

INSIGHTS

News about employability,
careers and the labour market

Welcome to the April edition of Insights.

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

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The Skills Imperative

In 2021 the National Foundation for Educational Research (NFER) started a five-year research programme to identify the future employment skills that will be needed by 2035. [The Skills Imperative 2035 - NFER](#). No small task. The programme outputs and reports to date are available here [Publications - NFER](#). The first report is a literature review considering what the world of work will look like in 2035 and what essential employment skills will be required and how to get them.

It is difficult to summarise a summary and the list below may be familiar but based on the extent of the work done and value of reminding ourselves of the 'bigger picture' these are the major megatrends identified:

- technological advancement (digitisation, automation, AI)
- ongoing shifts from manufacturing to service sectors and changing business models (e.g. greater use of contractors; shifts to digital/online services – the 'platform economy') and working practices (e.g. flexible working and self-employment)
- demographic shifts – in particular the ageing population and longer life expectancies
- growing inequalities in the labour market and wider society playing out across demographic groups and regional geographies
- environmental change – the need for greening and sustainable forms of energy; the impact of extreme weather.



The employment skills – by which they mean transferable skills – which the consensus judged to be the most essential for the future are in the table below which is taken from the report. The hierarchy and frequency that the skills were identified were taken from the 30 skills surveys that were looked at.

Figure C – Essential employment skills identified – in order of frequency (as shown in brackets)

Rank	Skill	Skill group	Attributes covered
1=	Problem solving/decision making (22)	Analytical/creative	Able to find solutions to a challenge (reasoning, judgement, decision making)
	Critical thinking/analysis and evaluation (22)	Analytical/creative	Able to appraise, dissect, synthesise, interpret (information literacy)
	Communication (22)	Interpersonal	Able to speak, listen, write, present effectively
4	Collaboration/cooperation/teamwork (18)	Interpersonal	Able to work and interact effectively with others
5	Creativity/innovation/originality (17)	Analytical/creative	Able to think around a challenge or issue/come up with new ideas
6	Leadership/management (14)	Cross-cutting	Able to lead people (including social influence), systems (including project planning) and change
7	Self-motivation/learning orientation (13)	Self-management	Being a 'self-starter', open to learning new things, keen to develop, aims high
8=	Flexibility/adaptability (8)	Self-management	Able to adapt to change, change direction
	Resilience/optimism/persistence (8)	Self-management	Able to cope with adversity/uncertainty, remain positive, keep trying, manage stress
10	Empathy/social perceptiveness (7)	Emotional intelligence	Able to appreciate/understand others' perspectives and needs

Additional evidence for the research has come from the latest long-term labour market projections that were previously published under the Working Futures banner with the principle authors, the University of Warwick's Institute for Employment Research **Warwick Institute for Employment Research**. To support the research project, NfER funded an update of the national projections for 2020–2035 (with the DFE's Unit for Future Skills funding the sub-regional analysis). This contributed to the publication in October 2022 of "Occupational Outlook – Long run employment prospects for the UK" **The Skills Imperative 2035: Occupational Outlook – Long run employment prospects for the UK – NFER**. We will look at the findings from this work in a future edition (on the basis that it would be too long a read in one edition).

Wages and earnings

On the 1st April, the National Minimum Wage and National Living Wage (for those aged 23 and over) increased [National Minimum Wage and National Living Wage rates – GOV.UK \(www.gov.uk\)](https://www.gov.uk/national-minimum-wage-rates). The new rates are:

Aged 23 and over	£10.42
Aged 21 to 22	£10.18
Aged 18 to 20	£7.49
Under 18	£5.28
Apprentice	£5.28

Earnings data is collected annually by ONS and published under the Annual Survey of Hours and Earnings. [Employee earnings in the UK – Office for National Statistics \(ons.gov.uk\)](#). The average (median) annual salaries for full-time workers in England and selected regions from the latest figures published in October 2022 are:

	Annual pay – gross for full-time workers
England	£33,197
London	£41,866
North East	£29,521
South East	£34,431
Yorkshire and The Humber	£30,000

(ONS ASHE 2022)

Careers in space

The UK space industry is growing according to the UK Space Agency [UK space sector income reaches £17.5 billion as jobs and services grow – GOV.UK \(www.gov.uk\)](#):

- New figures show UK space sector income grew by almost £1 billion into 2021
- Employment up with almost 1,800 more jobs across the UK space sector
- Number of space organisations up by almost 300
- Regions such as West Midlands, North West, North East, and Yorkshire and the Humber, saw significant growth, as well as Northern Ireland and Wales.

For more information on the skills requirements in the space sector go to the Space Skills Alliance [Space Skills Alliance](#)

Journey to a million

UCAS projects that there could be up to a million higher education applicants in a single year in 2030, up from almost three quarters of a million today. To put this in a longer term context, in 1994, there were just over 400,000 applicants to higher education.

In response to its projections, UCAS, in collaboration with Unite Students and Knight Frank, is launching a national debate – highlighting the key challenges and opportunities created by increased demand during this potential Journey to a Million [Journey to a Million | Undergraduate | UCAS](#).

For quantitative details of the UCAS applications, go to the end of cycle data resources [Undergraduate statistics and reports | Business | UCAS](#)



Employment population ratio

It was mentioned in March Insights, that changes in demography – population – affect the labour market. As if someone was listening to us, ONS has published a study of the EPOP – the employment-population ratio from 2008, the period of the global financial crisis to the impact of COVID-19 on the economy. [The employment-population ratio and changes in the UK labour market – Office for National Statistics \(ons.gov.uk\)](#). The EPOP ratio is the proportion of the adult population (POP), people aged 16 years and over, who are in employment (E) at any given time (t). We all like an equation so this is: $EPOPt = Et/POPt$ The reason to look at it, is that it is