geography, areas where respondents lived when they completed the survey. The UNIDIFF model assumes that all odds ratios differ by a common multiplier in comparison with a benchmark group (in this case, White British). This common percentage is expressed in log form, the log UNIDIFF parameter shown above. When the logged value is near 0, there is no change in the odds ratios – relative mobility is constant across all groups. But when it is negative, the link between origins and destinations is weaker – the odds ratios are lower, and relative mobility is higher. At very large negative values, there would be almost no link at all between origins and destinations.

Case study

Chantelle Powers

age 30 years, from Solihull

"I always remember feeling embarrassed to talk about my upbringing and where I was from. I grew up in a single-parent household in an area of deprivation within Birmingham. I often remember my mother giving me the last pennies out of her pocket just so that I wouldn't miss out and could go out with friends. Now that I'm older I've realised how much she went without and I feel lucky I'm in the position I am now to make sure that doesn't happen again.

Throughout school I developed an ambition to work in animal care, so I took the option to complete a level-3 BTEC [Business and Technology Education Council]. When I tried to apply for university to become a vet, I didn't realise the barriers I'd face with not picking A Levels as I'd just assumed the BTEC was equivalent. With a number of declines, and offers only at universities too far away, I didn't think I'd manage to get a degree. I remember my mother trying to calculate how she could support me but going to university, paying course fees and accommodation costs was something that just felt unattainable. I then decided to think about other career prospects.

"I headed to an interview for a Level 3 Business course at my local college, where I was surprised to be offered an alternative route – studying for my degree through the college, enabling me to pursue the possibility of graduating while remaining in my area!"

While at college I developed an interest in HR [human resources]. I remember asking my tutor about the possibilities and how I could get into the sector, and I reached out to my local careers service as it felt they were the only people who might be able to support me. It just happened that a few weeks later an organisation reached out for a volunteer to support their HR team so I took the chance! Little did I know this opportunity would be the starting point to my career.

"I'm so proud of where I am today."

A college tutor then shared Jaguar Land Rover's (JLR) undergraduate placement with me and I had to take the chance to apply. I'd had no prior experience of an assessment day or what to expect and no family member to ask to share their experience, but to my surprise I was offered the placement! I remember someone close to me saying that I'd just been selected on the basis of where I chose to study and the area that I was from, not recognising that I had the potential to succeed. JLR has been a great employer, enabling me to continue onto their graduate scheme and providing me with a number of opportunities and experiences.

I'm so proud of where I am today – the imposter syndrome often kicks in but I'm really lucky that I've returned to a role in early careers where I know I'll be able to support students throughout their career choices. There's so much more to do in this space and we're just getting started.

Income mobility

The measurement of income mobility is more challenging than that of 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 LFS, which rely on recall data for parents' occupations, are not generally used for income mobility. Instead, the preference is for panel studies, in which the same individuals are tracked over time.

In these panel studies, parents can be asked directly about their own incomes at the time when their children were still at home. In turn, their adult children can be asked about their incomes after they have entered the labour market 20 or more years later. However, panel studies of this sort are very expensive, and tend to have much smaller sample sizes than the LFS. They also suffer from attrition (people dropping out) over time, which reduces the precision of the estimates.

Another option, which has been used in North America and elsewhere, is to link parent and child tax records. This potentially provides better quality data and much larger numbers of observations. Unfortunately, we do not have this in the UK.

Analysis of panel surveys in Britain has therefore been the main source of estimates of income mobility. Published studies using these data sources have produced many valuable insights into the patterns of relative income mobility in Britain.

Absolute income mobility

Absolute income mobility concerns the proportion of people whose income is higher than that of their parents when they were the same age. Having a higher income is referred to as upward absolute income mobility, and is generally strongly influenced by the growth of real household income.

Last year we reported on absolute income mobility in the UK by comparing it to other countries. We did not do our own analysis due to data constraints, but summarised the results from Manduca and others (2020), which discuss absolute mobility for some birth cohorts between 1960 and 1987 for some countries.[43][44] This year, we have included the same figure. Overall, absolute income mobility in the UK was good, at well above 70%, for those born in the mid-1970s but has since declined to below 70%.

Figure 2.14:
Absolute income mobility in the UK was good for those born in the mid-1970s, but has since declined.

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. The results presented here are the same as those shown in our State of the Nation 2022 report, figure 2.5.[45]

43 Countries included are: US, Sweden, Denmark, Norway, Canada, Finland and the Netherlands.
44 Robert Manduca and others, 'Trends in absolute income mobility in North America and Europe', 2020. Published on IZA.ORG.
45 See figure 2.5 of Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.

Relative income mobility

There have only been a few panel surveys in Britain which have been suitable for measuring intergenerational income mobility. The earliest was by Atkinson and colleagues.[46] The study covered the years 1975 to 1978, in which the researchers surveyed the adult sons of fathers who had been interviewed as part of Seebohm Rowntree's 1950 survey of poverty in York.[47]

Atkinson's study was quite small-scale and was not nationally representative. Subsequent larger-scale nationally representative studies have been based on 2 birth cohort studies. The first of these was the National Child Development Study (NCDS) which interviewed parents of children born in 1 week of March 1958. The children were then followed up through school and then through their working careers. The second was the 1970 British Cohort Study (BCS) which followed the same process. Parents of children born in 1970 were interviewed and then their children have been followed up regularly during their schooling and adult lives. A third study along the same lines – the Millennium Cohort Study (MCS) – interviewed parents of children born in 2001 and is continuing to follow up the children. As of yet, the children are not old enough to make an effective study of income mobility, but in a few years' time the MCS will be able to provide important new evidence on income mobility.

In addition to these birth cohort studies, the ongoing UKHLS (which started with an adult sample in 2009) helps to link data on parents' and children's incomes in early adulthood. This can be used to make some up-to-date estimates of income mobility among younger people.

Relative income mobility is most commonly estimated by taking logarithms of both parents' and children's income (since income tends to be quite skewed with a long 'tail' consisting of a few people earning much higher incomes). The degree of intergenerational persistence (the link between parents' and children's incomes) can then be estimated with a linear regression model.[48] Another method of estimating relative income mobility is to use parents' and adult children's centile positions in the income distribution. This method tends to give better results, but was not always reported in earlier research.

In table 2.15 we show estimates of relative intergenerational income mobility from the published studies plus our own estimates from the UKHLS 2020. We must emphasise, however, that there are major differences between the data and methodology of the various studies, and considerable imprecision in the estimates. The results that can most safely be compared are those for 1991 and 2004. These show the well-known increase in intergenerational persistence (that is, a decline in relative mobility) in the last decade of the 20th century. In table 2.15, the estimate shows the percentage increase in a child's income associated with a 1 percent increase in their parent's income. For example, in 2020, a 1 percent increase in someone's parent's income was associated with a 0.29 percent increase in their income.

46 Anthony Atkinson, 'On intergenerational income mobility in Britain', 1981. Published on TANDFONLINE.COM.
47 Anthony Atkinson, 'On intergenerational income mobility in Britain', 1981. Published on TANDFONLINE.COM.
48 Economists typically fit a regression model of the form

$$YSon = \alpha + \beta Yparent + u \qquad (1)$$

where YSon represents the son's income (logged) and Yparent represents the parents' income (logged). α is the intercept, β is the regression coefficient representing the strength of association between parents' and adult children's income, and u is an error term. The regression coefficient (also known as intergenerational elasticity) has a natural interpretation. For example, a coefficient of 0.3 means that if 2 families have (log) incomes that differ by 10%, their sons' (log) income will differ by about 3%.

Table 2.15:
Intergenerational income persistence increased between 1991 and 2004 and has probably remained at a similar level in the 21st century.

Estimates of the strength of intergenerational income mobility (intergenerational elasticity), from 1975 to 1978, and 2020.

	1975 to 1978	1991	2004	2009 to 2016	2020
Estimate	0.36	0.21	0.33	0.27	0.29
95% confidence interval	0.14 – 0.57	0.15 – 0.27	0.27 – 0.36	0.22 – 0.32	0.15 – 0.43

Sources: 1975 to 1978: Atkinson and others (1981) based on follow up of the 1950 social survey of York; 1991 and 2004: Blanden and Machin (2008) based on National Child Development Study and Birth Cohort Study 1970; 2009 to 2016: Rohenkohl (2019) based on linked British Household Panel Study and UK Household Longitudinal Study (UKHLS) data; 2020: own calculations based on the UKHLS 2009 and 2020.[49][50]

Note: The 1975 to 1978 study measured fathers' and sons' weekly earnings. The age of the sons was not specified. The 1991 study measured parental household income and their children's earnings at age 33 years. The 2004 study measured parental household income and their children's earnings at age 34 years. The 2009 to 2016 study measured parental household gross income and adult children's gross household income at age 25 years or older. The 2020 study measured parental household gross income and sons' (and daughters') gross personal income at age 25 years or older (average age 30 years).

While we recommend extreme caution in comparing results from the 2 birth cohort studies with those from the UKHLS, the results from the latter data source are broadly in line with those from the BCS 1970 (Blanden and Machin 2008).[51] In other words, we cannot reject the hypothesis that relative income mobility has been unchanged over the first 2 decades of the 21st century.

We also need to be aware that estimates of relative income mobility vary over the life cycle. Estimated intergenerational persistence is lowest when the respondents' income is measured during their 20s but then increases in their 30s and 40s before dropping again at age 50 years (Gregg and others, 2017).[52] The estimates in table 2.15 are likely to be underestimates of the likely strength of intergenerational persistence in Britain.

Taking the above into consideration, our provisional conclusion is that relative income mobility has remained at roughly the same level in recent years.[53]

49 Jo Blanden and Stephen Machin, 'Up and down the generational income ladder in Britain: past changes and future prospects', 2008. Published on CAMBRIDGE.ORG.

50 Bertha Rohenkohl, 'Intergenerational income mobility in the UK: new evidence using the BHPS and Understanding Society', 2019. Published on UNDERSTANDING SOCIETY.AC.UK.

51 Jo Blanden and Stephen Machin, 'Up and down the generational income ladder in Britain: past changes and future prospects', 2008. Published on CAMBRIDGE.ORG.

52 Paul Gregg and others, 'Moving towards estimating sons' lifetime intergenerational economic mobility in the UK', 2016. Published on ONLINELIBRARY.WILEY.COM.

53 We should note that Rohenkohl's estimates are based on multiple observations of parents and children's income whereas we currently have only a single observation for each. Rohenkohl also controls for age and age square for both parents and children and for year of birth. In future work we will see whether these additions make any difference to our results.

Educational mobility

Educational mobility is studied in exactly the same way as occupational mobility, using large-scale representative surveys. Respondents are asked to recall the educational levels that their parents had reached. Just as parents with professional jobs are more likely to have children who go on to do professional jobs, parents who achieve a higher educational level have children who are more likely to do the same.

Absolute educational mobility

As with occupational mobility, figure 2.16 shows that there has been substantial upward educational mobility. For example, among people whose parents had no qualifications at all, 70% have achieved some qualifications, and 18% have obtained university degrees. Overall, 39% of the sample were upwardly mobile educationally compared with 26% who were downwardly mobile. This reflects the great expansion of higher education (HE) and school qualifications over the last 4 decades of the 20th century.

Nevertheless, substantial inequalities persist in the outcomes for those at each end of the spectrum. Respondents whose parents had obtained a university degree were by far the most likely to have degrees themselves: 64% of these people obtained degrees. This is more than 3 times as many as were obtained by those whose parents had no formal qualifications (18%).[54]

54 Significant at the 1% level.

Figure 2.16:

Upwards educational mobility rates are high, reflecting the expansion of school and higher education qualifications since the 1960s.

Highest level of qualification of respondents aged 25 to 64 years in the UK, 2020, by highest level of parental qualification.

Parental educational qualifications

Respondent educational qualifications
- University
- School qualifications
- Post-school qualifications
- No qualifications

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Notes: Parental education is measured by using whichever parent has the higher level of qualification. If there is data on only one parent, then only this data is used. The available measure of parental education in the UKHLS distinguishes those with university degrees, those with some post-school qualification, those with a school qualification, and those without any qualification. The respondents' own highest level of qualification has been recoded into the same 4 categories. The data used is weighted using the UKHLS population probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

We can also explore trends over time in absolute educational mobility by comparing our results with those from economist Brian Bell and others (2022).[55] Bell and his colleagues use the linked census data of the Longitudinal Study to compare the proportions of (adult) children from graduate and non-graduate homes who obtained a degree. They compare results for people aged 28 to 37 years in the 1991, 2001 and 2011 censuses. They found that in 1991, only 9% of people from non-graduate homes (where neither of the parents was a graduate) became graduates themselves. This increased to 19% in 2001 and 35% in 2011. From our additional calculations, following the same

methodology, the UKHLS 2020 data shows a figure of 33% – little has changed since 2011.[56]

Previous studies have all shown broadly similar patterns to ours, with considerable upward educational mobility alongside major inequalities in the outcomes of people from different backgrounds. The large increase in the rate of upward educational mobility that Bell found between 1991 and 2011 corresponds to the great expansion of tertiary education in Britain in the last decade of the 20th century and the first decade of the 21st century. This expansion has subsequently stayed the same, and so it is not surprising that upward educational mobility has also flatlined.

55 Brian Bell and others, 'Where is the land of hope and glory? The geography of intergenerational mobility in England and Wales', 2018. Published on CENTRE FOR ECONOMIC PERFORMANCE.

56 Additional analysis using only participants aged 28 to 37 years from the UK Household Longitudinal Survey (UKHLS) was conducted to allow for better comparability with Bell and others' findings. However, it is important to note that the linked censuses that Bell uses and the UKHLS that we use, are not identical. The differences in these data sources mean that comparisons may not be wholly reliable.

Intersectional analysis of absolute educational mobility

Next, we turn to differences in absolute educational mobility outcomes across sex, ethnicity and region.[57]

Differences between men and women

Figure 2.17 shows absolute educational mobility for men and women. Overall, there are only small differences in men's and women's educational mobility. The main difference involves post-school qualifications. Women are significantly more likely than men to obtain these qualifications. It should be noted, these include a range of professional qualifications which may be below degree level such as nursing and teaching certificates.

Another notable result was the differences in obtaining university degrees. Among people whose parents had obtained degrees, women were significantly more likely than men to obtain degrees, whereas a similar gap was not seen among those whose parents had non-degree qualifications.

Figure 2.17:
Men and women have very similar patterns of absolute educational mobility.

Highest level of qualification of respondents aged 25 to 64 years in the UK, 2020, by highest level of parental qualification and sex.

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Note: Differences between men and women in the percentage gaining post-school qualifications are significant at the 5% level within each parental education level except post-school qualifications. The data used is weighted using the UKHLS population probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

57 Intersectional analysis means looking at more than one characteristic at once, to check how they might interact. For example, we might look at both SEB and sex, and the interaction between them.

Differences between ethnic groups

Looking at differences between ethnic groups we see something different. As shown in figure 2.18, there are particularly high proportions of people from the Chinese, Other White, Indian and Pakistani groups who experienced upward educational mobility, coming from families where the parents did not have a degree but gaining degrees themselves. The other ethnic groups also show slightly higher proportions experiencing upward educational mobility than their White British peers, but these differences are not statistically significant.

Again, mobility rates are affected by the balance of first and second (or later) generation immigrants in that particular ethnicity. Higher rates of upward educational mobility than among White British people could reflect the fact that many of the migrants will have been educated in their countries of origin. In several of these countries average educational attainment is lower than in the UK so there is more scope for upward educational mobility.

Figure 2.18:
There are particularly high levels of upward educational mobility among people of Chinese, Other White, Indian and Pakistani ethnicity.

Percentage obtaining degrees of those whose parents did not have degrees, respondents aged 25 to 64 years in the UK, 2020, by ethnic group.

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Note: Sample restricted to people whose parents did not have a degree. The percentages in the figure can be interpreted as the proportion of those from a non-graduate family who are upwardly mobile educationally. Differences from the White British percentage are statistically significant at the 1% level for the Indian, Chinese, Other White and Pakastani groups. The data used is weighted using the UKHLS population probability weights.

Differences by disability status

Figure 2.19 shows the highest level of educational attainment by both parental educational attainment and disability. In contrast to both sex and ethnicity, we find that people with a disability have poorer chances of obtaining a university degree than their peers from the same educational background. People with a disability are more likely to have no qualifications than their peers. This is a pattern of consistent disadvantage across the board.

Figure 2.19:
People with a long-term illness or disability have poorer chances of upward educational mobility than their peers.

Highest level of qualification of respondents aged 25 to 64 years in the UK, 2020, by highest level of parental qualification and disability status.

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Note: Respondents were asked: "Do you have any long-standing physical or mental impairment, illness or disability? 'Long-standing' means anything that has troubled you or is likely to trouble you over a period of at least 12 months." This is a broader definition than that used in analyses of Labour Force Survey (LFS) data since the LFS specifies that the condition should be both long-term and limiting. Differences between those with and without a disability gaining a university degree are significantly different at the 5% level. The data used is weighted using the UKHLS population probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

Note that, although the question asks about a long-standing illness or disability, we do not know how long respondents have had the illness or disability. It is possible that education had already been completed before the illness or disability occurred. To investigate the causal impact of disability on educational mobility, we would need a panel study (or at the least retrospective data about the timing of onset of the disability). So these results are likely to underestimate the effects of disability.

Differences between regions

We show rates of educational upward mobility in the 12 regions at International Territorial Level (ITL1 level) in figure 2.20.[58] This is because sample sizes are not large enough for us to get reliable estimates for more granular areas at the ITL2 level. Overall, in most regions of the UK, patterns of upward educational mobility are quite similar.

However, some regions stand out – the East Midlands, Wales and London. In London a significantly higher percentage of people from non-graduate homes have degrees – 39% compared with the national figure of 29%. In contrast, there are significantly lower percentages than expected both in the East Midlands, Yorkshire and the Humber, West Midlands and Wales.

Figure 2.20:
Upward educational mobility is lower in the East and West Midlands, Yorkshire and the Humber, and in Wales and is higher in London and the South East.

Percentage obtaining degrees of those whose parents did not have a degree, respondents aged 25 to 64 years in the UK, 2020, by area of current residence.

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Note: Sample restricted to those whose parents did not have a degree. Region is that of current residence. Area of current residence was used, as the version of the UKHLS used for this report did not contain details of the area where respondents grew up. Results for the East and West Midlands, Yorkshire and the Humber and Wales are significantly lower than the overall level at the 5% level of significance while results for London and the South East are significantly higher. The data used is weighted using the UKHLS population probability weights.

However, it is important to note that the data relates to where respondents currently live, not where they grew up. So the high percentages in London may reflect the inflow of graduates from other areas, and the low percentages in Wales and the East Midlands could reflect the exit of graduates to other areas. Unfortunately it has not yet proved possible to obtain data on where these respondents grew up. It should be noted however that Bell and others (2022) were able to use data on the area where people grew up and also found a higher rate of upward degree mobility in parts of London.[59]

58 A code used to subdivide the UK geographically for statistical purposes. Office for National Statistics, 'Territorial levels UK, international territorial levels', 2021. Published on ONS.GOV.UK.

59 Brian Bell and others, 'Where is the land of hope and glory? The geography of intergenerational mobility in England and Wales', 2018. Published on CENTRE FOR ECONOMIC PERFORMANCE.

Relative educational mobility

In order to track trends in relative educational mobility over time, we draw on the results of Bell and others (2023) for 1991, 2001 and 2011, and update these with 2020 data from the UKHLS.[60]

Because of the limited measures of education available to Bell and colleagues in the censuses, for comparability we use a binary measure of education. This variable measures whether respondents and their parents had attained an undergraduate university degree or not. Bell's analyses were restricted to adults aged 28 to 37 years in each census, and we therefore use the same age group in the UKHLS. This binary measure also means that we can't take into account higher degrees, or the selectiveness of universities. These factors may be particularly important for relative mobility, and we go into more detail about this in intermediate outcome 2.3.

Figure 2.21 shows that relative educational mobility has improved very considerably from the very high level of 'stickiness' seen in 1991.[61] However, there is still considerable inequality with an odds ratio of 4 in 2020. An odds ratio can be interpreted as the outcome of a competition between people from 2 different origins to achieve a particular outcome and avoid the alternative outcome. It is a standard measure of relative mobility as it is independent of changes in the distributions.

Figure 2.21:
There has been an increase in relative educational mobility among young adults, 1991 to 2020.

Parent:adult children odds ratios relating to university degrees, UK, respondents aged 28 to 37 years.

Source: UK Household Longitudinal Survey (UKHLS), 1991 to 2020. Respondents aged 28 to 37 years in the UK.

Note: Education is a binary measure of attainment of an undergraduate degree qualification. A higher odds ratio indicates greater intergenerational persistence while a lower odds ratio indicates greater relative mobility.

60 Brian Bell and others, 'Where is the land of hope and glory? The geography of intergenerational mobility in England and Wales', 2018. Published on CENTRE FOR ECONOMIC PERFORMANCE.
61 Low relative mobility can be thought of as 'stickiness', while high relative mobility can be thought of as 'fluidity'.

Intersectional analysis of relative educational mobility

Differences between men and women

Due to the small sample sizes available for the analysis of educational mobility, it is generally difficult to see statistically significant differences between groups. This does not mean that such differences don't exist. In our analyses, there are detectable differences in the relative educational mobility of men and women. Women's chances of obtaining a degree seem to depend more strongly on their parents' educational level than men's chances. In other words, relative educational mobility is worse among women than men.

"Relative educational mobility is worse among women than men."

Figure 2.22:
There is a higher level of relative educational mobility among men than among women.

Parent:adult children odds ratios relating to university degrees, UK, 2020, respondents aged 25 to 64 years by sex.

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Note: For this analysis, education is re-coded, for both parents and respondents, as a binary measure of attainment of an undergraduate degree qualification versus not. Formal modelling of the data with logistic regression confirms that the odds ratios for men and women are significantly different from each other. A higher odds ratio indicates greater intergenerational persistence while a lower odds ratio indicates greater relative mobility. The data used is weighted using the UKHLS population probability weights.

Differences between ethnic groups

Levels of relative educational mobility are broadly similar between different ethnic groups in the UK. But small sample sizes and large confidence intervals mean that we cannot detect significant differences between them.[62] For example, in the case of the Chinese group we are unable to calculate a confidence interval because of the small sample size.

Figure 2.23:
Relative educational mobility is similar across all the major ethnic groups in the UK.

Parent to child odds ratios relating to university degrees, UK, 2020, respondents aged 25 to 64 years.

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Note: For this analysis, education is re-coded, for both parents and respondents, as a binary measure of attainment of an undergraduate degree qualification versus not. Formal modelling of the data with logistic regression confirms that the odds ratios for the different ethnic groups are not significantly different from each other. A higher odds ratio indicates greater intergenerational persistence while a lower odds ratio indicates greater relative mobility. The data used is weighted using the UKHLS population probability weights. Odds ratios for the Chinese group could not be calculated due to the small sample size.

62 A large confidence interval means that there's a lot of uncertainty in the estimate.

Differences by disability status

Relative educational mobility is broadly similar among people with and without a long-term illness or disability. However, the small sample size means that the estimates have wide confidence intervals and so are less precise, making it difficult to be sure.

Figure 2.24:

Relative educational mobility is similar among people with a long-term illness or disability and those without.

Parent to child odds ratios relating to university degrees by disability status, UK, 2020, respondents aged 25 to 64 years.

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Note: For this analysis, education is re-coded, for both parents and respondents, as a binary measure of attainment of an undergraduate degree qualification versus not. A higher odds ratio indicates greater intergenerational persistence while a lower odds ratio indicates greater relative mobility. The data used is weighted using the UKHLS population probability weights.

Differences between regions

Figure 2.25 illustrates that Scotland has the highest level of relative educational mobility. However, we should note that Scottish educational institutions are different from those in England. In particular Scotland has different qualifications for university entry and a long tradition of 4-year university courses.

"Scotland has the highest level of relative educational mobility."

Figure 2.25:
The level of relative educational mobility is greater in Scotland but does not vary significantly across the other parts of the UK.

Parent:adult child odds ratios relating to university degrees, UK, 2020, respondents aged 25 to 64 years by area of current residence.

Source: The UK Household Longitudinal Survey (UKHLS), 2020 calendar year, respondents aged 25 to 64 years in the UK.

Note: For this analysis, education is re-coded, for both parents and respondents, as a binary measure of attainment of an undergraduate degree qualification versus not. Formal modelling of the data with logistic regression confirms that the odds ratio for Scotland is significantly lower. A higher odds ratio indicates greater intergenerational persistence while a lower odds ratio indicates greater relative mobility. The data used is weighted using the UKHLS population probability weights.

Case study

Aysha Patel
age 28 years, from London

"

I grew up in Bolton, not far from Manchester. My parents both migrated from India, so for them this was a completely new country. They were starting from scratch, building from scratch, and bringing up a family in a new environment.

My dad did whatever jobs he could find. He worked in curtain factories, takeaways and as a shop assistant. It was inspiring to know that my parents came from literally nothing and worked their way up. I saw how hard my dad worked and so I saw him as a role model.

Because English wasn't their first language, my parents couldn't help me with homework. The curriculum was different from India and neither of them finished school. I had to be quite self-sufficient, but they always pushed me and my siblings to study and made sure we took advantage of opportunities that came our way.

From the start, I excelled at maths. My teacher was great. There was a

point where I was the only girl in the class, but he was super helpful and always pushing me. He was one of the reasons I chose to study maths at university.

In the last year of my degree, I started applying for jobs. I got involved with a charity called Upreach, which supports individuals from low socio-economic backgrounds. They set up introductory sessions with different companies. Because of them, I was exposed to more options.

Initially I worked in consulting, then I got a scholarship to do an MBA [Master of Business Administration] at Manchester University. Over the summer, we had the opportunity to do an internship and I applied for one at Amazon. At the end of the 12 weeks, we had to make a presentation about the improvements we'd made and any recommendations we had. The environment was very new to me, as I wasn't used to working with a high-vis jacket and safety shoes on in a warehouse type environment. But I made sure I put the hard work and effort in, and was offered a job.

"I think there's always going to be something that's going to push you down in life, but keep trying."

"My parents are super proud of me and quite excited to see what comes next. I've just got married and me and my husband often talk about the opportunities we would like to provide for our children; opportunities that maybe we didn't have. I think there's always going to be something that's going to push you down in life, but keep trying. Keep putting the effort in and those efforts will pay off."

Now I am a senior programme manager. I implement and improve new technology. Because of how big Amazon is, some of the projects I work on are worldwide. Whenever I receive a package from Amazon I think, wow the amount of effort that's gone into getting this one package to me at this level of speed is amazing!

Housing mobility

Housing is often used as a proxy for wealth, and like wealth can be passed directly from one generation to another. This can influence long-term living standards.[63]

In addition, housing is of considerable interest in its own right, as overcrowding and substandard housing is associated with poor health and poorer educational results for children. Homeowners often have better housing conditions than those who are renting. For further discussion see Heath and others, 2018, chapter 5 and Blanden and others 2021.[64] [65]

Since house prices in the UK have risen faster than in many other countries, home ownership has become an important factor in wealth accumulation. This has created concerns about intergenerational fairness – younger people who are unable to buy a house won't benefit from this accumulation.

63 Ricky Kanabar and Paul Gregg, 'Intergenerational wealth transmission and mobility in Great Britain', 2022. Published on ONLINELIBRARY.WILEY.COM.
64 Anthony Heath and others, 'Social progress in Britain', 2018. Published on GLOBAL.OUP.COM.
65 Jo Blanden and others, 'Trends in intergenerational home ownership and wealth transmission', 2021. Published on CEP.LSE.AC.UK.

Absolute housing mobility

One recent study of housing mobility in Britain using the WAS, NCDS and BCS has shown starkly different patterns of change over time from any of the other mobility trends.[66] This study finds that regarding absolute mobility, there has been a substantial decline in upward housing mobility. Among people born in the late 1950s, 74% owned their own home even though their parents had not been homeowners. This fell to 49% of people born 20 years later in the late 1970s.

Figure 2.26 shows the home ownership status of people by the home ownership status of their parents, derived from the Wealth and Assets Survey (WAS). This shows that people whose parents owned their own house are themselves much more likely to own their own house (71%, compared with 46%).

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66 Jo Blanden and others, 'Trends in intergenerational home ownership and wealth transmission', 2021. Published on CEP.LSE.AC.UK.

Figure 2.26:
There is substantial intergenerational persistence in home ownership.

Parental home ownership of respondents aged 25 to 64 years in the UK, from 2016 to 2020, by own home ownership.

Source: Wealth and Assets Survey (WAS) waves 6 (from 2016 to 2017) and 7 (from 2018 to 2020). Respondents aged 25 to 64 years in the UK.

Notes: This plot shows the current tenure by parental tenure. For example, 71% of those who own a house in adulthood had parents owning a house when a teenager. The error bars show 95% confidence intervals. The data used is weighted using the WAS individual weights.

Intersectional analysis of absolute housing mobility

Differences between men and women

Figure 2.27 shows the home ownership status of men and women by the home ownership status of their parents. Among those whose parents were homeowners, women (64%) are less likely than men (75%) to own their own home. Similarly, among those whose parents were not homeowners, only 35% of women compared to 55% of men owned their own homes. These sex differences are statistically significant.

"Only 35% of women compared to 55% of men owned their own homes."

Figure 2.27:
Women are significantly less likely than men to own their homes.

Home ownership of respondents aged 25 to 64 years in the UK, from 2016 to 2020, by parental home ownership and sex.

Parental home ownership ■ Not owned ■ Owned

Source: Wealth and Assets Survey (WAS) waves 6 (from 2016 to 2017) and 7 (from 2018 to 2020). Respondents aged 25 to 64 years in the UK.

Note: The error bars show the 95% confidence intervals for each estimate. Differences by disability status. The data used is weighted using the WAS individual weights.

Differences by disability status

Figure 2.28 shows that as with other outcomes, home ownership is significantly lower among people with a disability, whether or not their parents were also homeowners. Of those who are disabled and whose parents were homeowners, 61% are homeowners themselves, compared to only 34% of those who are disabled but did not have parents who are homeowners. This is in line with previous research on the financial situation of people with a disability.[67]

Figure 2.28:
Home ownership is much lower among people with a disability than among their peers.

Home ownership of respondents aged 25 to 64 years in the UK, from 2016 to 2020, by parental home ownership and disability.

Source: Wealth and Assets Survey (WAS) waves 6 (from 2016 to 2017) and 7 (from 2018 to 2020). Respondents aged 25 to 64 years in the UK.

Note: The error bars show the 95% confidence intervals for each estimate. The data used is weighted using the WAS individual weights.

67 Jamie Evans and Sharon Collard, 'Facing Barriers: exploring the relationship between disability and financial well-being', 2022. Published on BRISTOL.AC.UK.

Differences between regions

Figure 2.29 shows the regional breakdown in home ownership status of people by the home ownership status of their parents. Overall, Greater London stands out as a region where home-ownership is substantially lower than elsewhere in England, Scotland and Wales. This applies both to people whose parents were owners and to those whose parents were renters. Apart from Greater London, differences between different regions are small and generally not statistically significant, although upward housing mobility is somewhat higher in the South West and Wales. These patterns are likely to reflect levels of house prices, although we should note that there are likely to be substantial variations within regions.

Figure 2.29:

Home ownership is less common in London regardless of parental housing status, whereas upward housing mobility is somewhat higher in the South West and Wales.

Home ownership of respondents aged 25 to 64 years in the UK, from 2016 to 2020, by parental home ownership and area of residence.

Parental home ownership — Not owned — Owned

Source: Wealth and Assets Survey (WAS) waves 6 (from 2016 to 2017) and 7 (from 2018 to 2020). Respondents aged 25 to 64 years in the UK.

Notes: The area where the respondent grew up is not available in the WAS, and so this chart shows areas of current residence. The error bars show the 95% confidence intervals for each estimate. The data used is weighted using the WAS individual weights.

These results are similar to those of Bell and others (2019) based on linked census data up to 2011. Their research shows that absolute rates of upward housing mobility were significantly lower in parts of London and significantly higher in more rural areas such as West Wales.

Relative housing mobility

As with the intersectional analysis of relative educational mobility, we use odds ratios to measure relative housing mobility. A higher odds ratio indicates greater intergenerational persistence while a lower odds ratio indicates greater relative mobility.

Figure 2.30 shows this odds ratio over time. What we find is a steady decline in relative housing mobility from 1991.

In other words, intergenerational persistence has increased. This is likely to be related to the increase in real house prices over time and the increasing need for existing family resources for people to buy their first property.

Figure 2.30:
Relative housing mobility has declined steadily since 1991.

Odds ratios of the relationship between parental and respondent home ownership in the UK, from 1991 to 2016 and in 2020, among younger respondents.

Source: Wealth and Assets Survey (WAS) waves 6 and 7 (respondents aged 30 to 34 years) and Bell and others (2022, table 6, respondents aged 28 to 37 years) in the UK.[68]

Note: The error bars show the 95% confidence intervals for each estimate. The odds ratio is a measure of relative mobility. It is the ratio of the odds (of owning a house or not) among those whose parents owned a house to the odds among those whose parents had not. The data used is weighted using the WAS individual weights.

68 Brian Bell and others, 'Where is the land of hope and glory? The geography of intergenerational mobility in England and Wales', 2018. Published on CENTRE FOR ECONOMIC PERFORMANCE.

Intersectional analysis of relative housing mobility

Differences between men and women

Figure 2.31 shows that there is significantly greater intergenerational persistence among women than among men with respect to home ownership. To our knowledge, this finding has not previously been reported. One possibility is that women are more likely to rely on help from their parents (perhaps because of gender pay gaps in employment) and less likely to be able to accumulate the financial resources needed for home ownership such as a large deposit. In other words, women may be more likely than men to need help from 'the bank of mum and dad' (a phrase now used for when parents of adult children give a large sum of money to help them buy a house). However, in-depth research is needed to test this interpretation.

Figure 2.31:
There is significantly greater intergenerational persistence ('stickiness') in home ownership among women than men.

Odds ratios of the relationship between parental and respondent home ownership in the UK, from 2016 to 2020, by sex.

Source: Wealth and Assets Survey (WAS) waves 6 (from 2016 to 2017) and 7 (from 2018 to 2020), respondents aged 25 to 64 years in the UK.

Note: The error bars show the 95% confidence intervals for each estimate. Logistic regression modelling confirms that there is a statistically significant difference in the relative housing mobility of men and women. The data used is weighted using the WAS individual weights.

Differences by disability status

Figure 2.32 shows the same odds ratio of home ownership as figure 2.31, but instead splits it by disability status. As with sex differences, we find significant differences in relative housing mobility between people with and without a disability. Intergenerational persistence is greater among those with a disability. This probably reflects the greater reliance on parental wealth necessary for those with a disability to be able to buy a property.

Figure 2.32:
Relative housing mobility is significantly lower among those with a disability.

Odds ratios of the relationship between parental and respondent home ownership in the UK, 2016 to 2020, by disability.

Source: Wealth and Assets Survey (WAS) waves 6 (from 2016 to 2017) and 7 (from 2018 to 2020), respondents aged 25 to 64 years in the UK.

Note: The error bars show the 95% confidence intervals for each estimate. Logistic regression modelling confirms that there is a statistically significant difference between the relative housing mobility of those with and without a disability. The data used is weighted using the WAS individual weights.

Differences between regions

Figure 2.33 shows the odds ratio of home ownership by region in the UK. While there is an interesting pattern to the odds ratios, there is considerable imprecision in the estimates of relative housing mobility in the different regions of the UK in the WAS dataset. We can see from the confidence intervals that none of the estimates for the different regions are significantly different from the national average (2.85). So it may be that relative housing mobility is similar across the different regions of the UK.

Figure 2.33:
Relative housing mobility does not differ significantly across regions.

Odds ratios of the relationship between parental and respondent home ownership in the UK, 2016 to 2020, by region.

Source: Wealth and Assets Survey (WAS) waves 6 (2016 to 2017) and 7 (2018 to 2020), respondents aged 25 to 64 years in the UK.

Note: The error bars show the 95% confidence intervals for each estimate. Logistic regression modelling confirms that there is no statistically significant difference in relative housing mobility between different regions. The data used is weighted using the WAS individual weights.

However, if we were able to use a more granular measure of geography (and a much larger sample), significant differences between areas might emerge. Bell and others' analysis of linked censuses suggests that there was significantly greater intergenerational persistence (stickiness) in parts of London and significantly greater relative mobility in West Wales and some other rural areas in 2011.[69]

69 Brian Bell and others, 'Where is the land of hope and glory? The geography of intergenerational mobility in England and Wales', 2018. Published on CENTRE FOR ECONOMIC PERFORMANCE.

Wealth mobility

There has been increasing interest in wealth mobility recently.[70] Parents' wealth can be important for their children's living standards and for children's mobility chances in other domains.

For example, wealthy parents may be able to use the resources they have accumulated during their lifetime to help their children buy their first house or to make investments in their children's education. Intergenerational wealth mobility is also likely to involve different processes from those involved in educational, occupational or income mobility as wealth can be transferred directly to later generations through gifting or inheritance.

Wealth can however take several different forms. The major ones are:

- net property wealth, such as the sum of all property values minus the value of all mortgages and amounts owed (for example equity release)[71]

- physical wealth, such as the sum of the values of household contents, collectibles and valuables, and vehicles

- net financial wealth, such as the sum of the values of financial assets, plus the value of endowments purchased to repay mortgages, less the value of non-mortgage debt

- private pension wealth, namely the sum of the value of current occupational pension wealth, current personal pension wealth, additional voluntary contributions, plus the value of pensions expected from a former spouse or partner and value of pensions in payment

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70 See for example, Martin Hällsten and Max Thaning, 'Wealth as one of the "big 4" SES dimensions in intergenerational transmission', 2021. Published on ACADEMIC.OUP.COM.
71 Equity release mortgages here would be a parent accessing more cash through their home.

The main data source available in the UK is the regular ONS Wealth and Assets Survey, which only covers Great Britain. Drawing on the most recent rounds of this survey we show, in figure 2.34, the average levels of these 4 components and how they vary among people of different ages.

This doesn't allow us to draw conclusions about wealth mobility. Instead, we interpret the increasing levels of wealth across age groups as the result of a life-cycle process with people on average accumulating wealth until retirement, and then using up their wealth to a greater or lesser extent during retirement. We should note however, that there will be considerable variation around this average, reflecting differences in people's incomes, home ownership and occupational positions.[72]

Figure 2.34:
Wealth, and its main components, increases over people's lives – people tend to accumulate wealth as they get older.

Financial wealth, pension wealth, physical wealth, property wealth and total wealth by age group in Great Britain, from 2016 to 2020.

Financial wealth ● Pension wealth ● Physical wealth ● Property wealth ● Total wealth

Source: Wealth and Assets Survey (WAS) waves 6 (from 2016 to 2018) and 7 (from 2018 to 2020), respondents aged 25 to 64 years.

Note: For further details see the Office for National Statistics (2022) household total wealth in Great Britain: April 2018 to March 2020.[73] Data has been adjusted for inflation. The error bars show the 95% confidence intervals for each estimate. The data used is weighted using the WAS individual weights.

72 For a comparison of Wealth and Assets Survey results with those from other sources see, The Resolution Foundation, 'The UK's wealth distribution and characteristics of high-wealth households', 2020. Published on RESOLUTIONFOUNDATION.ORG.
73 Office for National Statistics, 'Household total wealth in Great Britain: April 2018 to March 2020', 2022. Published on ONS.GOV.UK.

Relative wealth mobility

While the WAS is the primary source on the distribution of wealth in Britain, it does not include direct measures of parental wealth. It does, however, ask respondents to recall their parents' housing tenure and educational attainment (as well as some other variables). We therefore follow Gregg and Kanabar (2022) who estimate parental wealth on the basis of the observed relationships between education, housing tenure and wealth. This enables us to produce a rough estimate of relative wealth mobility.[74] We find that a 10% increase in a person's parents' wealth is associated with roughly a 3% increase in their own wealth. However, we must note this is not a causal estimate but shows the magnitude of the relationship between the wealth a parent accumulates and how this might predict their children's future wealth.[75]

This estimate is slightly higher than the one we found for income mobility (see above), but because of differences in methodology and data sources it would be safer to conclude that they are similar in magnitude. Our results are also similar to those found by Gregg and Kanabar (2022) who used an earlier round of WAS (namely 2010 to 2012).

Gregg and Kanabar also carried out some more detailed supplementary analysis comparing older and younger respondents. They concluded that it was likely that intergenerational wealth persistence was increasing over time. Given the finding (see above) that intergenerational housing persistence had increased between 1991 and 2011, it seems plausible that wealth persistence has been increasing too. This is an important issue that we plan to investigate in more detail in future work.

Intersectional analysis

We are able to look at sex differences in intergenerational wealth persistence. Overall we find that intergenerational wealth persistence is greater among women than men. For men, a 10% increase in their parent's wealth is associated with a 2.9% increase in their own wealth, whereas for women it is 3.8%.[76] As was shown earlier, intergenerational housing persistence was significantly greater among women than men, and so it is plausible that overall wealth persistence might be somewhat greater among women. On the other hand, our earlier results on relative occupational mobility suggested that there was slightly less intergenerational occupational persistence among women, which might be expected to reduce intergenerational pensions persistence. Since Gregg and Kanabar also found greater intergenerational wealth persistence in the 2010 to 2012 round of the WAS, it seems likely that intergenerational persistence is indeed greater among women. Further research is needed to explore why intergenerational wealth persistence varies between men and women.

"Further research is needed to explore why intergenerational wealth persistence varies between men and women."

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74 We use the same statistical method as in the case of relative income mobility (see previous section). That is, we take logarithms of both parents' and adult children's wealth (for those whose wealth was not 0). The degree of intergenerational persistence can then be estimated with a linear regression model as with income mobility. Alternative methods which take account of those with 0 wealth produced very similar estimates.

75 To derive these estimates we use the Wealth and Assets Survey waves 6 (from 2016 to 2018) and 7 (from 2018 to 2020), adjusted for inflation, respondents aged 25 to 64 years, weighted data, 95% confidence intervals. Total wealth estimates for respondents are derived by adding up the value of different types of assets owned by households and subtracting any liabilities. Estimates of parental wealth are imputed using a 2-stage least squares method.

76 This difference is statistically significant at the 0.01 level. Estimates derived from Wealth and Assets Survey waves 6 (from 2016 to 2018) and 7 (from 2018 to 2020), adjusted for inflation, respondents aged 25 to 64 years, weighted data, 95% confidence intervals. Note, the total wealth estimates for respondents are derived by adding up the value of different types of assets owned by households and subtracting any liabilities. Estimates of parental wealth are imputed using a 2-stage least squares method.

Conclusion

The 5 types of mobility we have measured – occupational, income, educational, housing and wealth – show different patterns and trends over time.

Last year's State of the Nation report showed that occupational mobility had remained broadly stable over a long time, with perhaps a slight improvement in relative occupational mobility (meaning that the strength of the association between parents' and children's jobs may have slightly weakened). This year, we have concentrated on breakdowns by geography and individual characteristics. Geographically, there is a clear centre-periphery divide. Those who grew up in the south-east have the best upward occupational mobility rates, and those who grew up in the north and the south-west have the worst. Women are more likely to experience long-range downward mobility than men, while people from certain ethnic groups, notably Chinese and Indian, have better chances of long-range upward mobility than their White British peers. Unfortunately, people with a disability face worse mobility prospects than those without.

Absolute income mobility has declined since the 1970s, but remains higher compared with countries such as the US and Canada. Relative income mobility has remained roughly the same in the past 20 years.

On educational mobility, as expected, we find that people with university-educated parents are more likely to obtain a degree. Women are more likely to obtain degrees than men, as are people from Chinese, Indian, Black African and White Other backgrounds. In fact, members of most other ethnic groups from non-graduate families are significantly more likely than White British people to gain a degree, apart from Black Caribbean and Bangladeshi groups.

Housing mobility is the one outcome that has very significantly worsened over time. The link between parents' home ownership and children's home ownership has strengthened since 1991. It also shows a strong regional pattern, with London being considerably worse than other areas of the country. This is likely to be due to rising house prices in London.

For wealth mobility, we also find that the wealth a person accumulates is linked to their parents' wealth. This relationship appears to be stronger for women.

When measuring our mobility outcomes we face challenges with the data, as our findings are often only derived from a small number of birth cohort studies.

3 – Intermediate outcomes

Highlights

★ **Densely populated urban areas have higher levels of economic insecurity for young people – unemployment, economic inactivity, and lower working-class jobs.**

★ **London and adjoining areas have more promising prospects for young people – higher qualifications, earnings, and occupational level. This means that London in particular has a high concentration of young people at both extremes.**

★ **Some areas, most notably South Yorkshire and Eastern Scotland, score poorly on both economic insecurity and employment prospects. There are high levels of the former and low levels of the latter.**

★ **People of some ethnic backgrounds, such as Chinese and Indian, have much better educational outcomes than others (intermediate outcomes 1 and 2). There is also evidence that socio-economic background (SEB) has less impact on young people from these groups.[77]**

★ **All ethnic minorities apart from Black Caribbean are more likely to gain a degree than White British young people from the same SEB, although their degrees may come from less selective universities (intermediate outcome 2.3).**

★ **Yet these better educational outcomes don't always yield better occupational outcomes. Several ethnic minority groups (Black Caribbean, Black African, Mixed, Pakistani and Indian) are more likely to be unemployed than White British young people from the same SEB (intermediate outcome 3.2).**

★ **Similarly, Pakistani, Bangladeshi and Black African ethnic groups have higher proportions of university graduates (intermediate outcome 2.3) than the White British group, but not higher proportions in the professional classes (intermediate outcome 3.3).**

★ **There are interactions between SEB and sex: the male-female gap in economic activity (intermediate outcome 3.1) among people aged 25 to 29 years is only 4 percentage points among those from a higher professional background, but almost 4 times larger, at 15 percentage points, for those of a lower working-class background.**

★ **People with a disability do significantly worse in every intermediate outcome. In some cases, the gap is even wider among those from a lower working-class background, suggesting that professional families are better able to mitigate the effects of disability on young people's life chances.**

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[77] Socio-economic background means the socio-economic situation of their parents. For example, this might be the parents' occupational class, income or education. So for instance, when we talk about someone with a "higher professional background", we mean that at least one of their parents had a higher professional occupation when this person was a child.

Introduction

Intermediate outcomes compare people's starting point with an endpoint in their teens, 20s, or early 30s, as they move through education and into the labour market. The skills, qualifications and experience of work that young people acquire will affect their social mobility. So we examine these earlier outcomes for people from a range of SEBs.

We call these 'intermediate outcomes' both because they are measured earlier in life than the mobility outcomes in chapter 2, and because they give an early sense of what the mobility outcomes might be later in life. We 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 of the effects of the pandemic, for example.

Intermediate outcome	Age
Years of compulsory schooling	5 to 16 years
Post-16 qualifications and progression into the workplace	16 to 29 years
Work in early adulthood	25 to 29 years
Career progression	35 to 44 years

Why do we break the outcomes 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 Angela's occupational-class mobility, we need to know her parents' occupational class (Angela's background), and her own occupational class (Angela's outcome). This way, we can see whether Angela has moved up or down.

If we want our measure to describe the whole population, we need to be able to summarise everyone's backgrounds, and outcomes, in a small set of numbers. And to begin to understand 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.

This year we use a new, revised 5-class measure of SEB, in place of the 3-class measure used in the 2022 report. We divide SEB into the following 5 parts: higher professional, lower professional, intermediate, higher working class, and lower working class.

Indicators for this year

We use a number of indicators to predict later social mobility outcomes.

We begin with the years of compulsory education. These years are critical, because socio-economic differences in children's skills are present even before they start school, and can increase throughout their development.[78] There isn't a particular age to pinpoint when these disparities emerge, so we consider all stages of childhood.[79]

Post-compulsory schooling years are also important for making progress in the labour market and social mobility, so we look at routes to work, early career progression, and work in early adulthood. This period starts from when young people leave education and move into apprenticeships, work, training, employment, or economic activity.[80]

For the indicators of career progression (intermediate outcome 4), we use a different methodology and data sources from the previous report. This new measure is more accessible to readers.

We have also changed our indicator relating to the class pay gap. Last year, we didn't take level of education into account. That means the effects of both SEB and education level were included in the indicator, with no way to separate them. This year, we have added replacement measures of 2 types. Firstly, we report the link between education and earnings, for people of the same SEB. Secondly, we report the link between SEB and earnings, for people of the same level of education.

> "We begin with the years of compulsory education. These years are critical, because socio-economic differences in children's skills are present even before they start school."

78 Alice Sullivan and others, 'Pathways from origins to destinations: stability and change in the roles of cognition, private 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.

79 Raj Chetty and Nathaniel Hendren, 'The impacts of neighbourhoods on intergenerational mobility II: county-level estimates', 2016. Published on NBER.ORG.

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

Geographical breakdowns

In a major improvement to last year's annual report, we are also providing geographical breakdowns of intermediate outcomes. We can do this because of the large sample size of the Labour Force Survey (LFS). Although there is considerable imprecision in each individual indicator when broken down in this way, we can get more reliable results by combining related indicators together (see figure 3.0).

Unfortunately, we still have very limited ability to compare education-related intermediate outcomes across the UK. This is mainly because there is no consistent measure of SEB in educational administrative data. Worse, the measure that does exist, eligibility for free school meals (FSM), is not well suited to comparing different regions, because the characteristics of the non-FSM group will be very different across different regions (for example, pupils not on FSM in London may have different educational experience than those in rural Scotland). This remains a major data gap.

Where people live versus where they grew up

When we give estimates for intermediate and mobility outcomes broken down by region, we are referring to people's region of origin, not where they currently live. This is sometimes referred to as 'adolescent geography' (where someone lived while growing up), in contrast to 'current geography' (where they live now). For example, we see in figure 3.0 that young people from London are more likely than average to be unemployed. This means young people who were living in London aged 14 years, no matter where in the UK they live now.

Breakdowns by protected characteristics

Just as the large sample size of the LFS allows us to do geographical breakdowns, it also allows us to break mobility levels down by protected characteristics, such as sex or ethnic background.[81] This can reveal important new insights.

Not all breakdowns are possible. Sometimes, protected characteristics are not included in a dataset, so we can't use those characteristics.[82] In other cases, especially where we are not using the LFS, there is a relatively small sample size, and breaking this down by various characteristics reduces the sample size further. This means that the resulting estimates are not reliable enough to publish.

However, we should treat these breakdowns with caution. One reason for this is that ethnicity and region are correlated. For example, people of certain ethnic minorities may be more likely to live in certain regions such as London than others. As London may on average perform better on some outcomes than other regions, this may lead to some ethnic minority groups (those who are disproportionately more likely to live in London), to also perform better on such outcomes. Alternatively, the presence of ethnic minority groups in London may cause London to perform better (in educational outcomes, for example).

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81 According to the Equality Act 2010, protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief, sex, sexual orientation, and race (including colour, nationality, and ethnic or national origin). It is against the law to discriminate directly against someone with any of these characteristics.
82 See technical annex for an explanation of which characteristics are covered in each dataset.

Angela

Angela grew up in west central Scotland and moved to Northern Ireland as an adult. She then became a lawyer. She counts in the statistics for higher-professional employment in west central Scotland, because she:

- **is currently in a higher-professional job**

- **grew up in west central Scotland**

She will appear in region 39 on the map as higher professional.

Bruno

Bruno grew up in south London and moved to Kent as an adult. He happened to be unemployed at the point he responded to the Labour Force Survey. He counts in the unemployment statistics for south London, because he:

- **is currently unemployed**

- **grew up in south London**

He will appear in region 3 on the map as unemployed.

Geographical analysis: social mobility across the UK

Summary

By combining related measures we can get a more reliable picture of geographical mobility patterns.

The data reveals 2 sets of related intermediate outcomes, measured when people are in their 20s. First, 'promising prospects', which are made up of attainment of degrees, professional occupation, and high hourly earnings. Second, 'precarious situations', made up of economic inactivity rates, unemployment, and lower working-class occupations.

Young people brought up in Greater London and some adjoining areas are doing well on promising prospects, while those brought up in more rural or more remote areas, and some former industrial areas, are doing less well.

In contrast, young people brought up in densely populated urban areas are more likely to be in precarious situations than those brought up in more rural areas. London has both high levels of promising prospects and high rates of young people in difficult economic circumstances.

A new approach to monitoring social mobility by region

Looking at single indicators of social mobility, like unemployment or highest qualification, could be misleading. This is because results have to be estimated from sample surveys, and sample sizes at a regional level can be small (as described in figure 3.0). To deal with this problem, we have constructed 2 summary measures ('composite indices') relating to intermediate outcomes. Each composite index summarises results from 3 indicators, giving a more reliable picture.

Table 3.1
Summary of composite indices for the intermediate outcomes.

Index	Indicator	LFS data used
Promising prospects	IN2.3 Highest qualification (university degree)	Net levels of a university degree among young people in each area after controlling for socio-economic background (SEB)
	IN3.3a Occupational level (professional occupation)	Net proportions of young people in higher professional-class jobs in each area after controlling for SEB
	IN3.4 Hourly earnings	Mean hourly earnings among young people in each area after controlling for SEB
Precarious situations	IN3.1 Economic inactivity	Net levels of inactivity among young people in each area after controlling for SEB
	IN3.2 Unemployment	Net levels of unemployment among young people in each area after controlling for SEB
	IN3.3b Occupational level (lower working-class occupation)	Net proportions of young people in lower working-class jobs in each area after controlling for SEB

Promising prospects

This index brings together 3 measures capturing promising prospects for young people, as measured by their levels of education, occupational positions and earnings. The Index adjusts for SEB and so measures how well young people from similar backgrounds do in education and the labour market.

Figure 3.2:
London and some adjoining areas stand out as offering promising prospects to young people.

Index of promising prospects.

Source: Labour Force Survey pooled, from 2018 to 2022. Source data used from the following indicators: intermediate outcomes 2.3, 3.3a and 3.4.

Note: Areas are where respondents lived when they were aged 14 years. We follow the procedure used by Anand and Sen (1994) for constructing the UN's Human. Development Index. To ensure that all indicators are on a common metric, indicators are first rescaled, setting the best performing area's score on the indicator to 1 and the least well-performing area's score to 0. For more information on how each area was scored, please see the technical annex.

Greater London and some adjoining areas stand out as regions where young people do particularly well. At the other extreme, young people brought up in more rural or remote areas, together with those from some former industrial areas, tend to do less well. There is, however, likely to be a considerable variety of prospects within these broad areas, particularly in geographically larger areas such as North Yorkshire which contains both remote rural areas and thriving urban centres.

We must emphasise that these are descriptive results and do not necessarily establish that areas have a causal effect on young people's outcomes. We should also emphasise that most areas are fairly similar, especially those in the middle of the distribution (with paler colouring in the map in figure 3.2).

Precarious situations

This index brings together 3 measures capturing young people in difficult economic circumstances: economic inactivity, unemployment, and lower working-class employment. The Index adjusts for SEB and so measures how precarious are the situations of young people from similar social backgrounds.

Figure 3.3 shows that densely populated urban areas tend to do worse on this composite measure when compared with more rural areas. In particular, parts of London which may generally be considered to be particularly productive also have high rates of young people in difficult economic circumstances.

Figure 3.3:
As with childhood poverty and disadvantage, metropolitan areas are characterised by higher levels of precarious situations.[83]

Index of precarious situations.

Index of precarious situations

- ■ Q1 (Best 20%)
- ■ Q2
- ■ Q3
- ■ Q4
- ■ Q5 (Worst 20%)

Overall, the 2 composite indices suggest there may be a lot of polarisation and inequality in some areas. For example, there is a relatively high proportion of young people in parts of Greater London who are in precarious situations, which contrasts with the high proportions in the same areas with promising prospects. In other words, both extremes coexist in London.

However, there are also areas where young people do worse on both indices. For example, Eastern Scotland ranks low for both promising prospects and precarious situations, which may suggest that young people may find themselves with relatively fewer opportunities than those from similar social backgrounds in other regions in the UK.

Source: Labour Force Survey pooled, from 2018 to 2022. Source data used from the following indicators: intermediate outcomes 3.1, 3.2 and 3.3b.

Note: Areas are where respondents lived when they were aged 14 years. We follow the procedure used by Anand and Sen (1994) for constructing the UN's Human Development Index. To ensure that all indicators are on a common metric, indicators are first rescaled, setting the best performing area's score on the indicator to 1 and the least well-performing area's score to 0. For more information on how each area was scored, please see the technical annex.

83 A metropolitan area is a highly populated urban area that often shares common infrastructure, industries and commercial centres. It often includes multiple large cities, such as Wolverhampton or Birmingham. For example, the West Midlands or Greater Manchester.

Breakdowns by protected characteristics

Summary

Intersectional analysis shows consistent gender or sex differences, disability gaps, and ethnicity gaps among people from similar SEBs, in a range of intermediate outcomes.

Disability is the only protected characteristic where we find disadvantage across all outcomes.[84]

Among ethnic groups, we find considerable diversity. Some groups, such as Chinese and Indian, are more likely than their peers to obtain university degrees, while other groups, such as Black Caribbean and Black African, are much more likely than their peers to be unemployed.

The Pakistani, Bangladeshi and Black African groups have higher proportions of university graduates than their White British peers, but do not have higher proportions in the professional classes.

There are signs of a complex interplay between SEB, ethnic group and economic outcomes. SEB plays a much smaller role among some minority groups, such as the Chinese, Bangladeshi and Pakistani groups, than among White people.

In the case of gender or sex, we find gaps in favour of young women in education but gaps in favour of young men in earnings.[85]

Viewing through an intersectional lens, we see that gaps between sexes and disability status are often larger among people from lower working-class backgrounds.

"The Pakistani, Bangladeshi and Black African groups have higher proportions of university graduates than their White British peers, but do not have higher proportions in the professional classes."

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84 Some datasets are broken down by gender, while others are broken down by sex. See in the technical annex how each dataset captures sex or gender.

85 Depending on the data source used, some such as the Department for Education use gender whereas others such as the Labour Force Survey use sex.

Intersectional analysis by sex and socio-economic background

Education

SEB is positively related to young people continuing in full-time education and training (a difference of 15 points between young men from higher professional and lower working-class backgrounds). It is negatively related to those not in education, employment or training (known as 'NEET'). For example, if someone is NEET they are likely to be from a lower SEB. In comparison with SEB, sex differences are quite modest but young women (aged 16 to 24 years) tend to be slightly more likely to be in education and training than young men, and the largest sex differences (reaching 4 percentage points) are among those from professional backgrounds. Conversely, young men are more likely to be NEET.

This picture is similar when we move on to an intersectional analysis of young people's highest level of education aged 25 to 29 years, although the SEB gaps are much larger when we compare the full range of qualification levels. Here we find a very strong positive relationship between SEB and the highest level of qualification (a gap of 43 percentage points in those getting a university degree when comparing men from higher professional and lower working-class backgrounds respectively). There is a modest sex difference, with young women from all SEBs having higher qualification levels than their male peers (by 5 to 7 percentage points).

"From all SEBs alike, women are less likely than their male peers to be in higher professional occupations."

Economic activity

The picture then changes radically with respect to economic activity among young adults aged 25 to 29 years. Firstly, the role of SEB is much smaller than in the case of the highest level of qualification. The sex difference is reversed, with women from all SEBs more likely to be economically inactive, probably reflecting child-care responsibilities. The sex difference is at its largest among women from lower working-class backgrounds, reaching 15 percentage points, compared with only a 4 percentage point sex difference among women from higher professional backgrounds. This is the most striking example of an interplay between SEB and sex differences.

In contrast there is no sex difference with respect to unemployment among this age group.

Turning to occupational level, the relationship with SEB remains strong, almost as strong as in the case of education (with a gap of 37 percentage points between men from higher professional and lower working-class backgrounds). But the female advantage in university degrees disappears in the labour market, where there is a consistent female disadvantage in higher professional positions. From all SEBs alike, women are less likely than their male peers to be in higher professional occupations. They are also less likely to be in lower working-class jobs and instead are over-represented in lower professional and intermediate class positions.

There is also a significant sex difference with respect to hourly earnings at age 25 to 29 years, with women earning around 90% as much as men.

In short, outcomes are better for women within education but worse in the labour market (other than unemployment). There is also a notable interplay between SEB and sex with respect to economic activity.

Intersectional analysis by ethnicity

We are looking at a large number of small groups, so it is more difficult to detect differences. We have therefore combined some categories of SEB and some outcome measures to improve the precision of the estimates. However, some inequalities are clear.

First, people from all ethnic minority groups (apart from Black Caribbean) are more likely to gain a degree than White British people from the same SEB. However, their university degrees may come from less selective universities.[86]

Second, and in striking contrast, people from several ethnic minority groups (Black Caribbean, Black African, Mixed, Pakistani and Indian) are significantly more likely to be unemployed than White people from the same SEB. This is also a finding from previous research. It is possible that racial discrimination in the labour market is a factor in these high rates of ethnic minority unemployment.

Third, people from some groups are unable to obtain occupational levels in keeping with their educational success. In particular, the Pakistani, Bangladeshi and Black African groups have higher proportions of university graduates than the White British group, but do not have higher proportions in the professional classes. Indeed, the Pakistani group has a significantly lower proportion (48% against 59% among those of the highest SEB).

Fourth, economic activity rates tend to be lower among some ethnic minorities (Bangladeshi, Chinese and Pakistani) than among White British people from similar SEBs. More detailed research is needed to uncover the reasons for these disparities. Previous research suggests that, in the case of the Chinese group, it may reflect high rates of continuation in higher education, while among the Pakistani and Bangladeshi groups it may reflect higher rates of economic inactivity among young women with caring responsibilities.

There are also signs of a complex interplay between SEB, ethnic group and intermediate outcomes in economic activity and occupational attainment. What we tend to find is that SEB differences play a much smaller role among some minority groups, such as the Chinese, Bangladeshi and Pakistani groups, than among the White ethnic group. There are a variety of possible reasons for this, such as the role of migration and the strength of ethnic capital.[87] However, most ethnic groups are stratified by social background in much the same way as the majority group is.

We should note the complicating factor of migration status. People from some groups such as the Black Caribbean group, who began to arrive in Britain soon after World War 2, are now largely second or third generation – that is, they were born and educated in Britain. However, other groups such as the Chinese group include a larger proportion of first generation (that is migrants). Migration tends to be associated with downward mobility (for reasons such as lack of fluency in English and foreign qualifications) whereas the second and later generations will tend to have mobility patterns closer to those of the White ethnic group.

86 Universities with lower entry requirements.
87 Ethnic capital is a sociological term meaning the trusting relationships which exist among those belonging to a particular ethnic or cultural group.

Intersectional analysis by disability status

"In the cases of NEET, employment (among 16 to 24 year olds) and economic activity (among 25 to 29 year olds), the disability gaps are significant for people from all SEBs but are even larger among those from lower working-class backgrounds."

There are disability gaps for every intermediate outcome that we investigate. In every case these gaps are larger than the sex differences. In the labour market, these gaps are cumulative. That is, people with a disability are more likely to be economically inactive. But among those who are active, unemployment rates for disabled people are significantly higher than for people without a disability. And among those who are in employment, hourly earnings are lower.

There are also notable examples of interplay between disability and SEB. So in the cases of NEET, employment (among 16 to 24 year olds) and economic activity (among 25 to 29 year olds), the disability gaps are significant for people from all SEBs but are even larger among those from lower working-class backgrounds. This raises the possibility that professional families may be able to use their resources to help young people with a disability, while those from lower working-class backgrounds may be more dependent on help from the state.

We should note that our measure of disability does not provide information about when the condition started (although the conditions are long-term in the sense of being reported to have been present for at least 12 months). This means that in the case of some outcomes, such as highest qualification, the disability might have come after the outcome rather than before it. It is therefore possible that the data underestimates the extent of the effects of disability on such outcomes. More detailed research using panel data is required to investigate this in depth.

For further information, please see the technical annex for a more detailed analysis and explanation of the differences across SEB, sex, ethnicity and disability for each intermediate outcome covered in the intersectional analysis.

Intermediate outcome 1:

The years of compulsory schooling (aged 5 to 16 years)

Summary

- The attainment gap between pupils eligible for free school meals (FSM) and those not eligible remains large.

- Among children eligible for FSM, girls are much more likely to achieve well than boys.

- FSM children from some ethnic backgrounds achieve very well. For example, FSM children of Chinese background perform better than the national average for non-FSM children.

The school years form a critical period in which children develop. These years build an important foundation for getting on in work and in life. Monitoring education and skills development is therefore important for understanding any early differences in outcomes by social background.

Our first set of intermediate outcomes cover the years of compulsory schooling. Early indicators include: level of development at age 5 years, attainment at age 11 years, and attainment at age 16 years.

Social background measures and accountability systems vary across the UK. Therefore we only present the measures for England, but hope to include UK-wide measures in 2024.[88]

It is worth noting that we rely on administrative data collected by the Department for Education (DfE) for monitoring trends in achievement at ages 5, 11 and 16 years. There have however been a number of recent changes in the official assessment criteria, particularly at age 5 years, so it is difficult to draw any firm conclusions about trends over time. A further difficulty is that the measures of SEB in the administrative data are derived from eligibility for FSM, where there have also been some policy changes over time. Nevertheless, it is clear that there remains a substantial 'disadvantage' gap at all 3 stages of the school career, with disadvantaged children doing markedly worse than more advantaged children. The gaps also appear to have widened somewhat at ages 11 and 16 years following the disruption to learning due to the COVID-19 pandemic.

We also find a substantial sex difference at all 3 ages, with girls doing markedly better on the tests than boys with the same FSM status. There are also substantial differences between ethnic groups with Asian pupils, especially those from Indian or Chinese ethnic backgrounds, achieving substantially better than White pupils. Among those eligible for FSM, Black Caribbean pupils' ratings are little different from White British pupils' at age 11 years.

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88 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 years

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

As with last year, due to the devolved nature of the education system, we can only monitor this measure for children in England. The only SEB measure available is eligibility for FSM. FSM captures roughly the poorest 15% of students; while not ideal, it is the only SEB measure available in schools data. 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.

Figure 3.4 shows that the proportion of children achieving a 'good' level of development at the age of 5 years increased in the 7 school years ending in July 2019. Overall, 52% of all children achieved a 'good' level of development at age 5 years in the 2012 to 2013 school year, and this increased to 72% for the 2018 to 2019 school year. It then dropped to 65% for the 2021 to 2022 school year. This trend is consistent across both FSM eligible and non-FSM eligible backgrounds, as we reported last year. However, a gap remains in the 2021 to 2022 school year as 69% of children not eligible for FSM achieved a 'good' level of development, compared with only 49% of children eligible for FSM. This gap of 20 percentage points is not directly comparable to the previous years due to a change in the EYFS profile and assessments. However, we emphasise that the size of the gap shows there is room for improvement.

Figure 3.4:
The gap in the percentage of children achieving a 'good' level of development between those eligible for free school meals (FSM) and those not eligible remains large.

Percentage of students achieving a 'good level of development' at age 5 years by eligibility for FSM in England, from September 2012 to July 2022.

Source: Department for Education. Early years foundation stage (EYFS) profile results from the 2021 to 2022 academic year, 2022.

Note: The grey line represents all children. The percentage '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 main areas of learning and within literacy and numeracy is classed as having a 'good level of development'. The EYFS was significantly revised in September 2021 which means we cannot directly compare the outcomes for 2021 to 2022 with earlier years. Data collection during the 2 school years ending in July 2021 was cancelled due to the COVID-19 pandemic. FSM eligibility is defined as collected in the school census which states whether a child's family have claimed eligibility. Parents are able to claim FSM if they receive certain benefits.[89]

89 See Department for Education guidance for more information on free school meal eligibility, 'Early years foundation stage profile results', 2022. Published on GOV.UK.

Intersectional analysis of level of development at age 5 years

Differences between boys and girls

Figure 3.5 shows the proportion of boys and girls who achieved a 'good' level of development in 2021 to 2022. Overall, girls (75%) are more likely to achieve a 'good' level of development compared with boys (62%). FSM eligible girls (57%) are also more likely than FSM eligible boys (42%) to achieve the measure. However, the gap between those eligible for FSM and those not eligible is almost similar for boys and girls with 20 and 18 percentage points respectively.

"Overall, girls (75%) are more likely to achieve a 'good' level of development compared with boys (62%)."

Figure 3.5:
A higher proportion of girls achieve a 'good' level of development than boys and the gap between those eligible for free school meals (FSM) and those not eligible is smaller for girls.

Percentage of students achieving a 'good level of development' at age 5 years by eligibility for FSM and gender in England, in the academic year 2021 to 2022.

Source: Department for Education. Early years foundation stage profile results from the 2021 to 2022 academic year, 2022.

Note: The percentage '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 main areas of learning and within literacy and numeracy is classed as having a 'good level of development'. FSM eligibility is defined as collected in the school census which states whether a child's family have claimed eligibility. Parents are able to claim FSM if they receive certain benefits.[90]

90 See Department for Education guidance for more information on free school meal eligibility, 'Early years foundation stage profile results', 2022. Published on GOV.UK.

Differences among ethnic groups and between sexes

Figure 3.6 shows the proportion of children who achieved a 'good' level of development in the 2021 to 2022 school year by ethnicity. We focus on children who were eligible for FSM. Here we see that, among those eligible, children from the Black, Asian and Mixed or multiple ethnic groups are more likely than White children to achieve a 'good' level of performance. The explanation for this finding is not entirely clear, but it could perhaps reflect the large numbers of ethnic minorities living in London where results tend to be better. It could also reflect the high aspirations of ethnic minority parents.

We should also note that there is considerable diversity within these very broad ethnic groups that the DfE uses here. Within the Black group, there are important differences between those with Black African and Black Caribbean backgrounds. And within the Asian group there are important differences between students with Bangladeshi, Chinese, Indian and Pakistani backgrounds (see the more detailed analysis in figure 3.7).

Figure 3.6:
Among FSM eligible children, those with White or Other ethnicities have the lowest rates of achieving a 'good' level of development.

Percentage of FSM-eligible pupils achieving a 'good level of development' at age 5 years by ethnicity in England, from the academic year 2021 to 2022.

Source: Department for Education (DfE). Early years foundation stage profile results from the 2021 to 2022 academic year, 2022.

Note: The percentage '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 main areas of learning and within literacy and numeracy is classed as having a 'good level of development'. For this outcome the DfE only publishes results for the 5 broad categories shown in the figure. FSM eligibility is defined as collected in the school census which states whether a child's family have claimed eligibility. Parents are able to claim FSM if they receive certain benefits.[91]

91 See Department for Education guidance for more information on free school meal eligibility, 'Early years foundation stage profile results', 2022. Published on GOV.UK.

Figure 3.7:
Among FSM eligible children, girls are much more likely to achieve a 'good' level of development than boys from the same ethnic background.

Percentage of students FSM eligible achieving a 'good' level of development at age 5 years by ethnicity and gender in England, from the academic year 2021 to 2022.

Boys

White	Other	Black	Mixed	Asian
40%	42%	47%	47%	49%

Girls

White	Other	Black	Mixed	Asian
54%	54%	63%	63%	64%

Source: Department for Education. Early years foundation stage profile results from the 2021 to 2022 academic year, 2022.

Note: The percentage '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 main areas of learning and within literacy and numeracy is classed as having a 'good' level of development. FSM eligibility is defined as collected in the school census which states whether a child's family have claimed eligibility. Parents are able to claim FSM if they receive certain benefits.[92]

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92 See Department for Education guidance for more information on free school meal eligibility, 'Early years foundation stage profile results', 2022. Published on GOV.UK.

Differences between regions

Since outcomes at school are based on administrative data, they are not subject to the sampling error that affects estimates from the LFS. This means that we can show regional results (for England only).

Figure 3.8 shows that, among FSM-eligible children aged 5 years in England, the highest proportions achieving a good level of development are in London, East Yorkshire, North Lincolnshire and the West Midlands. The lowest proportion is in Cumbria. The other areas of England (those in the 4 lower quintiles of the distribution) are all close to each other. The major story is that all the areas of London do well when considering this measure. In later figures, this 'London effect' reappears throughout the educational career.

Figure 3.8:
FSM eligible pupils in London, East Yorkshire and North Lincolnshire and the West Midlands are the most likely to achieve a good level of development at age 5 years.

Percentage of FSM-eligible pupils reaching a good level of development at age 5 years by International Territorial Level 2 (ITL2) regions in England, from the academic year 2021 to 2022.

Percentage of pupils who are eligible for free school meals (FSM) reaching a good level of development at age 5

- Q1 (Worst 20%)
- Q2
- Q3
- Q4
- Q5 (Best 20%)

Source: Department for Education (DfE). Early Years Foundation Stage result in 2022.

Note: The DfE shows results for each local authority (LA) in England. This data has been aggregated into ITL2 regions by weighting the LA results by the number of pupils in each authority.[93]

93 International Territorial Level is a code used to subdivide the UK geographically for statistical purposes. Office for National Statistics, 'Territorial levels UK, international territorial levels', 2021. Published on ONS.GOV.UK.

1.2 Attainment at age 11 years

To monitor attainment at age 11 years we consider the proportion of pupils who achieve the expected standard in reading, writing and maths. This is important to help us understand how academic attainment at age 16 years and beyond might develop.

Figure 3.9 shows the proportion of all pupils who meet the expected standard in reading, writing and maths in the 7 school years to July 2022, by disadvantage status. Of all pupils, 53% achieved the expected standard in the 2015 to 2016 school year, and this increased to 65% in the 2018 to 2019 school year, but decreased to 59% in the 2021 to 2022 school year. Overall, 66% of non-disadvantaged pupils achieved the expected standard in the 2021 to 2022 school year, compared with 43% of disadvantaged pupils. This represents a decrease in attainment for both groups since the last results were published on the 2018 to 2019 cohort.[94] The decline was 5 percentage points for non-disadvantaged children compared with a drop of 8 percentage points for disadvantaged children. This suggested that disadvantaged children may have been impacted more severely by the disruptions in learning due to the COVID-19 pandemic.

"Overall, 66% of non-disadvantaged pupils achieved the expected standard in the 2021 to 2022 school year, compared with 43% of disadvantaged pupils."

94 Due to the COVID-19 pandemic, the key-stage 2 assessments were cancelled in 2019 to 2020 and 2020 to 2021.

Figure 3.9:

Children from disadvantaged backgrounds are less likely to reach the expected standard in reading, writing and maths at key stage 2 (KS2). This gap has widened since before the pandemic.

Percentage of students reaching the expected standard in reading, writing and maths at KS2 by disadvantage status in England, from September 2015 to July 2022. No data was collected for the 2 academic years starting in 2019 and 2020 due to the COVID-19 pandemic.

Source: Department for Education. National curriculum assessments at key stage 2 in England, 2022.

Note: The grey line represents all children. Disadvantaged pupils are defined as those who were registered as eligible for free school meals at any point in the last 6 years, and children looked after by a local authority (LA) or who left LA care in England and Wales through adoption, a special guardianship order, a residence order or a child arrangements order. Figures for the 2021 to 2022 school year are based on revised data. Figures for other years are based on final data. Attainment in all of reading, writing and maths is not directly comparable to some earlier years (2016 and 2017) because of changes to teacher assessment frameworks in 2018. Between the academic years 2018 to 2019 and 2021 to 2022, there was a break in assessments due to the pandemic, though these last two data points are comparable.

Figure 3.10 shows the disadvantage gap index between the academic years of 2010 to 2011 and 2021 to 2022 in England. As reported last year, this is a relatively new measure used by DfE and is a positional measure based on rank rather than overall levels. It measures how pupils from 'disadvantaged and non-disadvantaged backgrounds' differ in their positions in rankings of performance. This makes the measure more robust to changes in assessments over time. A disadvantage gap score of 0 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 3.10 shows that the disadvantage gap increased by 11% between the school years 2018 to 2019 (2.91) and 2021 to 2022 (3.23). This is the highest level since 2012 and suggests a reversal of the progress made between 2011 and 2018 when the gap reduced every year. As acknowledged by DfE, this suggests the disruption to learning due to the COVID-19 pandemic has had a larger impact on pupils from disadvantaged backgrounds.

Figure 3.10:

The disadvantage gap reduced between 2011 and 2019 but has increased since the pandemic to be at its highest level since 2012.

Disadvantage attainment gap index for England at key stage 2 (KS2), from 2011 to 2022.

Source: Department for Education. National curriculum assessments at KS2 in England, 2022.

Note: Each year refers to the year in which the academic year ends, for example 2022 refers to the 2021 to 2022 academic year. Comparisons are made by ordering pupil scores in reading and maths assessments at the end of KS2 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 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, and children looked after by a local authority (LA) or who left LA care in England and Wales through adoption, a special guardianship order, a residence order or a child arrangements order.

Intersectional analysis of attainment at age 11 years

Differences between boys and girls

Figure 3.11 shows the proportion of children who achieve the expected standards in reading, writing and maths by gender. Overall, 70% of non-disadvantaged girls achieve the expected standard, compared with 61% of non-disadvantaged boys. For those who are disadvantaged, 47% of girls met the expected standard in the 2021 to 2022 school year, compared with 39% of disadvantaged boys. Although girls tend to do better at achieving the expected standard, the gap between those from disadvantaged and non-disadvantaged backgrounds is similar for girls and boys at around 22 to 23 percentage points.

Figure 3.11:
In the 2021 to 2022 school year, girls were more likely than boys to reach the expected standard in reading, writing and maths.

Percentage of students reaching the expected standard in reading, writing and maths at key stage 2 (KS2) by disadvantage status and gender in England, in the academic year 2021 to 2022.

Source: Department for Education. National curriculum assessments at KS2 in England, 2022.

Note: Disadvantaged pupils are defined as those who were registered as eligible for free school meals at any point in the last 6 years, and children looked after by a local authority (LA) or who left LA care in England and Wales through adoption, a special guardianship order, a residence order or a child arrangements order. Figures for 2022 are based on revised data.

Differences among ethnic groups

Figure 3.12 shows the proportions of pupils reaching the expected standard by FSM status and ethnicity. There are striking differences in overall achievement levels across different ethnicities. For example, 76% of FSM-eligible children of Chinese ethnicity reach the standard but only 12% of Gypsy or Roma ethnicity.

Figure 3.12:
The percentage of free school meal (FSM) pupils reaching the expected standard by age 11 years varies greatly by ethnic background.

Percentage of FSM-eligible pupils reaching the expected standard in reading, writing and maths at key stage 2 (KS2) by ethnicity in England, in the academic year 2021 to 2022.

Ethnicity	Percentage
White - Gypsy or Roma	12%
White - Traveller of Irish heritage	15%
White - Irish	34%
White - White British	38%
Mixed - White and Black Caribbean	39%
Black - Black Caribbean	41%
White - Any other White background	44%
Any other ethnic group	45%
Mixed - Any other Mixed background	48%
Black - Any other Black background	48%
Mixed - White and Asian	49%
Mixed - White and Black African	50%
Asian - Pakistani	51%
Asian - Any other Asian	53%
Black - Black African	56%
Asian - Indian	59%
Asian - Bangladeshi	63%
Asian - Chinese	76%

Source: Department for Education. National curriculum assessments at KS2 in England, 2022.

Note: Figures for 2022 are based on revised data. FSM eligibility is defined as collected in the school census which states whether a child's family have claimed eligibility. Parents are able to claim FSM if they receive certain benefits.[95]

95 See Department for Education guidance for more information on free school meal eligibility, 'Early years foundation stage profile results', 2022. Published on GOV.UK.

Differences among regions

Figure 3.13 shows that, among FSM-eligible students in England, the highest proportions meeting the expected standard at age 11 years are in London, the West Midlands, and Tees Valley and Durham. In contrast, the lowest proportions are in southern and eastern areas of the country. We should however note that the percentages achieving the expected standard are fairly similar across the 3 lowest-performing quintiles, ranging from 35% for the lowest area to 40% for the middle quintile. In contrast there is a large range within the top quintile.

The pattern observed here has been found in previous research. It has often been termed 'the London effect', but previous research has also noted that a similar phenomenon of higher-than-expected achievement among FSM pupils is also found in other densely urban areas. The explanation for the London effect is not entirely clear. One major factor is undoubtedly the presence of large numbers of pupils with an ethnic minority background in these metropolitan areas. Large proportions of some minority groups are eligible for FSM. And as we showed in figure 3.7, FSM-eligible minority pupils outperform White British pupils. However, this is not the whole explanation.

"Among FSM-eligible students in England, the highest proportions meeting the expected standard at age 11 years are in London, the West Midlands, and Tees Valley and Durham."

Figure 3.13:
Disadvantaged pupils in London, the West Midlands, and Tees Valley and Durham are the most likely to achieve the expected standard at key stage 2 (KS2).

Percentage of free school meal-eligible pupils reaching the expected standard in reading, writing and maths at KS2 by International Territorial Level 2 (ITL2) regions in England, in the academic year 2021 to 2022.

Percentage of pupils who are eligible for free school meals (FSM) reaching the expected standard in reading, writing and maths at KS2

- Q1 (Worst 20%)
- Q2
- Q3
- Q4
- Q5 (Best 20%)

Source: Department for Education (DfE). National curriculum assessments at key stage 2 in England, 2021 to 2022.

Note: DfE shows results for each local authority (LA) in England. This data has been aggregated into ITL2 regions by weighting the LA results by the number of pupils in each authority.[96]

96 International Territorial Level is a code used to subdivide the UK geographically for statistical purposes. Office for National Statistics, 'Territorial levels UK, international territorial levels', 2021. Published on ONS.GOV.UK.

1.3 Attainment at age 16 years

The attainment of children at the end of their compulsory education is just as important as the beginning. A young person's educational outcomes at age 16 years help shape their path onto higher or further education (HE or FE), training and employment. To look at how a person's SEB influences this progression, we consider the overall levels of attainment for disadvantaged pupils and all other pupils. We also use the KS4 disadvantage gap index for schools in England. The disadvantage gap index summarises the relative attainment in GCSE English and maths between disadvantaged pupils and all other pupils.[97]

Figure 3.14 shows the proportion of children who achieve a pass (grade 5 or above) in both GCSE English and maths, by disadvantage status. Overall, in the 2021 to 2022 school year, 49.8% of all pupils passed both GCSE English and maths. 30% of disadvantaged pupils achieved a grade 5 or above in both subjects, compared with 57% of all other pupils. This implies a gap of 27.4 percentage points, which is similar to the previous year when the gap was 27.5 percentage points.

Figure 3.14:
In the 2021 to 2022 school year, there was a small drop in the proportion of pupils at key stage 4 (KS4) achieving a grade 5 or above in GCSE English and maths, and the gap between disadvantaged and other pupils was similar to previous years.

Percentage of students achieving a pass (grade 5 or above) in both GCSE English and maths by disadvantage status in England, from 2018 to 2022.

Source: Department for Education (DfE). National curriculum assessments at key stage 4 in England, 2022.

Note: Pupils are defined as disadvantaged if they are known to have been eligible for free school meals 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. Figures for the school years 2019 to 2020 and 2021 to 2022 are based on revised data. Figures for the 2018 to 2019 school year are based on final data. The 2021 to 2022 year assessment returned to the summer exam series, after they had been cancelled in 2020 and 2021 due to the impact of the COVID-19 pandemic. During this time alternative processes were set up to award grades (centre assessment grades, and teacher assessed grades).

97 Pupils are defined as disadvantaged if they are known to have been eligible for free school meals 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 1 day or if they are recorded as having been adopted from care.

Figure 3.15 shows the disadvantage gap index for KS4 in England in the 12 school years ending in July 2022. This shows the disadvantage gap index widened slightly between 2017 and 2019. In 2020, due to the disruptions to exams caused by the pandemic, centre assessed grades were used instead of exams. This resulted in a slight narrowing of the gap. However, in 2021 although exams were still cancelled, the gap widened. In 2022 as exams were re-introduced, the gap continued to widen and now stands at its highest level since 2021. The DfE states this widening may reflect the 'difficult circumstances' which many pupils experienced during the pandemic, resulting in more home learning and restricting attendance in school.[98]

Figure 3.15:

The disadvantage gap index has widened compared with the 2020 to 2021 school year, and is the largest gap since the 2011 to 2012 school year.

The disadvantage attainment gap index for England at key stage 4 (KS4), from 2011 to 2022.

Source: Department for Education. National curriculum assessments at KS4 in England, 2022.

Note: Each year refers to the year in which the academic year ends, for example 2022 refers to the 2021 to 2022 academic year. The disadvantage gap index summarises the relative attainment gap (based on the average grades achieved in English and maths GCSEs) between disadvantaged pupils and all other pupils. The Index ranks all pupils in state-funded schools in England and asks whether disadvantaged pupils typically rank lower than non-disadvantaged pupils. A disadvantage gap of 0 would indicate that pupils from disadvantaged backgrounds perform as well as pupils from non-disadvantaged backgrounds. Pupils are defined as disadvantaged if they are known to have been eligible for free school meals 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. Figures for the school years 2019 to 2020 and 2021 to 2022 are based on revised data. Figures for the school year 2018 to 2019 are based on final data. The 2021 to 2022 year assessment returned to the summer exam series, after they had been cancelled in 2020 and 2021 due to the impact of the COVID-19 pandemic. During this time alternative processes were set up to award grades (centre assessment grades and teacher assessed grades).

98 Department for Education, 'Key stage 4 performance revised', 2023. Published on GOV.UK.

Intersectional analysis of attainment at age 16 years

Differences between boys and girls

Figure 3.16 shows the proportion of pupils achieving a pass in both GCSE English and maths by sex and disadvantage status in the 2021 to 2022 school year. Overall both non-disadvantaged and disadvantaged girls have higher rates of passing GCSE English and maths than boys. 60% of non-disadvantaged girls passed both subjects, compared with 54% for boys. Similarly, 32% of disadvantaged girls passed both subjects compared with 27% for boys. At 28 percentage points, the disadvantage gap for girls is very similar to that for boys, who have a gap of 27 percentage points.

Figure 3.16:
In the 2021 to 2022 school year, girls were more likely than boys to achieve a pass in both GCSE English and maths regardless of their disadvantage status.

Percentage of pupils achieving a pass (grade 5 or above) in both GCSE English and maths by disadvantage status and gender in England, in the academic year 2021 to 2022.

Legend: ■ Disadvantaged ■ Not known to be disadvantaged

Source: Department for Education. National curriculum assessments at key stage 4 in England, 2022.

Note: Pupils are defined as disadvantaged if they are known to have been eligible for free school meals 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. Figures for 2022 are based on revised data.

Differences between ethnic groups

Figure 3.17 shows the proportion of FSM-eligible pupils who achieve a pass in both GCSE English and maths. The figure shows substantial variation between the bottom ethnic group (Gypsy or Roma at 6%) and the top-performing ethnic group (Chinese at 70%). Overall, FSM-eligible pupils of South Asian ethnicities (such as Indian and Bangladeshi) have much higher rates of achieving a pass in both subjects compared with White British FSM-eligible pupils.

Figure 3.17:
There is great variation across ethnicities in the attainment of pupils eligible for free school meals (FSM).

Percentage of FSM-eligible pupils achieving a pass (grade 5 or above) in both GCSE English and maths by ethnicity in England, in the academic year 2021 to 2022.

Source: Department for Education. National curriculum assessments at key stage 4 in England, 2022.

Note: Figures for 2022 are based on revised data. FSM eligibility is defined as collected in the school census which states whether a child's family have claimed eligibility. Parents are able to claim FSM if they receive certain benefits.[99]

99 See Department for Education guidance for more information on free school meal eligibility, 'Early years foundation stage profile results', 2022. Published on GOV.UK.

Differences among regions

Figure 3.18 shows a similar geographical pattern to figure 3.13. In particular we see a similar 'London effect', with other densely populated urban areas also showing good results. Similar to figure 3.13, we also see that the percentage achieving passes (grade 5 or higher) in English and maths are fairly similar across the 3 lowest-performing quintiles, the percentages ranging from 21% for the lowest area to 27% for the middle quintile. Once again there is a large range within the top quintile. The correlation (at the area level) between attainment at age 11 years with attainment at age 16 years is 0.44 (statistically significant at the 0.01 level).

Figure 3.18 also shows a fairly clear pattern for lower percentages of FSM-eligible pupils in rural areas of England such as Cornwall and Cumbria achieving passes (grade 5 or higher) in English and maths. However, these will be areas with relatively few ethnic minority students. A more detailed intersectional analysis is therefore required to disentangle these different effects.

Figure 3.18:
Disadvantaged pupils in London, the West Midlands, and Surrey and Sussex are the most likely to achieve passes (grade 5 or higher) in English and maths at GCSE.

Percentage of free school meal-eligible pupils achieving a strong pass (grade 5 or above) in both GCSE English and maths by International Territorial Level (ITL2) region in England, in the academic year 2021 to 2022.[100]

Percentage of pupils for free school meals (FSM) who achieve a pass (grade 5 or above) in both GCSE English and Maths

- Q1 (Worst 20%)
- Q2
- Q3
- Q4
- Q5 (Best 20%)

Source: Department for Education (DfE). National curriculum assessments at key stage 4 in England, 2022.

Note: DfE shows results for each local authority in England. This data has been aggregated into ITL2 regions by weighting the local authority results by the number of pupils in each authority.

100 International Territorial Level is a code used to subdivide the UK geographically for statistical purposes. Office for National Statistics, 'Territorial levels UK, international territorial levels', 2021. Published on ONS.GOV.UK.

Simon

age 16 years, from Norwich

"

When I was at high school, I found maths hard. Our class sizes were quite big so the teacher couldn't tell when I was falling behind. I feel like I didn't always get things the same way as others in the class.

My school had a sixth form, but I decided to go to City College, Norwich, where they do T levels. I've always liked computers, so the T level in Digital Production Design and Development looked great. But, it turned out that without GCSE maths, I couldn't go on to do the level 3.

Maths made me feel kind of nervous and I didn't like the idea of trying the GCSE all over again, but my school referred me for some free one-to-one tutoring with Get Further. I was a bit worried about having tutoring because I hadn't done anything like that before.

When I had the first call, the tutor told me he was a proper teacher and that

we'd have calls every Thursday with either just me or one or 2 others. He asked me how I liked to learn. We worked out that I get it best by going through the course work together and then going away and practising on my own after the sessions. It was the same tutor every time which was good because it meant he knew my level and how I learn, so it suited me.

Now I'm at college. I do my pre-T-level course 4 days a week, and on my off day I do maths. I can't progress on the T level without maths. But, now I've already done half my maths GCSE and I'm on for a pass. This means I should be able to do level 3 next year.

"I can see how much my work has improved quality-wise, not just in maths, since getting the tutor. I feel much more motivated to do well at college now that I know I can."

When I finish my T level I'll have learnt all about coding, spreadsheets and cybersecurity and I could work in the field one day, I might even go on to uni to learn more about infrastructure cybersecurity support or I might just go straight into work if I like my placement.

I'd definitely recommend anyone else finding maths hard [to] ask their school about tutoring because I know there are others like me that need maths to do what they want at college. Sometimes when you don't get something in a big group setting it just means you need to learn it in a different way, there's no reason you shouldn't try again a second time.

"Sometimes when you don't get something in a big group setting it just means you need to learn it in a different way, there's no reason you shouldn't try again a second time."

Intermediate outcome 2: Post-16 qualifications and progression into the workplace

Summary

- Young people (aged 16 to 24 years) of a lower working-class background are much more likely to be not in employment, education or training ('NEET') than those of any other background. Yet the SEB gradient in NEET rates is not a smooth one. Differences across higher working-class, intermediate, and professional backgrounds are comparatively small. Only those of lower working-class background stand out. This suggests that there is a relatively small group at the bottom in a precarious economic situation.

- Entry to HE presents a different picture, with much lower rates among those of lower working-class background, and much higher rates among those of a higher professional background.

- The class inequalities are particularly large when we look at higher degrees rather than first (bachelor's) degrees. Nearly 4 times as many young people from higher professional backgrounds have a higher degree than those from lower working-class backgrounds, compared with around 2 times as many for first degrees.

- People from Chinese, Indian, Black African, Mixed and Other ethnic groups are more likely to obtain degrees than White people from the same SEB.

- Young people with a disability are less likely to have a university degree, and more likely to have low qualifications than their peers who do not have a disability.

When compulsory schooling ends at age 16 years, young people have a choice of which path to take. With an increase in young people continuing their education until the age of 18 years, this decision may come later. The number of young people staying in education or training until age 18 years rose steadily until 2020. Whether it is made at age 16 or 18 years, this decision can greatly impact their future careers.

The transition from ages 16 to 29 years from school to work is represented by the next set of intermediate outcomes. In other words, this represents the transition of school leavers to FE, HE, training or employment. We have already highlighted that socio-economic disparities start early in life, before a child starts compulsory schooling and continue during those years. This is also the case for a person's career in the labour market.

Our indicators here include the rates of young people who are in education, employment or training and who are in neither ('NEET') or enrolled in HE, and the highest qualifications they have obtained. These are useful measures to give insight into the socio-economic differences we have already mentioned.

The new 5-class measure of social background reveals greater inequalities than those reported in State of the Nation 2022. Young people from lower working-class backgrounds are particularly disadvantaged (relative to the overall average), while those from higher professional backgrounds are particularly advantaged. Particularly stark inequalities can be seen for postgraduate qualifications and outcomes of those who are NEET.

One notable finding is that the lower working class (which includes those from workless family backgrounds) are well behind other social classes on a number of indicators such as NEET. The large proportions of young people from lower working-class backgrounds who have only low levels of school qualifications or are NEET is especially disturbing as low qualifications and limited labour market experience could severely impact their future prospects.

However, there are some improvements we hope to make in the future. We currently do not monitor progression into FE and apprenticeships. We are also interested in capturing progression from FE into apprenticeships and university, as this is another pathway that can help people progress into the labour market. We would also like to consider adult apprenticeships and capture other vocational training, such as professional and language qualifications for people with English as a second language.

2.1 Destinations following the end of compulsory full-time education

Figure 3.19 shows the proportion of young people aged 16 to 24 years who are in education and training, employment, or NEET. In 2022, young people from a higher professional background were the most likely to be in education and training (36%) and the least likely to be NEET (9%). In contrast, those from a lower working-class background were the most likely to be NEET (21%) and the least likely to be in employment (48%).

It is also notable that there are inverted U-shaped relationships between SEB and employment, and to a lesser extent with education and training as well. To some extent this reflects the fact that, among young people aged 16 to 24 years, those from more advantaged backgrounds will tend to remain in education longer and will delay their entry into the labour market. Conversely, those from lower working-class backgrounds may have greater difficulties in finding employment given their typically lower levels of qualification.

Note, for this indicator we were able to report for 2022 as at the time of analysis the 2022 LFS data had become available. However, we did not have sufficient time to update the analysis for all other indicators, but this is what we will do for a future update of our Index.

Figure 3.19:
Young people from higher professional backgrounds are more likely than their peers to be in education and training, while those from lower working-class backgrounds are more likely to be NEET.

Percentage of young people aged 16 to 24 years in the UK who were in education and training, employment or NEET, 2022, by socio-economic background (SEB).

The 2022 State of the Nation report (figure 3.6) distinguished only 3 social class origins (combining the higher and lower working classes, combining the higher and lower professional categories, but excluding those from workless homes).[101] The new analysis for this year demonstrates the importance of using a more detailed measure of SEB and brings out the distinctiveness of the lower working class. This was not visible in our 2022 report.

Other research has shown that young people with low or no qualifications, and those leaving care, are particularly vulnerable to being NEET.[102] Parental worklessness (included in the lower working-class category) has also been shown to be associated with children's worklessness (Macmillan 2014).[103] For further discussion of the 2022 figures see the Office for National Statistics (2022) and for a detailed discussion of NEET and risk factors see House of Commons Library (2021).[104] [105]

101   Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.
102   Anthony Heath and others, 'Social progress in Britain', 2018. Published on GLOBAL.OUP.COM.
103   Lindsey Macmillan, 'Intergenerational worklessness in the UK and the role of local labour markets', 2014. Published on ACADEMIC.OUP.COM.
104   Office for National Statistics, 'Young people not in education, employment or training (NEET), UK: May 2022', 2022. Published on ONS.GOV.UK.
105   House of Commons Library, 'NEET: young people not in education, employment or training', 2021. Published on COMMONSLIBRARY. PARLIAMENT.UK.

Intersectional analysis of destinations following the end of compulsory full-time education

Differences between men and women

Figure 3.20 shows that the likelihood of being in education and training, employment or NEET are broadly similar among young men and women from each socio-economic background.

The differences between women and men among young people from professional class backgrounds may well reflect the high proportions of women from these backgrounds who continue with their education after age 16 years. There are also hints in the data that the sex difference is reversed among young people from lower working-class backgrounds. But, in this case, the gap is not statistically significant.

Figure 3.20:
Social class differences in the likelihood of being in education and training, employment or NEET are similar among young men and women.

Percentages in education and training, employment and NEET, 2014 to 2022 (combined), respondents aged 16 to 24 years in the UK, by socio-economic background (SEB) and sex.

Source: Office for National Statistics, pooled Labour Force Survey 2014 to 2022, respondents aged 16 to 24 years in the UK, data collected from July to September each year.

Notes: NEET is defined as 'not in employment, education or training' in the week before the survey. SEB refers to the main wage earner's occupation when the respondent was aged 14 years. Where there was no earner in the family, SEB is included in the lower working class. Due to rounding errors, in some instances, the totals may not add up to 100%.

Differences among ethnic groups

We see from figure 3.21 that, when looking at young people from lower working-class backgrounds, there are considerable differences from the White British profile in the percentages in education and training, employment, and NEET. In particular, there are much higher proportions of people from ethnic minorities in education and training, and much lower proportions in employment.

Overall, the proportion of people from lower working-class backgrounds who are NEET is highest amongst the White and Black Caribbean ethnic groups (22%) and lowest amongst the Chinese and Indian ethnic groups (10%). Those of a Chinese ethnicity are most likely to be in education or training with 62%, compared with only 26% of White ethnic people – the least likely. This is reflected by 51% of White people being in employment – the highest proportion among all groups – compared with only 25% of Black African ethnic people – the lowest proportion.

The explanation for this pattern may be more controversial. One possibility is that it reflects minorities' expectations of discrimination in the labour market, while another (not incompatible) explanation focuses on the high aspirations of young people from ethnic minorities (perhaps reflecting the positive selection and high aspirations of their parents' generation) and their more ambitious educational choices after age 16 years.[106]

It is striking that the Black African proportions are more similar to the Chinese ethnic group than the Black Caribbean ethnic group. This may well reflect that many Black African parents were relatively well-educated in Africa but experienced downward mobility into the lower working class after migrating to Britain.[107]

106   Anthony Heath and others, 'Unequal attainments: ethnic educational inequalities in ten western countries', 2014. Published on ACADEMIC.OUP.COM.
107   Patricia Daley, 'Black-African: students who stayed', in Ceri Peach (editor) 'Ethnicity in the 1991 census, volume 2',1996.
       Published by OFFICE FOR NATIONAL STATISTICS

Figure 3.21:
The likelihoods of being in education and training or employment are very different among people from ethnic minorities from lower working-class backgrounds in comparison with White people.

Estimated percentages in education and training, employment and NEET, 2014 to 2022 (combined), respondents from lower working-class backgrounds aged 16 to 24 years in the UK, by ethnic group.

Source: Office for National Statistics, pooled Labour Force Survey from 2014 to 2022, respondents from lower working-class backgrounds aged 16 to 24 years in the UK, data collected from July to September each year.

Notes: The estimated percentages are derived from a logistic regression model, controlling for sex. The model assumes that class effects are the same within each ethnic group. The estimated percentages shown are those for men. We show percentages only for those with lower working-class backgrounds for illustrative purposes. Due to rounding errors, in some instances, the totals may not add up to 100%.

In figure 3.22 we look at the proportion of young people from higher professional backgrounds who are either in education and training or employment, or NEET. Here we can see that there is a clear contrast between those from an ethnic minority background compared with White people. Overall, among these young people from higher professional backgrounds, the percentages in education or training are higher among all ethnic groups and the percentages in employment or NEET are correspondingly lower.

Figure 3.22:

The likelihoods of being in education and training or employment are very different among people from ethnic minorities from higher professional backgrounds in comparison with White people.

Estimated percentages in education and training, employment and not in education, employment or training, 2014 to 2022 (combined), respondents from higher professional backgrounds aged 16 to 24 years in the UK, by ethnic group.

Destinations after age 16 ■ Education and training ■ Employment ■ NEET

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2022, respondents from higher professional backgrounds aged 16 to 24 years in the UK, data collected from July to September each year.

Note: The estimated percentages shown are those for men. We show percentages only for those with higher professional backgrounds for illustrative purposes. The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

Differences by disability status

From all socio-economic backgrounds alike, young people with a disability are much more likely to be NEET and much less likely to be in employment than those without a disability.

Differences in the proportions in education are not, for most SEBs, statistically significant. The main finding is that young people with a disability are much more likely than their peers to be NEET rather than in employment.

Figure 3.23:

From all socio-economic backgrounds (SEBs) alike, young people with a disability are much less likely to be in employment and much more likely to be NEET than those without a disability.

Percentages in education and training, employment, and NEET, 2014 to 2022 (combined), respondents aged 16 to 24 years in the UK, by SEB and disability.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2022, respondents aged 16 to 24 years in the UK, data collected from July to September each year.

Notes: We use the LFS variable DISEA (disability status). This provides a measure of disability consistent with the Equality Act. It considers whether the respondent has a health condition or illness lasting 12 months or more (or both), and whether that condition reduces their ability to carry out day-to-day activities (for details see the LFS user guide volumes 3 and 4).[108] The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances, the totals may not add up to 100%.

In our supplementary analysis (see our online tool) we find that the regional estimates for this indicator have a large margin of error. This means we should be careful not to rank areas.

Instead, we should pay more attention to the overall pattern across several indicators. For this reason, we have produced the composite indices, above.

108 Labour Force Survey, 'User guides, volumes 3 and 4', 2023. Published on ONS.GOV.UK.

2.2 Entry of young people into higher education

We consider differences in entry to HE across SEBs, but note that there are many other routes someone can take following their school education. Monitoring SEB differences in entry to HE is important because many traditional professional class occupations have historically recruited university graduates. This means it is still important that people from all SEBs have the opportunity to proceed onto HE – should they wish to do so. Having the opportunity to study at university is particularly important as research by the Institute for Fiscal Studies (IFS) shows that the gap in earnings between those from the poorest and wealthiest backgrounds is half the size for graduates of HE than across the general population.[109] This emphasises the important role HE can play in enabling social mobility.

Figure 3.24 shows the proportion of young people aged 18 to 20 years who began studying in HE by SEB in 2021. Overall, young people from a higher professional background (51%) had significantly better chances of participating in HE than people from other SEBs (including those from a lower professional background). And people from a lower working-class background had significantly lower chances (21%) even when compared with those from a higher working-class background. We find a 30 percentage-point gap in HE participation between those from the higher professional and the lower working classes. This is one of the largest class inequalities that we report.

109   Jack Britton and others, 'Which university degrees are best for intergenerational mobility?', 2021. Published on IFS.ORG.UK.

Figure 3.24:
There are large differences across socio-economic backgrounds (SEB) in the proportion of young people entering higher education (HE).

Percentage of young people aged 18 to 20 years in the UK enrolled in HE, 2021, by SEB.

Sources: Office for National Statistics, Labour Force Survey (LFS) 2021, respondents aged 18 to 20 years in the UK.

Notes: The data refers to participation rates of young people aged 18 to 20 years. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals. Due to rounding errors, in some instances, the totals may not add up to 100%.

The State of the Nation report in 2022 (figure 3.9) shows modest class differences in entry into HE.[110] Using LFS data on young people aged 19 years, the report found that "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."

Our new analysis demonstrates the importance of using a more detailed measure of SEB and brings out major differences within both the working classes and the professional classes.

It is worth noting that there are also important social class differences in entry to more prestigious universities.[111] [112] We also published a report in February 2023 which finds that people from poorer backgrounds are less likely to attend more selective universities than wealthier people.[113] This is particularly important because the report finds evidence from the IFS which suggests those from the poorest backgrounds may be able to overcome most of their earnings disadvantages by attending the most selective universities.[114] We propose to investigate this in future work.

110   Social Mobility Commission, 'State of the Nation 2022: a fresh approach to social mobility', 2022. Published on GOV.UK.
111   Vikki Boliver, 'How fair is access to more prestigious UK universities?', 2013. Published on ONLINELIBRARY.WILEY.COM.
112   Vikki Boliver, 'How fair is access to more prestigious UK universities?', 2013. Published on ONLINELIBRARY.WILEY.COM.
113   Social Mobility Commission, 'Labour market value of higher and further education qualifications: a summary report', 2023. Published on GOV.UK.
114   Jack Britton and others, 'Which university degrees are best for intergenerational mobility?', 2021. Published on IFS.ORG.UK.

2.3 Highest qualification of young people

Next we consider the highest qualifications which people have achieved by their mid to late 20s. This is important because by this stage of someone's life, the qualifications they have accumulated will likely shape their working career. This also helps us understand how our range of mobility outcomes might develop in the future.

Figure 3.25 shows the breakdown of the highest qualification achieved for 25 to 29 year olds by SEB in 2021. It shows a clear pattern of class differences. The more advantaged a young person's background, the higher the chances that they will secure first or higher degrees. Over two-thirds (71%) of young adults from higher professional backgrounds secure a first or higher degree, compared with just over a quarter (27%) of those from the lower working class. An important new finding is that class inequalities are even higher in the case of postgraduate degrees than they are in the case of first degrees. When considering all degrees, there are 2.5 times as many students from higher professional than lower working-class backgrounds.

Figure 3.25:
Socio-economic background (SEB) is strongly related to the qualification level that young people achieve.

Highest level of qualification achieved by young people aged 25 to 29 years in the UK, 2021, by SEB.

Source: Office for National Statistics, Labour Force Survey (LFS) 2021, respondents aged 25 to 29 years in the UK.

Note: Parental social class is measured by the main wage earner's occupation when the respondent was aged 14 years. The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances, the totals may not add up to 100%.

Last year we looked at trends from 2014 onwards, finding that professional men and women were more likely to have a degree than working-class men and women, but also that gaps between these groups had narrowed.[115] However, this finding did not separate higher degrees from first degrees and used a 3-part class structure. This year's figures show that, in 2021, people from higher professional backgrounds were 3.5 times more likely than those from lower working-class backgrounds to obtain a higher degree – a much greater level of inequality than that shown in last year's report.

There is a long tradition of sociological research demonstrating class inequalities in access to higher levels of education (see for example Halsey, Heath and Ridge 1980).[116] While there may have been some equalisation over time of class chances of achieving school-level qualifications, it appears that class inequalities may not have declined in HE. One account is that, as disadvantaged groups begin to catch up, the advantaged classes will strive to preserve their advantage by 'raising the stakes' and focusing on ever higher levels of education (Lucas 2001).[117] The surprisingly large class inequalities with respect to postgraduate degrees is in line with this account (although more detailed over-time analysis is needed to be sure).

In newly-published work, In and Breen (2022) show that there is a tight link between postgraduate education and the type of undergraduate institution previously attended.[118] The type of undergraduate institution attended appears to be a key factor and so we will need to look at institution type in future work.

"In 2021, people from higher professional backgrounds were 3.5 times more likely than those from lower working-class backgrounds to obtain a higher degree."

115   See figure 3.10 in Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.
116   Albert Halsey and others, 'Origins and destinations: family, class and education in modern Britain', 1980. Published on CAMBRIDGE.ORG.
117   Samuel Lucas, 'Effectively maintained inequality: education transitions, track mobility, and social background effects,' 2001. Published on JOURNALS.UCHICAGO.EDU.
118   Jung In and Richard Breen, 'Social origins and access to top occupations among the highest educated in the United Kingdom', 2022. Published on JOURNALS.SAGEPUB.COM.

Intersectional analysis of highest qualification of young people

Differences between men and women

Figure 3.26 shows that SEB is related to qualification level among young women in much the same way as among young men. However, within all SEB groups, women have a greater likelihood of attaining a first degree and are correspondingly less likely to have lower-level qualifications than men. The least qualified are young men from lower working-class backgrounds and the most qualified are young women from higher professional backgrounds.

Figure 3.26:

Within all socio-economic backgrounds (SEB), higher proportions of young women than young men have a first degree.

Highest qualification, from 2014 to 2021 (combined), respondents aged 25 to 29 years in the UK, by SEB and sex.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: The data used is weighted using the LFS popularity weights. Due to rounding errors, in some instances, the totals may not add up to 100%.

Differences between ethnic groups

Figure 3.27 shows that while all ethnic groups are divided internally by SEB, people from Chinese, Indian, Black African, Mixed and Other ethnic groups are more likely to obtain degrees than White people from the same SEB. On the other hand, young Black Caribbean people have similar chances of attaining a university degree as young White people. This work also suggests there is some evidence that White British working-class young men experience similar disadvantages with respect to university education as young Black Caribbean men.

Figure 3.27:

People from several (but not all) ethnic minorities do better than White people from similar socio-economic backgrounds (SEBs) in gaining a degree.

Estimated percentages obtaining a university degree, 2014 to 2021, respondents aged 25 to 29 years in the UK, by SEB and ethnic group.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: Because of small sample sizes in the case of some ethnic groups, the outcome measure is simplified to whether the respondent has a university degree or not. The estimated percentages and confidence intervals are derived from a logistic regression model, on the likelihood of attaining a degree by ethnic group and SEB, controlling for sex. The model assumes that class effects are the same within each ethnic group. Further tests indicate that this assumption cannot be rejected. The percentages shown are those for men. Percentages are shown only for those with lower working-class and higher professional-class backgrounds for illustrative purposes. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

We should note, however, some complicating factors that might well be present. First, ethnic groups' educational achievement tends to vary according to whether they arrived as migrants (the first generation) or were born in Britain (the second generation). Second, especially among migrants, SEB may refer to parental occupations in the country of origin, which may not be comparable with those of young people born in Britain. Thirdly, people from ethnic minorities may be less able to gain access to high status universities than White people.[119] [120] [121] [122]

119 Vikki Boliver, 'How fair is access to more prestigious UK universities?', 2013. Published on ONLINELIBRARY.WILEY.COM.
120 Anthony Heath and others, 'Unequal attainments: ethnic educational inequalities in ten western countries', 2014. Published on ACADEMIC.OUP.COM.
121 Yaojun Li and Anthony Heath, 'Class matters: a study of minority and majority social mobility in Britain, 1982–2011', 2016. Published on JOURNALS.UCHICAGO.EDU.
122 Mary Waters and others, 'Second-generation attainment and inequality: primary and secondary effects on educational outcomes in Britain and the US', 2013. In Richard Alba and Jennifer Holdaway, 'The children of immigrants at school: a comparative look at education in the United States and Western Europe', 2013. Published on NYUPRESS.ORG.

Differences by disability status

Figure 3.28 shows a consistent 'disability gap' across all SEBs. Young people with a disability are less likely to have a university degree, and more likely to have low qualifications than those who do not have a disability. However, we should note that we do not know the precise age at which the illness or disability first occurred. So it could be that in some cases people had completed their education before the onset of the illness. These observed 'disability' gaps might therefore underestimate the effect of disability on educational attainment.

Figure 3.28:

Within all socio-economic backgrounds (SEBs), lower proportions of young people with a disability have a university degree than other young people.

Highest qualification, from 2014 to 2021, respondents aged 25 to 29 years in the UK, by SEB and disability.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: We use the LFS variable DISEA (disability status). This provides a measure of disability consistent with the Equality Act. It considers whether the respondent has a health condition or illness lasting 12 months or more (or both), and whether that condition reduces their ability to carry out day-to-day activities (for details see LFS user guide volumes 3 and 4).[123] The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances, the totals may not add up to 100%.

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123   Labour Force Survey, 'User guides, volumes 3 and 4', 2023. Published on ONS.GOV.UK.

Lily Bakewell

age 18 years, from Walsall

"

I was around 7 when my parents split up. I switched a lot between the 2 houses. My dad's a plumber, my stepmum cleans in a hotel and my mum's an accountant. When my parents split, we were quite badly off with money, but my mum would do anything she could to make it feel like we weren't struggling.

"At school, I found it hard to make friends. I was shy, and found it difficult to answer questions in class. But in year 9, I had a lovely health and social teacher, who said I had talent and was really passionate about persuading me to go into it as a career. She was an angel sent to earth. It gave me direction."

Although I had been planning to do A levels, I decided to do a T level in health and social care at Walsall College. A lot of my family have suffered from mental health problems.

I've been exposed to it from a young age. There is a lot of inspiration around me, because I've seen what a difference good help can make.

Obviously when you've got to make choices about your future, you're still quite young. I did a lot of weighing up the pros and cons. During the whole application process into college, there was a lot of uncertainty about what the course would lead to. But I decided that to get into my dream career it would make more sense to do the T level.

In the first year, we learned about legislation and policy. You're doing research, planning, presenting and we did a placement one day a week. I worked at Walsall hospital on an elderly care ward. Being 16 and being thrown into such a hard workplace was a big learning curve. You pretty much take on the role of a student nurse at university. Within the first 3 months,

I had witnessed someone die. It's a lot of responsibility.

When I started, I suffered from social anxiety. But being a nurse, there's no getting out of communication. You have to communicate with other professionals, patients and family members. It helped me get out of my comfort zone and embrace the professional role.

I've just got my offers for university to study mental health nursing. I'm the first person in my entire family to go to university, so it's a big deal. I wasn't sure how many universities would accept such a new qualification, but it's not been a problem. Most of us had 3 or 4 offers. I am over the moon.

"It helped me get out of my comfort zone and embrace the professional role."

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

Summary

- Young people from a lower working-class background are significantly less likely to be economically active.

- There is a fairly smooth relationship between SEB and young people's earnings – the higher the background, the higher the earnings.

- This earnings gap holds true even when comparing young people with the same educational level.

- There are lower levels of economic activity among women, and among young people from Pakistani, Bangladeshi, Chinese and Other ethnic groups, compared with their peers from similar SEBs.

- Young people from Pakistani and Black ethnic groups also have significantly higher risks of unemployment than White British young people.

- However, considering only those in work, young people from Chinese and Indian backgrounds earn significantly more than White British young people.

- From all SEBs, young women are less likely than young men to be in higher professional occupations, and earn less on average.

- Geographical analysis of work in early adulthood shows strong correlations at the regional level between childhood poverty and young people's unemployment, as well as between parents' and children's employment.

- There is again a disability gap in these early work outcomes. The gap seems to be smaller among those of higher SEBs.

Early steps in a person's career affect the subsequent years in the labour market. They can determine whether people end up in good or precarious jobs. Professional and managerial jobs are associated with higher earnings and greater security, while precarious jobs tend to be short-term contracts with low wages and little room for progression. Entry into these jobs is usually based on qualifications. However, that isn't the only factor: social background also makes a difference.

We have included measures of unemployment, occupational level, and earnings among young people to ensure we cover early labour market experiences. The measures cover ages 25 to 29 to cover young people who have gone through HE. The measures also include economic activity.

> **"Young people from lower working-class backgrounds are particularly disadvantaged when it comes to economic activity and occupational level."**

The geographical distributions of these indicators are quite dissimilar, with rather low correlations at the area (ITL2) level.[124] The strongest correlation is, unsurprisingly, between higher professional occupations and earnings of young people.[125]

Turning to the relationship between the drivers and these labour market intermediate outcomes (which we also expect to anticipate eventual mobility outcomes), the most notable correlations are between:[126]

- the distribution of childhood poverty (driver 1.2) and the distribution of young people's unemployment (figure 3.30) (with a correlation coefficient of +0.47)

- the distribution of parental lower-working class employment (driver 3.3b) and young people's economic activity (figure 3.29) (with a correlation coefficient of -0.40)

- the distribution of parental higher professional employment (driver 3.3a) and young people's own net rate of higher professional employment (figure 3.31) (with a correlation coefficient of +0.66)

- the distribution of parental higher professional employment (driver 3.3a) and young people's own net level of hourly earnings (figure 3.32) (with a correlation coefficient of +0.61)

We must emphasise that these are preliminary results, and should not be taken to represent causal claims – this means we do not imply a change in one of these indicators causes a change in another. They simply show patterns of association between the different geographical distributions. However, they do suggest that there may be a range of different underlying processes which account for the different distributions of intermediate outcomes. We plan to include further drivers and outcomes in future, and will also use more advanced modelling techniques to improve our understanding of how people's characteristics and those of the area they are from relate to social mobility outcomes.

As with socio-economic inequalities in education and transition into work, young people from lower working-class backgrounds are particularly disadvantaged when it comes to economic activity and occupational level. However, we also need to recognise that there are some intermediate outcomes – specifically unemployment and earnings – where the position of the lower-working class is not significantly different from that of the higher-working class. The key point is that the pattern of class inequalities can vary across different outcomes. For example, we find different patterns of socio-economic inequalities when we look at economic activity than when looking at earnings.

124 Correlation is a measure of how much one variable moves with another. A positive correlation means as one variable moves another tends to move in the same direction. A negative correlation implies the variables tend to move in opposite directions. A correlation of 0 or close to 0 means that as one variable moves another does not tend to move.
125 With a correlation coefficient of 0.56 which is significantly different from 0 at the 0.1% level.
126 All the correlation coefficients listed here are significantly different from 0 at the 5%.

3.1 Economic activity of young people

Next we focus on young people who are either 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 participating in the labour market. The official definition of 'economically active' is whether someone is in work, or available for and actively looking for work. People can be economically inactive for a range of reasons such as being in full-time education, looking after family, being prevented from work by disability or ill health, or being discouraged from looking for work as a result of discrimination or previous bad experiences.

Figure 3.29 shows the proportions of people aged 25 to 29 years who were economically active in 2021. People from a lower working-class background had the lowest proportion who are economically active (77%), significantly lower than the proportion from any other SEB. In contrast, the proportions of young people from all other groups were not significantly different from each other. These findings parallel those for rates of NEET among 16 to 24 year olds (Intermediate outcome 2.1 above).

"People can be economically inactive for a range of reasons such as being in full-time education, looking after family, being prevented from work by disability or ill health."

Figure 3.29:
Young people from a lower working-class background are significantly less likely to be economically active.

Percentage of young people aged 25 to 29 years in the UK who were economically active in 2021, by SEB.

Source: Office for National Statistics, Labour Force Survey (LFS) 2021, respondents aged 25 to 29 in the UK.

Note: Economically active is defined as either being in work, or available for and actively looking for work. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

The State of the Nation 2022 report (figure 3.12) shows trends in economic activity by sex from 2014.[127] The report concludes: "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." Our new results raise some questions about this conclusion. In further work we will explore why young people from the most disadvantaged backgrounds have a lower level of economic activity. One possibility is that earlier negative experiences of being NEET or unemployed have had 'scarring' effects on those affected and led to them becoming discouraged workers. This means having been NEET at some point earlier in life may have had long-lasting consequences on future employment and earnings outcomes. For detailed studies of scarring see Gregg and Tominey (2005), Scottish Government (2015), Li and Heath (2018). See also Macmillan (2014) on intergenerational persistence of worklessness (that is, worklessness that persists across generations in one family).[128] [129] [130]

127 Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.
128 Paul Gregg and Emma Tominey, 'The wage scar from male youth unemployment', 2005. Published on RESEARCHPORTAL.BATH.AC.UK.
129 Yaojun Li and Anthony Heath, 'Persisting disadvantages: a study of labour market dynamics of ethnic unemployment and earnings in the UK (2009-2015)', 2018. Published on TANDFONLINE.COM.
130 Lindsey Macmillan, 'Intergenerational worklessness in the UK and the role of local labour markets', 2014. Published on ACADEMIC.OUP.COM; The Scottish Government, 'Consequences, risk factors and geography of young people not in education, employment or training (NEET), research findings', 2015. Published on GOV.SCOT.

Intersectional analysis of economic activity among young people

Differences between men and women

In figure 3.30 we show the proportion of women and men who are economically active by SEB. We see that the gap in sex is reversed in comparison with the ones for education, with women from all SEBs more likely to be inactive. This could reflect women being more likely to take on child-caring responsibilities.

Second, the sex difference is at its largest between men and women from lower working-class backgrounds, at 15 percentage points, compared with only a 4 percentage point difference among men and women from higher professional backgrounds. This is the most striking example of an interplay between SEB and sex differences. We need to be careful because of floor and ceiling effects (lower or upper limits), but formal tests using logistic regression confirm that the sex differences are larger in more disadvantaged classes.

Figure 3.30:
Young women are less likely to be economically active than young men from the same socio-economic background (SEB).

Percentage of young people aged 25 to 29 years in the UK who were economically active, 2014 to 2021, by SEB and sex.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: The economically active are those who are either in work or who are available for and actively looking for work. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

Differences between ethnic groups

Figure 3.31 shows economic activity rates across ethnic groups. Here we see that there are lower levels of economic activity among young people from Pakistani, Bangladeshi, Chinese and Other ethnic groups compared with young people from similar SEBs. This could be partly due to higher rates of continuation in HE, but it is also possible that some of these are 'discouraged workers' who have withdrawn from the labour market as a result of difficulties in finding work. See Heath and Martin for an in-depth analysis of this.[131] [132]

Figure 3.31:
Young people in some ethnic minority groups are less likely to be economically active than their peers. This could be because they are 'discouraged workers'.

Percentage of people who are economically active, from 2014 to 2021, respondents aged 25 to 29 years in the UK, by socio-economic background and ethnic group.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: The estimated percentages and confidence intervals are derived from a logistic regression model, on the likelihood of being economically active by ethnic group and SEB, controlling for sex. The model assumes that class effects are the same within each ethnic group. We will test this assumption in further work. The estimated percentages are those for men. Percentages are shown only for those with lower working-class and higher professional-class backgrounds for illustrative purposes. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

131 Anthony Heath and Jean Martin, 'Can religious affiliation explain ethnic inequalities in the labour market?', 2010. Published on TANDFONLINE.COM.
132 Nabil Khattab and Tariq Modood, 'Both ethnic and religious: explaining employment penalties across 14 ethno-religious groups in the United Kingdom', 2015. Published on ONLINELIBRARY.WILEY.COM.

Differences by disability status

As in the cases of NEET and employment (among 16 to 24 year olds), we see from figure 3.32 that the disability gaps in economic activity are significant for people from all SEBs. However, this gap is even larger among those from lower working-class backgrounds. Young people with a disability from a lower working-class background are the least likely to be economically active. The 'disability gap' is relatively small among those from a higher professional background.

The difference in these gaps shows the possibility that professional families can use their resources to help their young people with a disability, while those from lower working-class backgrounds may be more dependent on help from the state.

Figure 3.32:

Young people with a disability from a lower working-class background are the least likely to be economically active. The 'disability gap' is relatively small among those from a higher professional background.

Percentage of young people aged 25 to 29 years in the UK who were economically active, by socio-economic background (SEB) and disability.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: We use the LFS variable DISEA. This provides a measure of disability consistent with the Equality Act. It also takes account of whether the respondent has a health condition or illness lasting 12 months or more (or both). And whether that condition reduces ability to carry out day-to-day activities (for details see LFS user guide volumes 3 and 4).[133] The 'disability gap' among those from higher professional backgrounds is significantly lower than among other SEBs. This results from a logistic regression model with interaction terms between SEB and disability. The data used is weighted using the LFS pr.-obability weights.

133 Labour Force Survey, 'User guides, volumes 3 and 4', 2023. Published on ONS.GOV.UK.

3.2 Unemployment among young people aged 25 to 29 years

Figure 3.33 shows that young people from a lower working-class background had the highest rate of unemployment (6%), while those from a higher professional class background had the lowest rate (3%). However, these differences in the unemployment rates between those from different backgrounds were only borderline significant for 2021. We should note that the rates of unemployment for people aged 25 to 29 years are substantially lower than those shown in figure 4.13 for young people aged 16 to 24 years. This reflects the strong association between age and risks of unemployment.

Figure 3.33:
There were no significant socio-economic background (SEB) differences in unemployment among young people in 2021.

Percentage of young people aged 25 to 29 years in the UK who were unemployed in 2021, by SEB.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) 2021, respondents aged 25 to 29 years in the UK.

Note: The unemployed are defined as those who are not in work but available for and looking for work. This means that economically inactive people are excluded from the calculation. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

The State of the Nation report in 2022, figure 3.13, showed the trends by sex and SEB from 2014 to 2021 with no clear patterns of change over time.[134] The report concluded: "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. [...] However, we must continue to monitor these trends, particularly for those exposed to poverty or with poor social mobility prospects." Heath and others (2018) showed that young people under 25 years have much higher risks of unemployment than those aged 25 years and over.[135] They also suggest that social inequalities in unemployment may be 'hypercyclical'. That is to say, when there is a slack labour market with high rates of unemployment, SEB differences will tend to be larger whereas when there is a tight labour market, SEB differences will tend to be suppressed. Bell and Blanchflower (2011) have also shown that young people were particularly hard hit by the Great Recession in 2008.[136] So the worry is that the socio-economic inequalities may become magnified over the next year or two if there is another major recession.

"The worry is that the socio-economic inequalities may become magnified over the next year or two if there is another major recession."

134   Social Mobility Commission, 'State of the Nation 2022: a fresh approach to social mobility', 2022. Published on GOV.UK.
135   Anthony Heath and others, 'Social progress in Britain', 2018. Published on GLOBAL.OUP.COM.
136   David Bell and David Blanchflower, 'Young people and the Great Recession', 2011. Published on ACADEMIC.OUP.COM.

Intersectional analysis of unemployment among young people

Differences between men and women

Figure 3.34 shows that, among economically active young men and women from the same SEB, there are no significant sex differences in risks of unemployment.

However we note that, when we have the large numbers from pooling data across 2014 to 2021, the higher risk of being unemployed among young people from lower working-class backgrounds becomes clear (and highly significant).

Figure 3.34:
Among young men and women from the same socio-economic backgrounds (SEBs) there are no significant sex differences in risks of unemployment.

Percentage of young people aged 25 to 29 years in the UK who were unemployed, from 2014 to 2021 (combined), by SEB and sex.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

Differences among ethnic groups

Our findings in figure 3.35 shows that young people from Pakistani, Black Caribbean and Black African ethnic groups have significantly higher risks of unemployment than White British young people from the same SEB. Indeed, these groups have almost 3 times as high unemployment rates as the White British ethnic group. This finding is consistent with some previous research.[137]

More detailed research taking account of levels of education, migration status and social background has confirmed this finding. Field experiments of discrimination have demonstrated that young people from these minority groups have to make nearly twice as many applications for jobs as White British young people to get a positive response from employers.[138]

Figure 3.35:
Young people from Pakistani and Black ethnic groups have significantly higher risks of unemployment than White British young people from the same socio-economic background (SEB).

Estimated percentages of being unemployed, from 2014 to 2021, respondents aged 25 to 29 years in the UK, by SEB and ethnic group.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: The estimated percentages and confidence intervals result from a logistic regression model, on the likelihood of being unemployed by ethnic group and SEB controlling for sex. The model assumes that class effects are the same within each ethnic group. A formal test confirms this assumption. The estimated percentages are those for men. Percentages are shown only for those with lower working-class and higher professional-class backgrounds for illustrative purposes. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

137 Yaojun Li and Anthony Heath, 'Class matters: a study of minority and majority social mobility in Britain, 1982–2011', 2016. Published on JOURNALS.UCHICAGO.EDU.
138 Anthony Heath and Valentina Di Stasio, 'Racial discrimination in Britain, 1969–2017: a meta-analysis of field experiments on racial discrimination in the British labour market', 2019. Published on ONLINELIBRARY.WILEY.COM.

Differences by disability status

In figure 3.36 we show that young people with a disability are also around 3 times as likely to be unemployed as people from the same SEB without a disability. We should also recall that this comes on top of the large disability gaps with respect to economic activity that were shown in figure 3.32. In other words, young people with a disability are less likely than their peers to be economically active, and on top of this those who are economically active are 3 times as likely to be unemployed as their peers. This suggests a cumulative pattern of disadvantage.

Figure 3.36:

Across all socio-economic backgrounds (SEBs) disabled young people have around 3 times the likelihood of being unemployed as their peers without a disability.

Percentage of young people aged 25 to 29 years in the UK who were unemployed, from 2014 to 2021 (combined), by SEB and limiting long-term illness or disability (or both).

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: We use the LFS variable DISEA (disability status). This provides a measure of disability consistent with the Equality Act. It considers whether the respondent has a health condition or illness lasting 12 months or more (or both), and whether that condition reduces their ability to carry out day-to-day activities (for details see LFS user guide volumes 3 and 4)[139] The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

139   Labour Force Survey, 'User guides, volumes 3 and 4', 2023. Published on ONS.GOV.UK.

3.3 Occupational level of young people aged 25 to 29 years

Figure 3.37 shows clear SEB differences in the occupations taken by young people. Young adults from a higher professional-class background were nearly 3 times more likely to be in a professional occupation than those from a lower working-class background. For those from working-class backgrounds who do make it to a professional occupation, they are still twice as likely to be in a lower-professional occupation. These results closely parallel those found for class differences in highest qualification (figure 3.25). For some of the indicators in Intermediate outcome 4 (see below) we explore the effects of SEB after controlling for the highest level of education attained.

Figure 3.37:
Socio-economic background (SEB) is strongly related to the occupational class which young people are in.

Percentage of young people aged 25 to 29 years in the UK in different social class positions, 2021, by SEB.

Source: Office for National Statistics, Labour Force Survey (LFS) 2021, respondents aged 25 to 29 years in the UK.

Note: The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

In the State of the Nation report 2022, figures 3.14 and 3.15, showed the trends over time (by sex) from 2014 to 2021, but used a 4-category classification of occupations.[140] [141] Our results, using a 5-class grouping show greater class inequalities than in last year's report, though the trends over time are likely to be similar.[142] Some members of the group who have never worked may still be in HE, perhaps pursuing a higher degree, so should not be equated with a disadvantaged social position such as unemployment.

There has been extensive research on the relationship between SEB and early occupational class.[143] One notable finding is that the link is particularly marked among young people with lower qualifications. In other words, there is an interaction between SEB, qualification level and occupation. This is consistent with other research, such as Bukodi and Goldthorpe's, who also find especially large SEB differences among those with lower qualifications in the chance of gaining a professional-class job.[144] The authors also find that SEB may help prevent someone from dropping down in occupational class more than act as a barrier to going to a higher class (in other words, be a "glass floor" rather than a "glass ceiling").

"A person's SEB might do more to prevent them from dropping down an occupational class than act as a barrier to moving into a higher class. In other words, SEB might be more of a 'glass floor' than a 'glass ceiling'."

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140 The 4 categories are: never worked or unemployed, working class, intermediate and professional.
141 Social Mobility Commission, 'State of the Nation 2022: a fresh approach to social mobility', 2022. Published on GOV.UK. See figures 3.14 and 3.15.
142 We did not include a category for never worked or unemployed as this is covered by intermediate outcome 3.1 and 3.2.
143 For a recent analysis see Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2018. Published on CAMBRIDGE.ORG.
144 Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2018. Published on CAMBRIDGE.ORG.

Intersectional analysis of occupational level of young people

Differences between men and women

In figure 3.38 we see that young women from all SEBs are less likely to be in higher-professional occupations when compared with young men. Instead, they are more likely to be found in lower-professional occupations. This results in the proportion of young men and women in all professional jobs being quite similar. We can also see that young women are more likely than young men to be in intermediate-class jobs (which are typically clerical and service occupations). This is balanced by slight under-representation of young women in the 2 working classes. These patterns are long-standing, and historically the disparities between men's and women's occupational distributions have been declining.[145]

Figure 3.38:
Young women from all socio-economic backgrounds (SEBs) are less likely than young men to be in higher-professional occupations.

Percentage of young people aged 25 to 29 years in the UK in different social class positions, from 2014 to 2021 (combined), by SEB and sex.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

145   Albert Halsey, 'Twentieth-century British social trends', 2000. Published on LINK.SPRINGER.COM.

Differences between ethnic groups

Figure 3.39 shows that young people of Indian and Chinese ethnic backgrounds have higher chances of entering professional occupations than young people from similar SEBs. However, young people of a Pakistani background have significantly poorer chances. The higher chances of those from Indian and Chinese backgrounds reflects their higher proportions gaining university degrees, but education alone cannot account for the lower-than-expected chances of young people of a Pakistani ethnicity. An alternative possibility is that the areas of the country where this group tends to live do not offer such good occupational opportunities. We shall explore this in further work.

Figure 3.39:

While young people from an Indian and Chinese ethnic background have higher chances of entering professional occupations compared with other ethnic groups, young people of Pakistani background have significantly poorer chances.

Estimated percentages obtaining a professional occupation, from 2014 to 2021 (combined), respondents aged 25 to 29 years in the UK, by socio-economic background (SEB) and ethnic group.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: Because of small sample sizes the outcome measure is whether the respondent has a professional occupation (either higher or lower professional). The estimated percentages and confidence intervals are derived from a logistic regression model, on the likelihood of being in a professional occupation by SEB and ethnic group, controlling for sex. The model assumes that class effects are the same within each ethnic group. A formal test shows that this assumption does not hold for the Chinese group. The estimated percentages are those for men. Percentages are shown only for those with lower working-class and higher professional-class backgrounds for illustrative purposes. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

Differences by disability status

In figure 3.40 we see that the story of cumulative disadvantage for young people with a disability is also present in the case of occupational level. On top of the disadvantages around economic activity and employment, young people with a disability are about twice as likely as young people from the same SEB without a disability to be in lower working-class jobs. Balancing this over-

representation in the lower-working class, we find under-representation spread across the other classes. The one exception concerns those from higher-professional backgrounds, who are slightly over-represented relative to their peers from the same background in lower-professional employment. Again, this suggests that these families can use their resources to help their young people with a disability in ways that are not possible for those from other backgrounds.

Figure 3.40:
From all socio-economic backgrounds (SEB), young people with a disability have higher risks than those without a disability of being in a lower working-class occupation.

Percentage of young people aged 25 to 29 years in the UK in different occupational positions, from 2014 to 2021 (combined), by SEB and disability.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: We use the LFS variable DISEA. This provides a measure of disability consistent with the Equality Act. It considers whether the respondent has a health condition or illness lasting 12 months or more (or both). And whether that condition reduces ability to carry out day-to-day activities (for details see LFS user guide vols 3 and 4). We note that percentage point gaps may be misleading here because of floor and ceiling effects, but the odds ratios are also larger for those from working-class origins than higher-professional origins. The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

3.4 Earnings of young people aged 25 to 29 years

Figure 3.41 shows a clear class-based trend in the average earnings of young people. The more advantaged a young people's SEB, the higher their average weekly earnings. So young people from a lower working-class background earn 70% of what those from a higher-professional background earn. While there is a steadily rising relationship between SEB and average earnings, those of young people from lower-working class, higher-working class, and intermediate backgrounds are not significantly different from each other. However, they are significantly lower than the average earnings of young people from higher- or lower-professional backgrounds. More detailed analysis shows that the results are the same for median earnings.

Figure 3.41:
Socio-economic background (SEB) is strongly related to the level of young people's earnings.

Mean hourly earnings of young people aged 25 to 29 years in the UK, 2021, by SEB.

Source: Office for National Statistics, Labour Force Survey (LFS) 2021, respondents aged 25 to 29 years in the UK.

Note: Self-employed respondents and those without earnings are excluded. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals. Earnings have been adjusted for inflation with a base year of 2021.

Economists have tended to study the relationship between parents' earnings and their adult children's earnings. Unfortunately, we cannot reliably estimate parents' earnings from the LFS and have to use other sources, such as birth cohort studies. One important result is that the relationship between parents' and children's earnings varies across the life cycle, being weaker when the adult children are still in the early career stages and substantially stronger at later stages.[146] We explore whether this applies to the relationship between SEB and earnings when we examine career progression below.

146   Paul Gregg and others, 'Moving towards estimating sons' lifetime intergenerational economic mobility in the UK', 2016. Published on ONLINELIBRARY.WILEY.COM.

Intersectional analysis of earnings of young people aged 25 to 29 years

Differences between men and women

Figure 3.42 shows that young women's hourly earnings are around 90% of the hourly earnings of young men from the same SEB.

This may be due to the tendency of young women to work part-time, since hourly rates for part-time work are often lower than for full-time work.

Figure 3.42:
There is an earnings gap between young men and women from all socio-economic backgrounds (SEB).

Mean hourly earnings of young people aged 25 to 29 years in the UK, from 2014 to 2021 (combined), by SEB and sex.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: Self-employed respondents and those without earnings are excluded. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals. Earnings have been adjusted for inflation with a base year of 2021.

Among those from lower working-class backgrounds, young women earn 87% of young men's earnings. This increases to 91% for those from higher-professional backgrounds. However these differences are not significantly different.

"Among those from lower working-class backgrounds, young women earn 87% of young men's earnings."

Differences between ethnic groups

Figure 3.43 shows that among those in work, young people from Chinese and Indian ethnic backgrounds earn significantly more than White British young people from the same SEB. This reflects their higher probability of being in a professional class. In contrast, young people from a Bangladeshi ethnic background earn significantly less than White British young people. It is not clear why this might be the case, but could perhaps reflect local labour market conditions where they live.

Figure 3.43:
Among those in work, young people from Chinese and Indian backgrounds earn significantly more than White British young people.

Estimated mean hourly earnings of young people aged 25 to 29 years in the UK, from 2014 to 2021 (combined), by socio-economic background (SEB) and ethnic group.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: The estimated means and confidence intervals are derived from a linear regression model of log hourly earnings by SEB and ethnic group, controlling for sex. The model assumes that class effects are the same within each ethnic group. However, the assumption does not hold for the White Other group. The means shown are those for men. Means are shown only for those with lower working-class and higher professional-class backgrounds but other SEBs are included in the analysis. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals. Earnings have been adjusted for inflation with a base year of 2021.

We should also note that some (but not all) ethnic groups such as those from South Asia have high rates of self-employment. However, self-employment earnings could not be included in our analysis. There is therefore a risk that the true figures for the earnings of South Asian groups might be lower than those shown here.

Differences by disability status

Figure 3.44 shows that young people with a disability tend to earn significantly less than young people without a disability from the same SEB. This is what would be expected given their lower occupational positions. While the disability gap appears to be largest among those from higher-professional backgrounds, we should note the imprecision of the estimates.

Figure 3.44:
Young people with a disability tend to earn significantly less than those without a disability.

Mean hourly earnings of young people aged 25 to 29 years in the UK, from 2014 to 2021 (combined), by socio-economic background (SEB) and disability.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: Self-employed respondents and those without earnings are excluded. Also note that among people with a disability, those in work are a more selective group (since their inactivity rate is higher). Because of the skewed distribution of earnings, we take the log of earnings when checking for interactions between disability and SEB. With this model specification we do not find a significant interaction. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals. Earnings have been adjusted for inflation with a base year of 2021.

3.5 Returns to education for young people

Returns in earnings

Figure 3.45 shows the difference between what 2 different young people of the same SEB would earn on average, if one had the lowest level of qualifications and the other had a higher level. For example, figure 3.45 shows that, if we considered 2 young people from the same SEB, we would expect the one with a higher degree to earn 63% more than the one with no GCSEs, while those with a first degree (but not a higher degree) earn 54% more. Furthermore, those with qualifications

at GCSE, A level or FE below degree level, earn approximately 10, 20 and 30% more than those with the lowest levels of education.

Figure 3.45 illustrates the link between education and earnings, not the link between SEB and earnings. It can usefully be compared with figure 3.50, which illustrates the link between SEB and earnings for people with the same level of education.

Figure 3.45:
Young people with higher levels of education earn substantially more than those with lower levels of education.

Percentage differences in hourly earnings of young people aged 25 to 29 years in the UK, from 2019 to 2021 (combined), relative to those with lower level (below GCSE grade 1 or equivalent), controlling for socio-economic background (SEB), sex and age.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2019 to 2021, respondents aged 25 to 29 years in the UK.

Notes: Percentage differences were estimated from a linear regression model of log hourly earnings by educational level, controlling for, SEB, sex and age. We pool the data for years 2019 to 2021 in order to obtain more accurate estimates. The data used is weighted using the LFS probability weights. Earnings have been adjusted for inflation with a base year of 2021.

In addition, figure 3.46 shows that, among young people with similar educational levels, there are significant SEB pay gaps. So those from higher-professional backgrounds earn 18% more than those from a lower working-class background who have the same level of education.

More detailed economics research (for England, using the Longitudinal Education Outcomes linked dataset) has shown that, among those with degrees, returns vary according to the prestige of the university, the subject studied and the class of degree.[147] [148] [149] [150] [151] There is also a large literature in sociology showing that HE brings occupational advantages.[152]

Figure 3.46 shows that the earnings gaps between young people with different levels of education have remained more or less constant since 2014 to 2016, and from 2019 to 2021. However, it seems that the earnings gap between those with higher degrees and those with first degrees has narrowed somewhat. As can be seen from the confidence intervals, the earnings gap was significant in the earliest period but non-significant in the latest period.

"Among young people with similar educational levels, there are significant SEB pay gaps."

147 The Longitudinal Education Outcomes linked dataset "connects individuals' education data with their employment, benefits and earnings data to create a de-identified person level administrative dataset." Taken from 'About the LEO standard extract'. Published on GOV.UK.

148 Chris Belfield and others, 'The impact of undergraduate degrees on early-career earnings', 2018. Published on IFS.ORG.UK.

149 Jack Britton and others, 'How much does it pay to get good grades at university?', 2022. Published on IFS.ORG.UK.

150 Ian Walker and Yu Zhu, 'Differences by degree: Evidence of the net financial rates of return to undergraduate study for England and Wales', 2011. Published on SCIENCEDIRECT.COM.

151 Ian Walker and Yu Zhu, 'University selectivity and the relative returns to higher education: evidence from the UK', 2018. Published on SCIENCEDIRECT.COM.

152 Jung In and Richard Breen, 'Social origin and access to top occupations among the highest educated in the United Kingdom', 2022. Published on JOURNALS.SAGEPUB.COM.

Figure 3.46:
The earnings gaps between levels of qualifications have remained roughly constant between 2014 to 2016, and 2019 to 2021.

Hourly earnings in pounds (£) of young people aged 25 to 29 years in the UK, three-year moving averages from 2014 to 2016 until 2019 to 2021, by highest qualification controlling for socio-economic background (SEB), sex and age.

Source: Office for National Statistics, Labour Force Survey (LFS) from 2014 to 2016 and from 2019 to 2021, respondents aged 25 to 29 years in the UK.

Notes: Hourly earnings were estimated from a linear regression model of log hourly pay by educational level, controlling for, SEB, sex and age. The estimates shown refer to the hourly earnings of men who were from a lower working-class background. The data used is weighted using the LFS probability weights. Earnings have been adjusted for inflation with a base year of 2021. The error bars show 95% confidence intervals.

We now consider whether there are sex, disability and ethnicity gaps among young people who have the same levels of education and similar social backgrounds. Education is a major driver of earnings and could explain the gaps in part, but this also depends on whether there are equal opportunities for people with the same level of education.

Intersectional analysis of returns (in income) to education

Differences between men and women

What we find in figure 3.47 is that there are still significant sex differences in hourly earnings at most levels of education, though the gaps are somewhat smaller among the

least and the most highly educated. One possible explanation for the small gap among those at the lower level of education may reflect the minimum wage, which effectively puts a 'floor' under women's earnings.

Figure 3.47:
Young women's hourly earnings are significantly lower than those of young men with the same level of qualification and from the same socio-economic background (SEB).

Estimated mean hourly earnings of young people aged 25 to 29 years in the UK, from 2014 to 2021 (combined), by educational level and sex, controlling for SEB and age.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Notes: Hourly earnings were estimated from a linear regression model of log hourly pay by educational level and sex, controlling for SEB and age. Estimates are shown for people aged 27 years from lower working-class backgrounds. The data used is weighted using the LFS probability weights. Earnings have been adjusted for inflation with a base year of 2021. The error bars show 95% confidence intervals.

Differences between ethnic groups

In our earlier analysis (figure 3.43), we found that young people with Indian and Chinese ethnic backgrounds had significantly higher hourly earnings than White British young people from the same SEB, while those with a Bangladeshi background had significantly lower earnings. In this new analysis, which takes account of levels of education, in contrast, we find little in the way of significant earnings gaps.

In figure 3.48 we use a simplified measure of educational level, distinguishing degree-level qualifications from non-degree levels. We do this in order to have adequate sample sizes for

intersectional analysis. As can be seen, hourly earnings are broadly similar between White British and ethnic minority young people, both for those with and without a degree. This strongly suggests that the high Indian and Chinese earnings that we saw earlier were due to the high levels of education of these 2 groups. In other words, the educational level largely explains the earnings gaps.

There are, however, hints in the figure that graduates of Black Caribbean and Bangladeshi ethnicities do not obtain as good returns to their education as the other groups do. In-depth analysis is needed to verify this finding and investigate why it occurs.

Figure 3.48:

The hourly earnings of young people with an ethnic minority background are similar to those of White British young people with the same level of qualification.

Estimated mean hourly earnings in pounds (£) of young people aged 25 to 29 years in the UK, from 2014 to 2021 (combined), by ethnic group and educational level controlling for socio-economic background (SEB) and age.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 22 to 29 years in the UK.

Notes: Hourly earnings were estimated from a linear regression model of log hourly pay by ethnic group and educational level, controlling for SEB and age. Estimates are shown for people aged 27 years from lower working-class backgrounds. The data used is weighted using the LFS probability weights. Earnings have been adjusted for inflation with a base year of 2021. The error bars show 95% confidence intervals.

Differences by disability status

In figure 3.49 we see that the pattern of disability earnings gaps parallels the finding for sex differences. The gaps are reduced at the lowest and the highest levels of education, but at all the intermediate levels there are still significant and substantial gaps in the hourly earnings of those with and without a long-term health condition or disability. Among those with a first degree (but not a higher degree), young people with a disability earn only 84% of the hourly earnings of those without a disability. This is the same magnitude of gap as those that we saw earlier where we took account of SEB but not educational level.

Figure 3.49:
The hourly earnings of young people with a disability are significantly lower than those of young people without a disability with the same level of qualification.

Estimated mean hourly earnings in pounds (£) of young people aged 25 to 29 years in the UK, from 2014 to 2021 (combined), by disability status controlling for socio-economic background (SEB) and age.

Direct effect of social origins on hourly earnings

We can also look at hourly earnings from a different perspective and examine how earnings differ for people with the same educational level but different social origins. Whereas figure 3.45 looked at the direct effects of educational level on hourly earnings, figure 3.50 shows the direct effects of SEB on hourly earnings. We compare the earnings of young people from different SEBs but with similar educational levels. As we can see, there are significant SEB pay gaps. Those from higher-professional backgrounds earn 18% more than those from a lower working-class background with the same qualification level.

Figure 3.50:
Young people from professional backgrounds earn significantly more than those from other backgrounds but with the same level of education.

Percentage differences in hourly earnings of young people aged 25 to 29 years in the UK, from 2019 to 2021 (combined), relative to those from lower working-class backgrounds, controlling for highest educational level, sex and age.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2019 to 2021, respondents aged 25 to 29 years in the UK.

Notes: Percentage differences were estimated from a linear regression model of log hourly pay by SEB, controlling for educational level, sex and age. The reference group is men who were from a lower working-class background and had lower-level qualifications (below CSE grade 1 or equivalent). We pool the data for years 2019 to 2021 in order to obtain more accurate estimates. The data used is weighted using the LFS probability weights. Earnings have been adjusted for inflation with a base year of 2021. The error bars show 95% confidence intervals.

Intersectional analysis of direct effect of social origins on hourly earnings

In this section we show the results of intersectional analysis of direct effects of social origins by controlling for education and age. The findings are mostly parallel to those shown for the intersectional analyses of returns to education but they are presented from a different perspective.[153]

Differences between men and women

As with the intersectional analysis of returns to education, we see that there are significant sex differences in hourly earnings among young men and women. This holds true for young people from all SEBs, with the gaps tending to be slightly smaller among those with lower levels of education.

Figure 3.51:
Young women's hourly earnings are significantly lower than those of young men with the same level of qualification and from the same socio-economic background (SEB).

Estimated mean hourly earnings of young people aged 25 to 29 years in the UK, from 2014 to 2021 (combined), by SEB and sex, controlling for educational level and age.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: Hourly earnings were estimated from a linear regression model of log hourly pay by SEB and sex, controlling for educational level and age. Interactions between sex and SEB were not significant and have therefore not been included. Estimates are shown for people with the lowest levels of education and aged 27 years. The data used is weighted using the LFS probability weights. Earnings have been adjusted for inflation with a base year of 2021. The error bars show 95% confidence intervals.

153   The results come from basically the same regression models as in the case of returns to education. The main difference is that in the former analyses we formally tested for interactions between each protected characteristic and educational level, whereas in the current analyses we test for interactions between protected characteristics and social background. However, there were very few significant interactions between protected characteristics and social background and we therefore show here the estimates for models without interactions.

Differences between ethnic groups

In our earlier analysis, (figure 3.43) we found that young people with Indian and Chinese backgrounds had significantly higher hourly earnings than White British young people from the same SEB, while those with a Bangladeshi background had significantly lower earnings. The new analysis takes account of levels of education and, in contrast, we find little in the way of significant earnings gaps between people from different ethnic groups. Hourly earnings are broadly similar between White British and ethnic minority young people from similar SEBs. Earnings are however somewhat lower among young people from the Pakistani and Bangladeshi ethnic groups (significantly so in the case of the latter group).

Figure 3.52:

The hourly earnings of young people from an ethnic minority background are generally similar to those of White British young people from similar socio-economic backgrounds (SEB).

Estimated mean hourly earnings of young people aged 25 to 29 years in the UK, from 2014 to 2021, by ethnic group and SEB, controlling for educational level and age.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: Hourly earnings were estimated from a linear regression model of log hourly pay by ethnic group and SEB (2 categories only, namely professional and non-professional), controlling for educational level and age. Since interaction terms between ethnicity and SEB were of marginal significance, they are not included in the model. Estimates are shown for those with the lowest levels of education and aged 27 years. The data used is weighted using the LFS probability weights. Earnings have been adjusted for inflation with a base year of 2021. The error bars show 95% confidence intervals.

Differences by disability status

In figure 3.53 we again see disability earnings gaps among young people from all SEBs even after controlling for education. These gaps are slightly smaller in percentage terms than the disability earnings gaps that we saw in figure 3.44 (which did not control for educational level). This suggests that education partly explains the gap shown in figure 3.44 but the gap remains very large and statistically significant: young people with a disability earn less than 90% of what young people without a disability earn.

Figure 3.53:
The hourly earnings of young people with a disability are significantly lower than for young people from the same socio-economic background (SEB) and educational level but with no disability.

Estimated mean hourly earnings of young people aged 25 to 29 years in the UK, from 2014 to 2021 (combined), by disability status and SEB, controlling for educational level and age.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 29 years in the UK.

Note: Hourly earnings were estimated from a linear regression model of log hourly pay by disability and SEB, controlling for educational level and age. Estimates are shown for those with the lowest levels of education and aged 27 years. The data used is weighted using the LFS probability weights. Earnings have been adjusted for inflation with a base year of 2021. The error bars show 95% confidence intervals.

Maria Diaz Narvaez
age 27 years, from London

"

I decided I wanted to be a lawyer before my GCSEs, when I was about 13 or 14. I didn't really have a reason - I didn't know any lawyers and no-one in my family had been to university - but I was doing well in school and I just wanted to do something professional that my family would be proud of.

My parents came to the UK from Colombia when there was a lot of civil unrest there. My mum was an orphan who had to look after her younger sisters - she never had the chance to go to university or get an education, so she always wanted that for me.

"My mum always tells the story of my Year 3 teacher at Parents' Evening saying 'You have to send Maria to university!' and I'm really proud to have done that."

My school was always really good at letting us know about opportunities that might be useful to us, and when I was in Year 12 they told me about a London law firm that offered a scholarship every year. I got it, and the firm gave me £5000 for every year I was at university! I studied at the London School of Economics, and a

lot of people there had the luxury of not having to work as they were being funded by their family. Not having that made it quite difficult, and that scholarship was so important in helping me get through university. I don't think I would have managed it otherwise because I would just have had to work all the time!

A lot of the other students also had experience in networking, so they started off knowing which events to attend and how to apply for the right sort of vacation schemes. I wasn't sure when to apply, or even what schemes to apply for - I had no idea what a good law firm was! I was just sitting down doing a lot of research by myself, so I felt quite behind my peers in that respect, especially when it meant lots of my friends left uni with training contracts and job offers already in place.

Law has really specific timings - you can't just apply whenever you want - and if you fall outside the application cycle you have to wait until the next year. It would have cost me £16,000 to do the Legal Practice Course without sponsorship from a job, so I ended up

working as a paralegal in a high street firm while applying. The Legal Practice Course opens up a lot of opportunities for you, so I knew people who just paid for it, even without a job, but that just wasn't an option for me.

I ended up doing two different vacation schemes and getting job offers from both. I suffered from a lot of imposter syndrome at the beginning, because I was surrounded by people whose parents are lawyers, who have really grown up in a professional environment. When I started my job in 2020, having to work from home didn't help - I couldn't meet people in person so it felt much harder to network and develop good relationships.

I chose to work at Bryan Cave Leighton Paisner law firm because I really felt like they were focused on making the work environment as inclusive as possible. I really thrive when I see people that I can relate to at work who have similar life experiences to me, so I'm really proud to have inspired other people too - my younger sister has also now graduated, and there are other members of my family who want to go to university now because they've seen me do it!"

"I suffered from a lot of imposter syndrome at the beginning because I was surrounded by people whose parents are lawyers, who have really grown up in a professional environment."

Intermediate outcome 4: Career progression (aged 35 to 44 years)

Summary

- The proportion of people with university degrees increases between the ages of 25 and 32 years. In other words, many people are getting further qualifications between these ages. There is no clear difference across SEBs, a finding which contrasts with work carried out using birth cohort studies.

- Young people from more advantaged social backgrounds are more likely to progress in their careers.

In this section, our measures show the progress people make in their early-to-mid career (in their 20s to 30s). This helps us to compare a person's origins to their destination and offers insight into possible future mobility outcomes. This is monitored through income (the amount someone earns) and occupational class (the types of job someone does).

We find significant SEB differences in the cases of occupational and income progression.

In general, we find that young people from professional backgrounds pull away from other young people between the ages of 25 and 40 years in terms of income and occupational level, while young people from lower working-class backgrounds fall further behind.

Surprisingly, in the case of university degrees, the number of those gaining a degree increases by more or less similar amounts between the ages of 25 and 32 years. This is different to findings from some other research (using different methodologies) which have found that social background gaps when obtaining further qualifications increase over people's working careers. One possibility is that young people from working-class backgrounds take longer to complete their degrees (for example because of the need to earn in order to finance their studies).

4.1 Further training and qualifications

The results show that the proportion of people with a degree increases by 10 percentage points or more between the ages of 25 and 32 years. At both ages there is a clear difference between people from different SEBs. Young people from professional backgrounds have the highest percentage with a degree and those from the working class have the lowest. However, all 3 groups increase their proportions with a degree over the life course.[154] So, among those from professional backgrounds, the proportion increases by 13 percentage points, among those from intermediate backgrounds, by 21 percentage points, and among those from working-class backgrounds by 14 percentage points.[155]

"Young people from professional backgrounds have the highest percentage with a degree and those from the working class have the lowest."

154 Due to small sample sizes, this analysis used 3 socio-economic background (SEBs) classes to obtain more accurate estimates.
155 A formal test using log linear modelling shows that the changes for the 3 different SEBs are not significantly different in size from each other.

Figure 3.54:

The proportion of young people with university degrees increases between the ages of 25 and 32 years.

Percentages of young people born in 1989 who had obtained degrees at age 25 years (in 2014) and age 32 years (in 2021) in the UK, by socio-economic background.

Age ▮ 25 ▮ 32

Source: Office for National Statistics, Labour Force Survey (LFS) from 2014 and 2021, respondents born in 1989.

Notes: Age and cohort analysis.[156] We combine the higher and lower professional classes, and the higher and lower working classes, in order to obtain more accurate estimates. This analysis compares the percentages of young people born in 1989 who had obtained university degrees at age 25 years (in 2014) and age 32 years (in 2021) respectively.[157] It provides a comparison of independent samples in the 2 surveys, not comparisons of the same individuals at different time points (which would have required a panel study). The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

156   The Institute for Social and Economic Research was unable to produce analyses of young people's acquisition of additional educational qualifications using the UK Household Longitudinal Survey for State of the Nation 2022. We now conduct age, period, cohort analysis with the Labour Force Survey to obtain some results.

157   We choose age 25 years as the starting point as by this age the great majority of young people will have completed full-time education and entered the labour market. 2014 is the earliest date at which the Labour Force Survey includes a measure of parental background, while 2021 is the most recent. So by choosing ages 25 and 32 years we maximise the length of career that can be covered with this analysis.

Previous research has generally shown that people from higher SEBs gain more from 'lifelong learning' than those with lower SEBs.[158] For example Bukodi (2017) uses the 1970 Birth Cohort Study (BCS) to examine acquisition of further qualifications over the course of panel members' working lives (that is after the completion of full-time education and taking up their first 'significant' job).[159] This data covers the period from around 1990 to 2008, so is considerably older data than the LFS data used here.

Bukodi's results differ considerably from ours: she finds that people with a professional background benefit most from FE. Bukodi also finds that those of lower SEB are more likely to obtain vocational qualifications, with significant differences between women and men, perhaps because vocational qualifications may help women to re-enter the labour market after a career break.[160] Unfortunately, it is not currently possible to replicate Bukodi's analysis with newer data, although this will become possible eventually when the Millennium Cohort Study participants have spent longer in the labour market.

"Previous research has generally shown that people from higher SEBs gain more from 'lifelong learning' than those with lower SEBs."

158   Muriel Egerton, 'Mature graduates I: occupational attainment and the effects of labour market duration', 2001. Published on TANDFONLINE.
         COM; David Raffe, 'The 'alternative route' reconsidered: part-time further education and social mobility in England and Wales', 1979. Published
         on JOURNALS.SAGEPUB.COM.
159   Erzsébet Bukodi, 'Cumulative inequalities over the life-course: life-long learning and social mobility in Britain', 2016. Published on CAMBRIDGE.ORG.
160   Erzsébet Bukodi, 'Cumulative inequalities over the life-course: life-long learning and social mobility in Britain', 2016. Published on CAMBRIDGE.ORG.

4.2 Occupational progression

Figures 3.55 and 3.56 show the patterns of upward career mobility into the professional classes (known as intra-generational mobility) among young men and women. The chances of gaining access to the professional classes increases steadily from the age of 25 to 35 years, although the increase is greater for young people from professional backgrounds. The rate of increase slows in people's late 30s and early 40s, and even appears to decline for people coming from intermediate or working-class backgrounds, especially for women. One possible explanation for this decline is that women (and perhaps men) with childcare responsibilities take up lower-level part-time employment. For a more detailed analysis of men and women's career paths, see Bukodi and others 2012.[161] [162]

Figure 3.55:
Young men from more advantaged socio-economic backgrounds (SEB) are more likely to progress occupationally.

Probability of access to the professional classes for men by SEB and age, controlling for survey year in the UK, from 2014 to 2021 (combined).

Age

Higher professional · Lower professional · Intermediate · Higher working · Lower working

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 44 years in the UK in work at the time of the survey.

Notes: Estimates are the average marginal effects derived from a logistic regression model of access to the professional classes by SEB and age controlling for survey year. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

161 Erzsébet Bukodi and others, 'Changing career trajectories of women and men across time', 2012. Published on ELGARONLINE.COM. In Jacqueline Scott and others, (eds) 'Gendered Lives: Gender inequalities in Production and Reproduction', 2013. Published on E-ELGAR.COM.
162 Another possible explanation is that older respondents will have entered the labour market in earlier years, when there will have been fewer openings in the professional classes. This could explain the lower achievements of older respondents if our early career position impacts our later position. In other words, expanding opportunities in the professional classes might benefit younger more than older entrants into the labour market.

Young women from more advantaged socio-economic backgrounds (SEBs) are more likely to progress occupationally.

Probability of access to the professional classes for women by SEB and age, controlling for survey year in the UK, from 2014 to 2021 (combined).

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 44 years in the UK in work at the time of the survey.

Notes: Estimates are the average marginal effects derived from a logistic regression model of access to the professional classes by SEB and survey year. The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

These findings do not come from a panel study in which the same respondents are re-interviewed yearly but from pooled annual surveys interviewing different respondents each year. They may not be as valid as those using a birth cohort design (although most birth cohort analyses suffer from major attrition, which will not be a problem in the case of our design). If we use the same birth cohort approach as for figures 3.55 and 3.56, looking at the occupational achievements of those born in 1989 between the ages of 25 and 35,

we obtain a similar story of improvement in the chances of entering professional work over the course of early careers. Interestingly, this cohort design does not show a significant widening gap between the classes, although it has less statistical power (because of its much smaller sample size) than the design used for figures 3.55 and 3.56.

These results are broadly similar to those found by Bukodi and Goldthorpe (2011) using BCS data.[163]

163 Erzsébet Bukodi and John Goldthorpe, 'Class origins, education and occupational attainment in Britain: secular trends of cohort-specific effects?', 2011. Published on TANDFONLINE.COM.

4.3 Income progression

Figures 3.57 and 3.58 show the pattern of earnings progression among young men and women, using the same methodology as for figures 3.55 and 3.56. Average incomes increase steadily from the age of 25 to 35 years, and tend to flatten out after. The average increase is greater for young people from professional backgrounds than for those from intermediate or working-class backgrounds, for whom flattening out in mid-career is more evident. This widening gap could be a consequence of the greater income progression gained by those with higher levels of education.

Women's average earnings are lower, and do not increase as rapidly as men's. Research shows this is likely related to women's greater likelihood of part-time working mid-career. An important factor is that women spend less time in paid work, and more time working part-time, than men. As a result, they miss out on earnings growth associated with more experience (Dias and others 2018).[164]

Figure 3.57:
On average, annual incomes of young men from advantaged socio-economic backgrounds (SEBs) increase more.

Income progression of men in the UK, from 2014 to 2021, by SEB and age.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021 (pooled), respondents aged 25 to 44 years in the UK in paid employment.

Notes: Estimates are derived from a linear regression of annual income by SEB and age controlling for survey year and number of dependent children.[165] The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

164 Monica Costa Dias and others, 'Wage progression and the gender wage gap: the causal impact of hours of work', 2018. Published on IFS.ORG.UK.
165 These results are not derived from a panel study in which the same respondents are re-interviewed yearly but from pooled annual surveys interviewing different respondents each year. If we use the same birth cohort approach as for intermediate outcome 4.2 looking at the earnings of those born in 1989 between the ages of 25 and 44 years, we obtain a similar story of widening earnings gaps between young people from professional and working-class backgrounds.

Figure 3.58:
On average, annual incomes of young women from advantaged socio-economic backgrounds (SEBs) increase more.

Income progression of women in the UK, from 2014 to 2021, by SEB.

Source: Office for National Statistics, pooled Labour Force Survey (LFS) from 2014 to 2021, respondents aged 25 to 44 years in the UK in paid employment.

Notes: Estimates are derived from a linear regression of annual income controlling for, survey year and number of dependent children.[166] The data used is weighted using the LFS probability weights. The error bars show 95% confidence intervals.

These results are very similar to those found by Dias and colleagues, who used a similar methodology to analyse LFS data from 1993 to 2017.[167] They broke down income progression by qualification level rather than by social background, but as we have seen SEB and educational level are highly correlated.

166 These results are not derived from a panel study in which the same respondents are re-interviewed each year but from pooled annual surveys interviewing different respondents each year. If we use the same birth cohort approach as for intermediate outcome 4.2, looking at the earnings of those born in 1989 between the ages of 25 and 32 years, we obtain a similar story of widening earnings gaps between young people from professional and working-class backgrounds.

167 Monica Costa Dias and others, 'Wage progression and the gender wage gap: the causal impact of hours of work', 2018. Published on IFS.ORG.UK.

Case study

Deborah Oxley
age 40 years, from Newcastle

"

I grew up in Newcastle with my mum, dad and 3 sisters. My dad drove and fixed lorries for a living. It was a working-class environment. Money was a bit tight.

School was very hard because with my dad's job we moved around a lot. I went to 15 different schools. I was never a very good speller. I struggled quite a lot. I decided to be a silly teenager, messing around, truanting and getting in with the wrong crowd.

Because of that, I left school in year 11 with no education. I didn't sit any GCSEs or anything like that. I went to work for a telesales company, selling kitchens and double glazing and working in cafes. I had my daughter at 19, then went on to have 2 more children with my now ex-husband. After that, I stayed at home to raise my family with the odd job here and there. The financial side of things was difficult.

Then my oldest daughter was like: "I'm going to college, do you want to come?" I wasn't working or anything like that so I thought, "yeah I really would actually!" I did my English level 2 at Newcastle College. Then I thought I would give level 2 Healthcare a go and loved it. I'd never done an essay before. I'd never referenced anything. I didn't even know what that was. Now I can reference anything!

I started working as a care worker last year alongside getting my level 3. I had up to 4 shifts a week and college was Monday to Wednesday, so some weeks I didn't get a day off. It was hard but I did it. Early on, the manager called me into her office and said, "I'd like you to think about becoming a senior care worker". And I was like, "really?" I'd never worked in care before. I thought: "I've found something I'm really good at!"

I work on a unit that currently has 23 residents. I have residents who have dementia or are end-of-life. What I do is personal care. I'll get them washed, dressed, showered, bathed, talk to them, talk to the family. I do a lot of assisted feeding. There are some residents that don't have anyone and I'll go in and talk to them on my days off.

Originally, I wanted to be a midwife, but now I want to be a palliative care nurse. I'd never experienced death before I worked here, and now I feel like I deal really well in that situation. I want to make peoples' last moments as comfortable as I can. I just have a feeling that's what I'm supposed to be doing.

Financially, it's made a massive difference. Now I have a full-time income and I'm hoping we can have our first holiday abroad. These are the kinds of things that make memories for my children. When I have a day off I'm able to say, "come on we're going out! Let's go ice skating! Let's go bowling!" I'm just aiming higher and higher with every level I get.

"Financially, it's made a massive difference. Now I have a full-time income and I'm hoping we can have our first holiday abroad."

Conclusion

Our more detailed analysis of outcomes earlier in life has revealed striking patterns both across geography and individual characteristics.

Two individuals from the same SEB are likely to have different outcomes depending on where in the UK they grew up. Someone growing up in London and adjoining areas is more likely to attain higher qualifications, earnings and occupational level than someone from the same SEB growing up in a more rural or remote area. Yet for the same 2 individuals, the risk of unemployment, inactivity, and lower working-class employment is also higher in London. This contrast shows the importance of looking within areas, as well as between areas.

Breakdowns by individual characteristics show that different groups can have very different outcomes early in life. Unfortunately, those with a disability tend to do worse on all of the outcomes that we measure, including educational attainment, income, and employment. People with a disability are more likely to be economically inactive, unemployed, and earn lower wages. The gap between those with a disability and those without is also larger in lower SEB groups.

Ethnic background presents a complex pattern. People from all ethnic minorities (apart from Black Caribbeans) are more likely to gain a degree than White British people from the same SEB, although their university degrees may come from less selective universities. Yet this educational success does not translate into greater work success. The Pakistani, Bangladeshi and Black African groups, despite having higher proportions of university graduates than the White British group, do not have higher proportions in the professional classes. The Black Caribbean, Black African, Mixed, Pakistani and Indian groups are also significantly more likely to be unemployed. Interestingly, SEB differences play a much smaller role among some minority groups, such as the Chinese, Bangladeshi and Pakistani groups, than among the White ethnic group.

Young women (aged 16 to 24 years) tend to be slightly more likely to be in education and training than young men, and the largest sex differences (reaching 4 percentage points) are among those from professional backgrounds. The picture for those not in education, employment or training is the mirror image.

This picture is similar when we look at sex differences. Young women from all SEBs have slightly higher qualification levels than their male peers, and are less likely to be NEET. Yet there is a consistent female disadvantage with respect to occupational position and earnings.

4 – Drivers of social mobility

Highlights

⭐ **The drivers give a sense of how good conditions are for social mobility in the future. Drivers are included if evidence has linked them to better overall rates of social mobility.**

⭐ **Wage inequality, parental education, and parental occupation have all improved in recent years, but relative child poverty has worsened.**

⭐ **Slightly more 16 to 18 year olds are in education and employment than 10 years ago. Also, fewer are not in education, employment or training (NEET) – 6% in 2021, compared with 10% in 2011.**

⭐ **More 19 year olds are enrolled in education than ever before, and the UK has now surpassed the Organisation for Economic Co-operation and Development (OECD) average, with 63% of 19 year olds enrolled in secondary or tertiary education.**

⭐ **Access to higher-level jobs has also improved. 17% of young adults aged 22 to 29 years were in higher professional occupations in 2021, compared with 11% in 2014.**

⭐ **Looking at the UK region by region, we might have expected high levels of advantage to go together with low levels of disadvantage. But in reality, there are regions where significant advantage and disadvantage coexist.**

⭐ **Sociocultural advantage – university-educated and professional parents, and professional job opportunities for young people – is concentrated in London and surrounding areas. The Highlands, West Wales, Cornwall, Lincolnshire and areas of Yorkshire and the Humber (South and East Yorkshire) are the least advantaged areas by this measure.**

⭐ **In contrast, the metropolitan areas of Greater London, Greater Manchester and the West Midlands have some of the highest levels of childhood poverty, youth unemployment, and parents in lower working-class occupations. As with the intermediate outcomes, London has both extremes.**

⭐ **Most of London is in the best quintile for sociocultural advantage.[168] Yet most of London is also in the worst quintile for childhood poverty and disadvantage. High levels of advantage and disadvantage can coexist in an area, so simply comparing average outcomes, or conditions, across areas is not enough.**

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168 Regions are ordered from best to worst, and then divided into 5 tiers of equal size, known as quintiles.

Introduction

Measuring social mobility outcomes has been likened to "looking in the rear-view mirror".[169] This is because the causes can lie decades ago – someone who is now 50 was a child about 40 years ago. But we would also like to look forward, to predict social mobility trends. To do this, we measure what is happening to the background conditions that make social mobility easier – the 'drivers' of social mobility.

In this section, we focus on the following drivers of social mobility:

1   Conditions of childhood.

2   Educational opportunities and quality of schooling.

3   Work opportunities for young people.

4   Social capital (the value of people's social connections).

5   Research and development (R&D) environment.

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169   Robert Putnam, 'Our kids: the American dream in crisis', 2015. Published on ACADEMIC.OUP.COM.

Where people live versus where they grew up

We have included drivers where there are good grounds for linking them to better overall rates of social mobility. This is different from what might benefit a particular individual. For example, it may be that going to grammar school will result in better outcomes for an individual, than if the same individual went to a non-selective school in the same area. But this is a distinct question from whether a grammar school system would result in higher mobility rates overall (not least because most people cannot go to a grammar school). Finally, since the drivers are intended to show how much national or local circumstances help mobility, they aren't broken down by socio-economic background, and they cannot tell us the UK's rate of social mobility.[170]

For the mobility and intermediate outcomes, when we gave statistics broken down by region, we were referring to where people grew up, not where they currently live. This is sometimes referred to as 'adolescent geography' (where someone lived while growing up), in contrast to 'current geography' (where they live now). This is because these outcomes show how well people are doing in comparison with their point of origin (whether socio-economic, geographical, or both).

However, for our drivers, we want to understand current levels of opportunity for mobility, so we report current geography – where children and young people are living now – not adolescent geography.

Where we have shown trends over time, the length of the period covered depends upon the availability of the data. Where we have shown maps, the regions in the map are divided into 5 equal groups (quintiles), ordered from best to worst. This is explained in more detail in chapter one.

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170 Some concepts can be viewed as both outcome and driver. 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 endpoint (the educational outcome). But when we look at the quality of education across the whole UK, it is a driver.

Drivers by region:

Conditions for social mobility across the UK

Summary

- Looking at the UK region by region, we might have expected regions with high levels of advantage to also have low levels of disadvantage. But in reality, there are regions where both significant advantage and disadvantage coexist.

- Sociocultural advantage – university-educated and professional parents, and professional job opportunities for young people – is concentrated in London and surrounding areas. The Highlands, West Wales, Cornwall, and Lincolnshire and areas of Yorkshire and the Humber (South and East Yorkshire) are the least advantaged areas by this measure.

- In contrast, the metropolitan areas of Greater London, Greater Manchester and the West Midlands have some of the highest levels of childhood poverty, youth unemployment, and parents in lower working-class occupations. As with the intermediate outcomes, London has both extremes.

- Most of London is in the best quintile for sociocultural advantage. Yet most of London is also in the worst quintile for childhood poverty and disadvantage. High levels of advantage and disadvantage can coexist in an area, so simply comparing average outcomes across areas is not enough.

This year, we introduce 3 summary indices relating to the drivers of mobility. These indices summarise information from more than one dataset. The drivers refer to the conditions that are believed to be associated with upward mobility for the people who grew up in the area. We have called these 3 indices 'childhood poverty and disadvantage', 'sociocultural advantage' and 'research and development environment'. Our drivers are not measures of mobility. They instead capture the background environment which allows social mobility at a population level. We do not break these indicators down by socio-economic background (SEB).

The new indices aim to provide summary measures of how different geographical areas of the UK compare in terms of their conditions for social mobility. We devised the indices by looking at how strongly the indicators were correlated and grouped together to pull out an underlying factor. Please see the technical annex for more information. The indicators included in the composites are featured in Table 4.0.

Table 4.0:
Summary of composite indices for the drivers of social mobility.

Index		Indicator	Measurement
Sociocultural advantage	Driver (DR) 1.3	Parental education (university degree)	Percentages of parents in the area with a university degree
	DR1.4a	Parental occupation (higher professional)	Percentages of parents in the area with a higher professional occupation
	DR3.3a	Young people's occupation (higher professional)	Percentages of young people in the area with a higher professional occupation
Childhood poverty and disadvantage	DR1.2	Childhood poverty	Data from the Department for Work and Pensions on Households Below Average Income
	DR1.4b	Parental occupation (lower working)	Percentages of parents in the area with a lower working-class occupation
	DR3.2	Youth unemployment	Percentages of young people in the area who are unemployed
Research and development (R&D) environment	DR5.1	Broadband speed	The median broadband speed in the UK
	DR5.2	Business expenditure on R&D (logged)	The median business R&D expenditure in the UK
	DR5.3	University research students	Based on the median number of research students enrolled in the UK

Regional patterns in drivers

These indices reveal 2 important findings. First, some areas have both extremes, with higher-than-expected proportions both of advantaged and of disadvantaged families. London is a clear example, with some of the highest levels of poverty in inner London, alongside high levels of both graduate and of higher professional families. Greater Manchester also has a high level of poverty alongside a middling number of graduates and higher professionals.

Second, there are also some signs of a pattern in which there are differences between more centrally located areas (such as London) compared with those far away from the centre (such as Plymouth). The Index of sociocultural advantage is significantly correlated with the Index of the R&D environment. They both show this same centre-periphery pattern, with the most favourable environments for upward mobility being in London, and the least favourable being in more remote parts of the UK.

> **"Overall, Greater London and adjoining areas have the highest level of family advantage."**

Sociocultural advantage

Sociocultural advantage is a complex but important background condition for social mobility. We try to capture a simplified measure of this by looking at drivers related to parents with degrees, and both parents and young people in higher professional occupations.[171] Having highly-educated parents, parents in a higher professional occupation, or a good chance of attaining a higher professional occupation yourself, are all advantageous to upward mobility prospects. Of course, no measure could capture all relevant sociocultural factors, such as having parents who place a high value on education.

We see in figure 4.1 a pattern with higher levels of sociocultural advantage in the southern and central parts of the UK and lower levels on the periphery and Northern Ireland. Overall, Greater London and adjoining areas have the highest level of family advantage. The Highlands, West Wales, Cornwall, Lincolnshire and areas of Yorkshire and the Humber (South and East Yorkshire) are the least advantaged areas, but some former mining and industrial areas (such as Tees Valley and Durham, South Yorkshire) are also quite disadvantaged. In contrast, the northern areas of Cheshire and North Yorkshire are relatively advantaged. We also need to remember that there can be considerable geographical variations within, as well as between, these areas. The picture may well be even more complex than the figure suggests.

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171   Strictly speaking, these are adults in families with dependent children. Most are probably actually parents but some might be other co-resident family members. Unfortunately, the Labour Force Survey does not have educational data on the actual parents of respondents.

Figure 4.1:

Sociocultural advantage tends to be higher in and around London, and appears to be lower on the periphery.

Index of sociocultural advantage.

Note: We follow the procedure used by the economists Sudhir Anand and Amartya Sen (1994) for constructing the UN's Human Development Index (HDI). In order to ensure that all indicators are on a common scale, indicators are first rescaled, setting the best-performing area's score on the indicator to 1 and the worst-performing area's score to 0. For more information on how each area was scored, please see the technical annex.

Childhood poverty and disadvantage

The Index of childhood poverty and disadvantage includes the drivers of childhood poverty, youth unemployment, and lower working-class parental occupations. All of these are disadvantageous to social mobility prospects.

We might expect to find high childhood poverty and disadvantage wherever there are low levels of sociocultural advantage. But in reality, there is only a weak correlation between the geographies of the 2. For example, Tees Valley and Durham have low scores on both indices, while neighbouring North Yorkshire scores quite well on both. In contrast, other areas score highly on one index but poorly on the other, examples being London, and the Highlands and Islands.

The metropolitan areas of Greater London, Greater Manchester and the West Midlands have some of the highest levels of childhood poverty and disadvantage (reflected mainly by youth unemployment). The geographical distribution of youth unemployment closely parallels that of childhood poverty.[172]

Areas such as London have both high levels of advantage alongside high levels of childhood poverty, perhaps reflecting socio-economic inequality and polarisation. Inner London has some of the highest levels of childhood poverty in the UK and this may be due to the high housing costs.[173] While average levels of material prosperity are highest in London, there is also a high level of variation around the average. In contrast, other areas with levels closer to the average may be less polarised.

172   At the area level, we observe there is a correlation of 0.70. This is a measure of how interdependent 2 variables are.
173   Poverty is estimated after taking account of housing costs.

Figure 4.2:
Metropolitan areas tend to have high levels of poverty, with lower levels found in rural areas.[174]

Index of childhood poverty and disadvantage.

Index of childhood poverty and disadvantage

- Q1 (Best 20%)
- Q2
- Q3
- Q4
- Q5 (Worst 20%)

Source: Data used from the following indicators: driver (DR)1.2, DR1.4b and DR3.2.

Note: We follow the procedure used by the economists Sudhir Anand and Amartya Sen (1994)) for constructing the UN's Human Development Index (HDI). In order to ensure that all indicators are on a common scale, indicators are first rescaled, setting the best-performing area's score on the indicator to 1 and the worst-performing area's score to 0. For more information on how each area was scored, please see the technical annex.

174 A metropolitan area is a highly populated urban area that often shares common infrastructure, industries and commercial centres. It often includes multiple large cities, such as Wolverhampton or Birmingham. For example, the West Midlands or Greater Manchester.

Research and development environment

The final index for the drivers, R&D environment, comprises 3 new indicators for this year: broadband speed, business expenditure on R&D, and university research students. This index is less securely grounded in prior research than the 2 previous indices. However, we are interested in developing ways of measuring the link between economic opportunity, innovation and business vibrancy on social mobility. We hope to do more work on this in the future and consider how to capture more factors related to the wider business environment. At this point, we note that it is possible that areas with a more favourable R&D environment will be among the more dynamic areas of the country in future decades, and so will provide favourable conditions for upward mobility. We plan to monitor whether this does in fact happen.

We see in figure 4.3 an arc from Bristol to inner West London that provides a favourable R&D environment, alongside the West Midlands, Derby and Nottingham, and Central Scotland. This pattern is broadly consistent with the locations of major universities and high-tech and major engineering firms, which are expected to be hubs of both innovation and implementation.

Figure 4.3:
An arc from Bristol to inner West London provides a favourable environment, alongside the West Midlands, Derby and Nottingham, and Central Scotland.

Index of the research and development environment.

Index of the research and development environment

- Q1 (Worst 20%)
- Q2
- Q3
- Q4
- Q5 (Best 20%)

Driver 1:

Conditions of childhood

Summary

- Wage inequality, as measured by the 90:10 ratio, has declined in the last decade. Those at the 90th centile (high earners, and with most others below this point) now earn just over 3 times as much per hour as those at the 10th. In the late 1990s and the 2000s, they earned about 4 times as much.

- The percentage of children living in relative poverty in the UK (after accounting for housing costs) has increased since 2012 and is at about 30%. It is still below the levels reached in the 1990s (when the percentage was closer to the mid-30s).[175]

- There has been a continuing increase in the proportion of families where the adults have higher levels of qualifications. Many more parents have degrees than ever before, with 41% in 2021 compared to 30% in 2014.

- There has been a continuing increase in the proportion of families where the adults have professional and managerial occupations, with 46% in 2021 compared to 39% in 2014.

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175 Relative poverty covers families where 'equivalised' household income is less than 60% of the median. 'Equivalised' means adjusted for the number and ages of the people living in the household.

Family resources affect a child's social mobility chances, and if resources are very unequal, then it may be difficult for those at the bottom to climb upwards. Yet these resources are not just economic. They include educational and cultural resources, such as having parents who can navigate the higher education system, or who have good parenting skills. Recognising the importance of these factors, our report includes drivers focusing on parental occupation and education. Parenting skills may also play an important role, but we currently do not have any measures to assess this. It is something we wish to investigate more in the future.

We use drivers 1.1 to 1.4 to show how these family resources have varied across the UK and over time.

The levels of inequality and average levels of parental education and occupation have been quite positive over recent years, but this is not reflected in levels of relative poverty. The percentage of children growing up in relative poverty has been increasing since 2012, reaching almost 30% in 2021. Given the association between relative poverty and poor social mobility chances for children, this means that major issues of inequality of opportunity may be likely to remain. Looking further back, the relative poverty rate was much lower in the 1960s and 1970s, rose sharply in the 1980s, and reached a peak in the mid-1990s.[176]

We should note that there is no contradiction between stability in the level of relative poverty and making progress in parental education and occupation. The trends in parental education and occupation can be thought of as absolute trends, whereas the trend in relative poverty is, by definition, relative to the current average. Relative poverty covers families where 'equivalised' household income is less than 60% of the median.[177] In contrast, absolute poverty is measured by comparing household income to a fixed level of income rather than to the current income of other households. Since economies tend to grow over time, incomes will increase, and absolute poverty will tend to decrease as more and more households surpass the fixed level.

We should also recognise that, within the broad group of those in relative poverty, there may be important differences in family circumstances which will make some particularly vulnerable to economic shocks such as rising inflation (general increases in prices). This warrants further investigation.[178]

176 Institute for Fiscal Studies, 'Living standards, poverty and inequality in the UK', 2022. Published on IFS.ORG.UK.
177 'Equivalised' means adjusted for the number and ages of the people living in the household. In other words, it covers households with an income below 60% of the contemporary median, after housing costs.
178 For more detailed analysis of these issues, see Institute for Fiscal Studies, 'Living standards, poverty and inequality in the UK', 2022; Report R215. 'Living standards, poverty and inequality in the UK: 2022', 2022. Published on IFS.ORG.UK.

Driver 1.1: Distribution of earnings

To provide an overview of the distribution of earnings we compare how the earnings of those near the top (the 90th centile) and near the bottom (the 10th centile) compare over time. We refer to this as the 90:10 ratio, which is the income at the 90th centile (high earners) divided by the income at the 10th centile (low earners). For example, when the ratio is 2, this means that people at the 90th centile are earning twice as much.[179] These are wages rather than total family income (which might include other income sources, such as benefits).

However, the differences between relatively high and relatively low rates of pay can, on average, cause differences in the resources that families have. Higher (hourly) pay can also allow parents to spend more time on childcare, as they can work fewer hours. During their work life, people can move between better and worse-paying jobs. Therefore a person's lifetime income could be made up of a mix of periods of high and low income. In the future, we will look at the importance of this income volatility over the life course.

Figure 4.4:
There has been some decline in wage inequality (as measured by the 90:10 ratio) since 2010.

The gap in hourly earnings for full-time employees, calculated as the ratio between the 90th and 10th centiles in the UK, from 1997 to 2021. When the ratio equals 1, there is no gap in earnings.

Source: Office for National Statistics, Annual Survey of Hours and Earnings (ASHE).

Note: Values to calculate the 90:10 ratio are taken from 'Earnings and hours worked, place of work by local authority: ASHE table 7, Gross hourly pay for full-time employees from 1997 to 2021. For 2022, ASHE Table 7 is yet to be updated, however, ASHE Table 6 provides a provisional estimate of the 90th and 10th centiles for full-time employees. We use these figures to calculate the ratio for 2022 and note this is a provisional figure only.

179   When the number is 1, there is no gap – pay rates are the same. This is because any number divided by the same number is equal to 1.

The ASHE is the most authoritative data available on inequality of earnings but the Office for National Statistics (ONS) also produces annual measures of household income inequality, based on the Household Finances Survey.

The 2021 ONS report suggested that household income inequality fell slightly in the financial year ending 2021, but remained in line with the average over the decade before the COVID-19 pandemic, having increased considerably in previous decades.[180] [181] However, household income is a distinct concept from hourly earnings from employment, as it includes other sources of income such as state benefits and pensions.

The Institute for Fiscal Studies (IFS) also has looked at trends in household income inequality.[182] When using the Gini coefficient, it found that there has been effectively no change in inequality over the 21st century.[183] However, we should be aware that the Gini coefficient is a different statistic than the 90:10 ratio. It could, for example, be driven by changes at the extremes of the income distribution, which are not captured by the 90:10 ratio. The major advantage of the ASHE data over these other sources is that ASHE enables us to look at regional differences.

180   Office for National Statistics, 'Household income inequality, UK: financial year ending 2021'. Published on ONS.GOV.UK.
181   See figure 1.1 of the 'Household income inequality, UK: financial year ending 2021'. Published on ONS.GOV.UK.
182   Institute for Fiscal Studies, 'Living standards, poverty and inequality in the UK', 2021. Published on IFS.ORG.UK
183   The Gini coefficient is one of the most commonly used measures of income inequality. However, we have chosen the 90/10 ratio for ease of understanding. For more information about the Gini coefficient, see Office for National Statistics, 'The Gini coefficient'. Published on ONS.GOV.UK.

Driver 1.2: Childhood poverty

As shown in figure 4.5, the percentage of children living in relative poverty in the UK (after accounting for housing costs) has increased since 2012. It is still below the levels reached in the 1990s. But, in the past 5 years, the proportion in relative poverty has remained stable at 30%. Although we focus on the background conditions which allow social mobility, to make effective policy decisions we need to understand who is more at risk of long-term poverty.

Figure 4.5:
The percentage of children living in relative poverty has risen slightly since 2012.

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 2022 (see notes).

Source: Department for Work and Pensions (DWP), Households Below Average Income statistics, Table 4.16.[184]

Notes: Data is calculated using 3-year averages (including the current year and 2 preceding years). For example, the figure for 2021 represents the average of the financial years (FY) starting in 2019, 2020 and 2021. FY are reported by the year in which they start. For example, 2021 represents the financial year ending in 2022 (FY 2021 to 2022). 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.

184   Department for Work and Pensions, 'Households below average income (HBAI) statistics'. Published on GOV.UK.

Driver 1.3: Distribution of parental education

'Cultural capital' loosely means the social and cultural knowledge that can help someone be socially mobile. Here, as is common in sociological research, 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.[185] [186] [187] There are also other factors that can contribute to cultural capital, such as the type of university attended. These and other factors may also be relevant to social mobility and we will look further into this in the future.

Figure 4.6 shows significant increases over time in the educational levels of adults in families with dependent children. Consistent with our reporting from last year, we find that the qualifications of young people's parents have improved over time. Although the trends are similar to those shown last year, the levels are not strictly comparable because of the different methodologies and datasets used.[188] This year we have used the Labour Force Survey (LFS) because of its much larger sample size than the UK Household Longitudinal Study (UKHLS) used previously. We can therefore undertake more granular geographical analyses. While more children are growing up in households educated to a degree level, a large number are in families where the highest level is GCSE or below. These children are of particular concern to the Social Mobility Commission and may be the focus of our future work.

> "'Cultural capital' loosely means the social and cultural knowledge that can help someone be socially mobile."

185   Sarah Stopforth and Vernon Gayle, 'Parental social class and GCSE attainment: re-reading the role of 'cultural capital', 2022. Published on TANDFONLINE.COM.
186   Jan Jonsson, 'Class origin, cultural origin, and educational attainment: the case of Sweden',1987. Published on ACADEMIC.OUP.COM.
187   Mads Meier Jaeger and Anders Holm, 'Does parents' economic, cultural, and social capital explain the social class effect on educational attainment in the Scandinavian mobility regime?', 2007. Published on RESEARCH.KU.DK.
188   See figure 4.3 on page 110 of Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.

Figure 4.6:
There has been a continuing increase in the proportion of families where the adults have higher levels of qualifications.

Percentages of adults in families with dependent children having different levels of education in the UK, from 2014 to 2021.

Source: Office for National Statistics, Labour Force Survey from 2014 to 2021.

Note: The sample (N=160,238) was established by selecting those respondents with dependent children in their family (defined as those aged 0 to 15 years, and those aged 16 to 18 years who are in full-time education). Respondents who are aged less than 21 years are excluded and the median age of respondents is age 40 years. The great majority of the selected respondents are likely to be the parents or carers of the dependent children. However, the dataset could include some adults who are living at home with parents who have dependent children. The data used is weighted using the LFS probability weights.

These figures suggest that more children are now in a position to benefit from the cultural capital gained by their parents during their parents' post-school education. However, parental education only captures a part of cultural capital, and of course, other factors need to be considered. For example, the relative positioning of parents on the occupational ladder is another important consideration, and we examine the distribution of parental occupation in driver 1.4.

Driver 1.4: Distribution of parental occupation

The distribution of parental occupation is a new driver that shows how socio-economic class backgrounds, based on occupation, have changed over time.

Figure 4.7 shows that there has been a significant increase in the proportion of higher-professional adults in families, from 14% in 2014 to 20% in 2021.[189] [190] Overall in 2021, 46% of adults in families were in either a higher or lower professional occupation, compared to 39% in 2014. Conversely, the

proportion of working-class adults in families has shrunk (higher working class: 19% in 2014 versus 13% in 2021; lower working class: 21% in 2014 versus 19% in 2021).

These trends are similar to the longer-term changes in the occupational structure in Great Britain between 1951 and 2011 and to the recent trends shown in Bukodi and Goldthorpe (2019)[191] and our previous State of the Nation reports.[192]

Figure 4.7:
There has been a continuing increase in the proportion of families in which the adults have professional and managerial occupations.

Source: Labour Force Survey (LFS) from 2014 to 2021.

Note: The sample (N=160238) was established by selecting those respondents who had dependent children in their family (those aged 0 to 15 years and those aged 16 to 18 years who are in full-time education). Respondents who are aged less than or equal to 20 years are excluded and the median age of the included respondents is 40 years. The great majority of the selected respondents are likely to be the parents or carers of the dependent children, but it could include some adults who are living at home with parents of dependent children.[193] The data used is weighted using the LFS probability weights. Due to rounding errors, in some instances the totals may not add up to 100%.

189   The Labour Force Survey does not specify whether the adults are parents of the children in the same household.
190   "Professional" here means professional, managerial or administrative.
191   See figure 2.1 in Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2019. Published on CAMBRIDGE.ORG.
192   See figure 1.1 in Social Mobility Commission, 'State of the Nation 2021: Social mobility and the pandemic', 2021. Published on GOV.UK.
193   We have checked these results using the Labour Force Survey (LFS) measure of parental background (based on the occupation of the main earner when the respondent was aged 14 years). While the LFS measure of parental background shows slightly higher proportions in the professional classes, which is to be expected given its methodology, the trends over time show the same pattern as those from the measure used above.

Case study

Juraj Tancos
age 39 years, from West Yorkshire

"

I came to the UK from Slovakia in 2006. I'm from the Roma community and back in Slovakia I was facing terrible discrimination constantly.

When I was growing up people would say "you're Roma, you're only ever going to get manual cash-in-hand work, there's no point going to school." Because of that I didn't even complete my primary school education because to be honest I didn't see the point.

When I came to the UK I was so happy because I saw people of all different ethnic groups working all kinds of jobs and achieving. I said to my wife: "our children are going to have better lives here."

It was pretty hard getting started, I didn't know any English so I used to go and mime with my hands at the job centre everyday asking for work. I actually ended up learning Polish before I learnt English, because when I finally got a job in a factory, all my colleagues were from Poland!

While I was working, my wife started going to Play and Learn at St Edmund's Nursery School and Children's Centre with our baby son. I was very very worried about this because back in Slovakia the authorities would discriminate against Roma people. My wife persuaded me to come along, and I was amazed by how kind and welcoming the staff were. I went to their parenting classes myself and eventually decided to give back and become a volunteer there.

St Edmund's took me at face value, despite me having no education when I met them and they helped me to get my Child Care level 2 qualification, Parenting level 4 and Working with Families level 5. This meant I could get a paid full-time job in family centres, and after I'd worked for a bit, I completed a foundation degree and then a BA [bachelor of arts] in Integrated Working with Families and Children.

I contributed to research on why Roma parents don't always put their kids in early years settings and school; I found out it's all about fear of discrimination, social services and whether their kids will be treated differently to others.

It was all very hard but it really paid off for more than just my family but for the whole community of Roma people in Bradford. Roma people now trust putting their kids in our early education classes and trust our parenting courses – the fact they're happy to leave their children with us in our care and go out to work is huge.

If I met someone like me in 2006 who doesn't trust school and authority I would say to them: "I'm from a Roma family, we've faced all kinds of discrimination and had everything taken from us but one thing no one can steal is education and it's never too late to learn.

I'm so proud of how far I've come and proud of what it'll mean for my kids. My life was: get married at 16 and work cash-inhand. My kid's life is: get an education, get a good job and then think about the family aspects.

"I'm so proud of how far I've come and proud of what it'll mean for my kids. My life was: get married at 16 and work cash-in-hand. My kid's life is: get an education, get a good job and then think about the family aspects."

Driver 2:

Educational opportunities and quality of schooling

Summary

- Slightly more young people aged 16 to 18 years are in education and employment than 10 years ago, and fewer are NEET – 6% in 2021, compared with 10% in 2011.

- The UK's school system has performed at or above the OECD average in the Programme for International Student Assessment (PISA) since at least 2006.

- More 19 year olds are enrolled in education than ever before and the UK has now surpassed the OECD average, with 63% enrolled in secondary or tertiary education.

- Higher education dropout rates fell sharply in the most recent data.

The drivers in this section focus on the quality of education provided, and the opportunities for young people to access different forms of education after the age of 16. We focus mainly on data for England, as education is a devolved policy, and there is no harmonised data covering all 4 countries of the UK.

Driver 2.1: Further education and training opportunities

Since we are not currently able to measure opportunities directly, we illustrate this driver using the proxy measure of participation in education and training between age 16 and 18 years. The trends are shown in figure 4.8.

Figure 4.8:
Slightly more 16 to 18 year olds are in education and employment than 10 years ago, and fewer are NEET.

Percentage of young people aged 16 to 18 years participating in education, training and employment in England, from 2011 to 2021.

Source: Department for Education, participation in education, training and employment, 2022.

Note: Work-based learning (WBL); not in education, employment or training (NEET); NEET includes anybody who is not in any form of education, training or 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 higher education and WBL at the same time. The total number of young people in training is calculated by omitting these overlaps. Since 2013, young people aged 16 to 17 years have been legally required to remain in (at least part-time) education and training in England, but not in Wales, Scotland or Northern Ireland. Participation estimates for 2020 and 2021 may be impacted by the COVID-19 pandemic and may not fully reflect engagement and attendance. Due to rounding errors, in some instances the totals may not add up to 100%.

Overall, the trends in the last 10 years seem to be rather modest but positive: participation in education and apprenticeships has slightly increased and the proportion of young people who are NEET has decreased since 2011. However, when comparing 2021 to 2020, we observe a small drop of 16 to 18 year olds in education and apprenticeships. The NEET rate for this age group has decreased and is still one of the lowest on record at the end of 2021.[194]

Recent figures from the ONS show that the proportion of 16 to 24 year olds who are NEET increased sharply in the final quarter of 2022. Although our data does not yet cover this time period, this recent spike is something to monitor closely.[195]

194   Since 2013, it is a legal requirement in England for young people up to 18 years old to be in education or training. So, not in education, employment or training (NEET) rates must be interpreted in the context of this legal requirement, since those who are NEET are in breach of it.
195   Office for National Statistics, 'Young people not in education employment or training (NEET), UK: February 2023'. Published on ONS.GOV.UK.

Driver 2.2: Availability of high-quality school education

With driver 2.2, we illustrate the quality of school education in the UK with the OECD's PISA survey. This survey measures the performance of 15 year old school pupils in mathematics, science and reading. It is designed to evaluate education systems by measuring the performance of pupils at age 15 years, on a comparable basis, across the OECD and certain partner jurisdictions. Our findings are the same as reported last year, as there has been no update to PISA because of the pandemic.

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'. Figure 4.9 shows that 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 in the figure). In 2018, students in the UK scored above the OECD averages in reading (504 score points), mathematics (502), and science (505).[196] The UK's reading and science scores have remained stable since 2006, with no significant change. In mathematics, there was a significant 9-point improvement between 2015 and 2018.[197]

Figure 4.9:
The UK has performed at or above the Organisation for Economic Cooperation and Development (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, from 2006 to 2018.

Source: OECD, PISA, 2006, 2009, 2012, 2015, and 2018 reading, mathematics and science assessments.

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

196   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.

197   Organisation for Economic Cooperation and Development, 'PISA 2018 results', 2018. Published on OECD.ORG.

Driver 2.3: Access to higher education

Figure 4.10 shows the enrolment rate in secondary and tertiary education at age 19 years in the UK over time.

Overall, the enrolment rate has increased since 2011, reaching its peak in 2020. The most recent results from 2020 point to a 2% gap between the UK and international averages. The UK has not only reached but surpassed the OECD average. In future, we will also examine the role of other further study, such as technical qualifications.

Figure 4.10:
More 19 year olds are enrolled in education than ever before and the UK has now surpassed the OECD average.

Percentage of 19 year olds enrolled in secondary or tertiary education, UK and international average, from 2010 to 2020.

Source: Organisation for Economic Cooperation and Development, 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.

A new measure released in January 2023 by the Department for Education called Cohort-based Higher Education Participation reinforces these findings – entrants to higher education (HE) continue to rise. In 2020 to 2021, 47% of people had entered HE by the age of 25, up from 45.2% for the previous year and the highest percentage on record.[198]

198   Department for Education, 'Participation measures in higher education', 2023. Published on GOV.UK.

Driver 2.4: Availability of high-quality higher education

With driver 2.4, we illustrate the retention and completion rates for those in HE. There has been no updated data release since our last report, and our findings therefore remain the same. Figure 4.11 shows that 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. 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

second 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. However, we cannot be sure that this reflects an improvement in the quality of HE, as other factors such as the changing level of wages and job opportunities at the start of the COVID-19 pandemic could also be relevant to dropout rates.

Figure 4.11:
Non-continuation (dropout) rates fell sharply in 2019 to 2020.

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 higher education after their first year, academic years of entry 2014 to 2015 and 2019 to 2020.

Despite these increases in continuation, many questions remain. Understanding how the rise in participation rates relates to completion rates, and how HE relates to subsequent employment, forms important aspects of our future work.

A similar pattern is seen for the non-continuation 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 percentage 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.[199]

It is also important to note that HE may not be the most suitable education path for everyone. Although we monitor access to HE, we also want to think about access to other high-quality education and training routes which may enable people to make progress into the careers they desire. Establishing and further developing alternative pathways to HE is something the government has been focusing on in recent years by considering reform in both the higher and further education sectors.

199   Higher Education Statistics Agency, 'Non-continuation summary: UK performance indicators', 2022. Published on HESA.AC.UK.

Case study

Imran Sabir
Bradford

"I work at New College Bradford. I'm the progression lead which means I spend most of my time focusing on our students' futures. I came to this role from pastoral student care where I saw a need to get my students out there, show them the opportunities that are available and inspire them to make the most of things.

There aren't loads of opportunities in Bradford, and most of our students don't come from families that have been to uni or have really good jobs. This means I go out and find organisations to come give talks in college as well as arranging for our students to go out and get experiences, like work experience, that will inspire them and help build a good CV.

I've had students go on visits to unis across the country – including Durham and Newcastle and I invite local employers in to meet our students – like local law firms and Morrisons head office who offer brilliant work placements and degree apprenticeships to our students.

Some of our students don't see the value of thinking about their future early and making a plan, so I give them frequent tutorials about all the things they can do with their life and assure them that they can succeed.

I'm from Bradford myself and I understand the challenges round here. That means I inspire students by telling them about the jobs they can go on to with different qualifications and I make a point of telling them the kinds of earnings they can make. I make it real for them by painting them a picture of how much easier life can be when you have a good job that you love and making it real like that inspires them to want to work hard!

It's important to be honest with students about what different qualifications could bring them in their future so they can make an informed decision – having these honest conversations with the right info is so important here in Bradford because people don't have a lot of money round here – and going to uni is therefore a massive choice and investment.

"I'm really proud of the progress my college has made in transforming the futures of our local students. In 2019, the average grade in Bradford at post-16 was a D; it's now a B and 83% of our students have gone to uni last year despite 45% coming to us from secondary schools that are rated inadequate or requiring improvement."

"What we say here to our students is,

'You cannot give up. This is about setting the tracks for the rest of your life – inside and outside of college.'

If we're not striving to give our students the best knowledge and opportunities that they can use to make decisions about their future – then why do we bother?"

Driver 3:

Work opportunities for young people

📝 Summary

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

- Youth unemployment has fallen back to pre-pandemic levels and was at 13% in the most recent data.

- There is a long-term trend towards more professional employment opportunities for young people. 17% of people aged 22 to 29 years are in higher professional jobs now, compared with 11% in 2014.

- Real hourly pay fell markedly after the 2008 financial crisis, recovered slowly to pre-crisis levels in 2021, but has fallen again.

To understand how prospects for social mobility change over time and across the UK, it is important to look at work opportunities. Drivers 3.1 to 3.4 look at these in detail. The metrics include job vacancy rates, youth unemployment, type of employment, and earnings.

The overall level of vacancies in the labour market has increased sharply over recent years. There has been a continued improvement in the proportion of professional employment for young people – up from 38% in 2014 to 44% in 2021. In contrast, the proportion of young people in working-class jobs has declined from 41% to 33%. In particular, the proportion entering skilled manual work has shrunk while the proportion entering low-skilled work remains high, and young people are still disproportionately likely to be unemployed. This suggests that there may be some polarisation in the opportunities for young people, with improving opportunities at the top end but no improvement, or even perhaps a decline, at the lower end.

Driver 3.1: Vacancy rate

Figure 4.12 illustrates the trend in vacancy rates, showing the number of vacancies per jobseeker over time. This ratio serves as a proxy for job opportunities. A higher ratio indicates that there are more vacancies per jobseeker, and so greater job opportunities.

Figure 4.12 shows that numbers of vacancies per unemployed person have varied considerably over time. The trend has fluctuated with shocks including the 2008 financial crisis and the pandemic. However, the labour market now appears to be very 'tight' with a high level of demand for labour relative to the numbers looking for work.

Figure 4.12
There are more vacancies available per jobseeker now than at any time in the last 20 years.

Number of vacancies per unemployed person in the UK (seasonally adjusted), quarter 4 from 2001 to 2022.

Source: Office for National Statistics (ONS), Vacancy Survey and Labour Force Survey (LFS) (respondents aged 16 to 64 years).[200]

Note: A proxy for job opportunities is calculated by ONS as the ratio of the number of unemployed (as estimated from the LFS) relative to the number of vacancies (as estimated in the Vacancy Survey) and published here as the reciprocal. Ratios were calculated using quarter 4 (October to December) from 2001 to 2021. A higher value indicates greater opportunities for job seekers.

A more detailed analysis of the recent trends is provided by the Institute for Employment Studies (2022).[201] It suggests the trend has been attributed in part to the decline in economic activity among older workers during the pandemic. They also highlight a decline in economic activity among young people, with a sharp increase in full-time participation in HE during the same time.

It is not currently possible to distinguish vacancies in entry-level jobs from other types of jobs, and so figure 4.12 provides estimates of the overall state of the labour market, not the opportunities specifically for young people entering the labour market. It is therefore necessary to supplement this information with data on youth unemployment and on the kinds of jobs that young people are taking (drivers 3.2 and 3.3).

200   Office for National Statistics, 'Vacancy survey', 2021. Published on ONS.GOV.UK.
201   Institute for Employment Studies, 'Labour market statistics, March 2022', 2022. Published on EMPLOYMENT-STUDIES.CO.UK.

Driver 3.2: Youth unemployment

To illustrate young people's work opportunities, we show in figure 4.13 youth unemployment rates for the years 2014 to 2021. Unemployment is measured here as the proportion of the economically active respondents aged 16 to 24 years who are currently out of work but looking for a job. It does not include people who are in full-time education, looking after the home, or permanently sick and disabled.[202]

Figure 4.13 indicates that youth unemployment has varied considerably over time. The trend has fluctuated with higher levels of youth

unemployment after the 2008 financial crisis and the COVID-19 pandemic. However, youth unemployment has now returned to pre-pandemic levels.

The data has not been updated since publishing our report last year. So, the results presented here are the same as those shown in our State of the Nation 2022 report, figure 4.12.[203] It is worth noting, as we did last year, that levels of youth unemployment are affected by levels of educational participation (see drivers 2.1 and 2.3).

Figure 4.13:
In 2021, youth unemployment in the UK fell back to pre-pandemic levels.

Percentage of young people aged 16 to 24 years in the UK, from 2014 to 2021, who were unemployed.

Source: Office for National Statistics, Labour Force Survey (LFS), from 2014 to 2021, weighted data, economically active respondents aged 16 to 24 years, 95% confidence intervals.

Note: The LFS follows the internationally-agreed definition for unemployment recommended by the International Labour Organisation (ILO) – a UN agency. 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. Those who are economically inactive are excluded from the calculations (for example in full-time education, looking after the home, or permanently sick and disabled). The data used is weighted using the LFS probability weights.

202 Office for National Statistics, 'A guide to labour market statistics', 2020. Published on ONS.GOV.UK.
203 See figure 4.12 of Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.

Driver 3.3: Type of employment opportunities for young people

Next, we look at the percentage of young people taking up professional and managerial, intermediate and manual work. This approach allows us to look at the level of work available, not just the rate of employment. We expand on the findings from last year, looking at occupational levels using a 5-class instead of a 3-class grouping.

Figure 4.14 shows that there has been a gradual increase in the proportion of young

people in professional and managerial work, up from 38% in 2014 to 44% in 2021. While the proportion in low-skilled work (the lower-working class) has remained roughly constant around 15%, there has been a long-term decline in skilled manual work (the higher-working class), down from 25% in 2014 to 17% in 2021. This decline may have negative implications for the chances of young people from working-class backgrounds of achieving upward mobility.

Figure 4.14:
Longer-term trends are towards an increase in professional employment opportunities.

Type of occupation of young people aged 22 to 29 years in the UK, from 2014 to 2021.

Source: Office for National Statistics (ONS), Labour Force Survey (LFS), from 2014 to 2021, respondents aged 22 to 29 years in employment.

Note: The 5 social classes distinguished here represent a shortened version of the ONS NS-SEC classification, which has 8 classes. We have grouped the ONS NS-SEC classes as shown in chapter one. The data used is weighted using the LFS probability weights. A formal test shows that compared to 2014, access to the higher-professional class has become significantly different since 2018. Due to rounding errors, in some instances the totals may not add up to 100%.

These results are broadly the same as those shown in last year's State of the Nation report, figure 4.13, although the classification used in the 2022 report did not enable us to see the

marked decline in higher-working class jobs.[204] At the time, we noted that major gender differences persist in the labour market, and we will be examining this in future work.

204   Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.

Driver 3.4: Labour market earnings of young people

The earnings that young people achieve through employment are another important driver of social mobility, reflecting the changing demand for labour. Figure 4.15 shows that real hourly earnings of young people dropped sharply after the 2008 to 2009 financial crisis but have recovered slowly and are now slightly above their pre-crisis levels. However, we observe a slight dip in real hourly earnings for 2022. This may be due to the high levels of inflation experienced during the cost of living crisis, as nominal pay may have risen at below the inflation rate.

Figure 4.15:
Growth in real hourly pay for young people has been poor over the last 15 years, partly due to drops after 2008 (the financial crisis) and in 2022 (the cost-of-living crisis).

Median real hourly pay for people aged 22 to 29 years in the UK, from 1997 to 2021.

Source: Office for National Statistics (ONS), Annual Survey of Hours and Earnings (ASHE).

Notes: Values taken from earnings and hours worked by employees, place of work by local authority: ASHE table 6.5a. Hourly pay: gross from 1997 to 2022. Earnings are inflation-adjusted using the Consumer Price Index (base year = 2021) (see the technical annex for a complete explanation and sources). ASHE covers employee jobs in the UK. It does not include self-employed people or employees not paid during the reference period.

More detailed analysis by the ONS has compared the patterns for young people with those for other age groups.[205] Somewhat surprisingly, the hourly earnings of those aged 30 to 39 years showed a smaller recovery than those of younger or older workers after the financial crisis.

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205   House of Commons Library, 'Average earnings by age and region', 2022. Published on COMMONSLIBRARY.PARLIAMENT.UK.

Driver 4:
Social capital and connections

📋 Summary

- Civic engagement – participating in democratic processes, such as signing a petition or attending a public rally – has remained broadly stable since 2014, at around 40%.

- Levels of social trust are low, but have not declined since 2002.

Another important factor to consider in understanding what helps or hinders social mobility is social capital. Social capital refers to the social connections and the relationships that come from them, which enable a society to function well. Social capital's role in social mobility is less well understood than that of education or work. However, it has been suggested that it can promote a more dynamic economy and society.[206] [207] The following drivers broadly relate to social capital.

We measure this component with data on civic participation, using the government's Community Life Survey. We build on the findings from last year with another measure of civic engagement, namely participation in democratic processes.

We then use another measure – social trust. This means how much people trust others, and how helpful and fair they think they are. The literature on entrepreneurship within ethnic minority groups suggests that social capital aids entrepreneurship.[208] Social capital can lead to 'generalised trust' within a community. This trust, so the theory goes, reduces transaction costs and makes it easier for people to do business with each other.

We must note that these are experimental statistics. While social capital has been suggested by American researchers as an important driver of absolute upward mobility, there is a lack of evidence on its relationship with social mobility in the UK.[209] A range of different measures of social capital have been suggested, and we show here 2 such measures – civic participation (England only) and social trust (UK).

However, more recent American work has suggested that the most important element of social capital for helping individuals achieve upward mobility is 'linking social capital', which involves connections with people from higher social classes.[210] Unfortunately, to the best of our knowledge, direct measures of linking social capital are not available in the UK.

206   Raj Chetty and Nathaniel Hendren, 'The impacts of neighbourhoods on intergenerational mobility II: county-level estimates', 2016. Published on NBER.ORG.
207   Raj Chetty and others, 'Social capital I: measurement and associations with economic mobility', 2022. Published on NATURE.COM.
208   Monder Ram, 'Enterprise support and minority ethnic firms', 1988. Published on TANDF.COM; Monder Ram and others, 'Ethnic-minority business in the UK: a review of research and policy developments', 2008. Published on JOURNALS.SAGEPUB.COM.
209   Raj Chetty and Nathaniel Hendren, 'The impacts of neighbourhoods on intergenerational mobility II: county-level estimates', 2016. Published on NBER.ORG.
210   Raj Chetty and others, 'Social capital I: measurement and associations with economic mobility', 2022. Published on NATURE.COM.

Driver 4.1: Civic engagement

Figure 4.16 shows that over 40% of people in England were civically engaged in the last 12 months. Civic engagement here is defined as participating in democratic processes, both in person and online, including signing a petition or attending a public rally within the last 12 months. It does not include voting.

Our findings show that civic participation has remained broadly stable since 2014, with slight increases in 2017 – the year following the

Brexit referendum – and during 2020 to 2021, the years most impacted by the COVID-19 pandemic. However, we cannot tell from the data if these events were associated with these increases, and a cautious interpretation is required. Further work is needed to understand the volatility of the findings and any potential associations.

Figure 4.16:

Between 2014 and 2021, civic participation remained broadly stable, with slight increases following the Brexit referendum and outbreak of the COVID-19 pandemic.

Percentage of adults who have engaged in democratic processes within the last 12 months in England, 8 years to March 2021.

Source: Community Life Survey.

Notes: The plot shows the percentages of adults who were civically engaged. This means engagement in democratic processes, both in person and online, including signing a petition or attending a public rally within the last 12 months. This does not include voting. Data is taken for the 8 financial years to March 2021. 95% confidence intervals available for 2018 to 2019 and 2019 to 2020 only.

Looking at civic participation more broadly, State of the Nation 2022 showed a marked decreasing trend – a drop in participation in civic organisations over the period 1991 to 2017 (see figures 4.15 and 4.16 on pages 130 and 132).[211] There was also no clear trend in volunteering over the 2010 to 2018 period (UKHLS data). Other research on civic participation in Great Britain has shown a gradual long-term decline over the period from 1959 to 2014.[212][213] This is consistent with US political scientist Robert Putnam's seminal work on social capital, which also showed long-term declines in social capital in the US.[214]

Driver 4.2: Level of trust, fairness and helpfulness

Figure 4.17 shows trends for the UK in 3 closely-related measures of trust and perceptions of interpersonal relations. While levels of trust are generally lower than the perceptions of fairness and helpfulness, there has been no significant decline since 2002.

Figure 4.17:
Levels of social trust are relatively low but have not declined between 2002 and 2018.

Mean levels of trust, perceived fairness and helpfulness, 0 to 10 point scales, in the UK, from 2002 to 2018.

Source: European Social Survey, data for the UK, rounds 1 to round 9 (from 2002 to 2018).

Notes: Fairness was measured on a scale running from 0 (indicating "most people try to take advantage of me") to 10 (indicating "most people try to be fair"). Helpfulness was measured on a scale running from 0 (indicating "people mostly look out for themselves") to 10 (indicating "people mostly try to be helpful"). Trust was measured on a scale running from 0 (indicating "you can't be too careful") to 10 (indicating "most people can be trusted").

211 Social Mobility Commission, 'State of the Nation 2022: A fresh approach to social mobility', 2022. Published on GOV.UK.
212 Anthony Heath and others, 'Social progress in Britain', 2018. Published on GLOBAL.OUP.COM.
213 Li Yaojun Li and others 'Social capital and social trust in Britain', 2005. Published on ACADEMIC.OUP.COM.
214 Robert Putnam, 'Bowling Alone: the collapse and revival of American community', 2000. New York: Simon and Schuster. Published on CAMBRIDGE.ORG.

Driver 5:

Environment favouring innovation and growth

Summary

- Median broadband speed has tripled since 2014.

- Business R&D spending fell between 2007 and 2011 but has been increasing since then.

- There has been a slight increase in the number of research students in recent years.

Our measurement framework focuses on 4 main drivers of social mobility: conditions of childhood, opportunities and quality of education, young people's opportunities in the labour market, and social capital and connections. There is a substantial body of theory and empirical research showing that these drivers are likely to have causal impacts on rates of absolute and relative mobility. New this year is a group of experimental drivers focused on an environment which favours innovation and growth.

Economic growth, particularly if it is concentrated in areas where growth in recent decades has been poor, is likely to improve absolute upward mobility. For example, it has been argued that renewing UK manufacturing could upgrade the class structure, creating more jobs with stability and good prospects, and reversing the relative decline of the UK's former industrial areas.[215]

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215 Erzsébet Bukodi and John Goldthorpe, 'Social mobility and education in Britain: research, politics and policy', 2018. Published on CAMBRIDGE.ORG.

Innovation and its commercial development has long been part of national industrial strategy. A favourable educational, technical and economic infrastructure can be expected to promote local economic growth, stimulating investment and expanding professional and business opportunities in the area. This provides opportunities for upward mobility. Conversely, areas with lower levels of what economists term 'human capital', a less favourable infrastructure and less investment are more likely to miss out on economic growth.[216] The impact on social mobility will tend to be indirect, operating via local growth rates, but is nonetheless potentially important. It is of considerable interest to measure the innovation environment and to test whether a favourable environment promotes growth and upward mobility in the future.

The following 3 indicators – broadband speed, business R&D expenditure and the number of full-time research students – tap different potential components of an environment that is helpful for innovation and growth:

- Broadband speed is a potential indicator of the technical infrastructure necessary for firms operating in the hi-tech area – lack of this technical infrastructure is likely to be a disincentive to investment and to inhibit productivity

- The proportion of research students is a potential indicator of the human capital available at the forefront of knowledge and conducive to innovation – we do not limit this indicator to science, technology, engineering and mathematics subjects, as humanities may also be relevant to the creative and media sectors

- Business R&D expenditure is a potential indicator of investment in the application and implementation of innovations – this is likely to be important for economic growth

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216   Human capital is generally thought of as the skills, experience and knowledge of a workforce or people group.

We can think of these as 3 indicators of different sorts of input which might then generate greater business activity, especially of a hi-tech kind. These are experimental statistics and we cannot yet be sure that the chosen indicators are causally related to an area's potential for innovation, growth and increased upward mobility chances. However, they could start to reveal the role of innovation in promoting social mobility in the UK.

For this new driver, we introduce 3 experimental indicators. We consider these drivers as experimental because further research is required to determine which factors are causally linked to social mobility. We also need to consider the availability of the data for these factors to assess which indicators we can monitor on a regular basis. For now we monitor broadband speed, business expenditure on R&D and the number of research students. Taken together we hope to use these indicators as a proxy of the environment which enables and promotes innovation and growth. This helps set in place the foundations on which chances for upwards social mobility can improve in the future.

All 3 indicators show some degree of progress over the periods covered, with a very marked increase in median broadband speed. Of considerable interest is the geographical variation in these 3 indicators (see below), although we must emphasise that causal effects on mobility have yet to be securely established.

Driver 5.1: Broadband speed

In figure 4.18, we can see that median broadband speed in the UK has tripled between 2014 and 2019.

Figure 4.18:
Broadband speed has tripled since 2014.

Ratio (relative to first available year) of the median broadband speed in the UK, from 2014 to 2019.

Source: Department for Business, Energy and Industrial Strategy and Nesta Research & Development spatial data tool, 2021.[217]

Note: Nesta provides scores at the ITL2 regional level, but not a national average figure. So, we show here the figure for the median UK area to track changes over time.[218]

217 Nesta stands for National Endowment for Science, Technology and the Arts. For more information go to www.nesta.org.uk.
218 Part of a system developed by the Office for National Statistics, known as International Territorial Levels (ITLs).

Driver 5.2: Business expenditure on research and development

As we can see in figure 4.19, the UK median business enterprise spending on R&D has increased by 32% compared to 2007. Initially, spending went down by 22% between 2007 and 2011, but has increased since then. It reached its peak in 2017 and it has remained stable since then.

Figure 4.19:
Business research and development (R&D) spending has been increasing since 2011, reaching its peak in 2017.

Ratio (relative to first available year) of the median business (R&D) expenditure in the UK, from 2007 to 2018.

Source: Department for Business, Energy and Industrial Strategy and Nesta Research & Development spatial data tool, 2021.[219]

Note: Nesta provides scores at the ITL2 regional level, but not a national average figure. So, we show here the figure for the median UK area in order to track changes over time.

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219 Nesta stands for National Endowment for Science, Technology and the Arts. For more information go to www.nesta.org.uk.

Driver 5.3: University research students

The number of university research students is the indicator that has seen the lowest progression among these new drivers on the environment favourable for innovation and growth. Figure 4.20 suggests that the median number of research students in the UK has increased only by 4% from 2015 to 2018.

Figure 4.20:
Overall in the UK there has been a slight increase in the number of research students.

Ratio (relative to first available year) of the median number of full-time equivalent research students enrolled in universities in the UK, from 2015 to 2018.

Source: Department for Business, Energy and Industrial Strategy and Nesta Research & Development spatial data tool, 2021.[220]

Note: Nesta provides scores at ITL2 region level, but not a national average figure. We therefore show here the figure for the median UK area to track changes over time.

220 Nesta stands for National Endowment for Science, Technology and the Arts. For more information go to www.nesta.org.uk.

Case study

Damien Anderson

age 37 years, from Coatbridge, Scotland

Aged 14 years, I got really ill from a pneumonia infection and then I developed ME.[221] It led to me being housebound, so school kind of ended at 14. My education was self-directed. I didn't get any grades from high school.

When my dad's business selling blinds went into bankruptcy, we went from fairly well off to struggling to afford to eat. My parents eventually separated and we ended up staying with my mum who was unemployed because of physical and mental health issues. We were having to plan how to spend every single penny and sometimes we had to skip meals. One year, it was coming up to Christmas and my mum realised she couldn't afford to get me or my sister presents. I was feeling a bit better by then and realised I had to help.

I got a job at a call centre doing tech support which made me realise I wanted to try and do more, so I went to Coatbridge College and said I wanted to better myself. They were really helpful in guiding me and I ended up doing a National Qualification in digital media.

Eventually, working and studying got too much with my ME so I decided to go fully in on my education. I did a Higher National Diploma in software development at City of Glasgow College then a BSc in software engineering at the University of Strathclyde. I stayed with my mum which helped tremendously because I didn't have to pay for rent.

"I instantly fell in love with university. In my third year I was fortunate enough to be accepted on an industrial placement at CERN (The European Organization for Nuclear Research), doing software engineering for the Large Hadron Collider. It was an amazing eye-opening experience and made me realise what else was out there."

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221 ME (medically known as myalgic encephalomyelitis) is an illness where a person's muscles and joints hurt and they experience debilitating chronic fatigue. Symptoms are unique to each individual and can vary each day.

In my final year I built an AI that could "play any video game on earth", with some caveats! The project was very successful, I came third in the Young Software Engineer of the Year awards and my supervisor suggested I do a PhD. He recommended I apply for the Carnegie Trust Scholarship as we spent a lot of time working together and he knew my situation. You can't apply without a first-class degree, so I realised I needed to up my game.

Doing postgraduate study was very hard, but also a fantastic time because while I was doing it I became utterly sure that this was the path for me. I never got burned out because I was so excited and passionate about what I was doing.

I'm now a research associate at the University of Strathclyde doing work on autonomous systems. The post-graduate qualification enabled me to do the job that I love but the work itself helped me find what I love. My mum is really proud and happy that what I went through when I was younger hasn't held me back.

"The post-graduate qualification enabled me to do the job that I love but the work itself helped me find what I love."

Conclusion

Despite the significant setbacks of the financial crisis and the COVID-19 pandemic, there are still encouraging signs for the future of social mobility in the UK.

More parents are educated to university level and working in professional occupations than before. More young people are in education, and fewer are NEET. Meanwhile, people in their 20s face a more favourable job market, with a much greater number of them working in professional jobs than just 10 years ago.

Against this, relative child poverty has slightly risen since 2012, while young people's pay only recovered in 2021 to the levels seen before the financial crisis, before falling again in 2022. Levels of social trust in the UK are low and have been low for at least 20 years.

As with mobility outcomes and intermediate outcomes, understanding the way drivers are distributed across the country is important. There is no simple pattern of well-off and badly-off areas. In particular, London has high levels of both sociocultural advantage, and childhood poverty and disadvantage. So any area-based approach to tackling social mobility must take into account variation within areas, as well as variation among areas.

There is also much more work to be done to understand the role of industrial strategy and innovation in promoting social mobility. Disruptions to old patterns of industry have often produced opportunities for mobility in the past. There is a well-established link between innovation and economic growth, and between growth and absolute upward mobility.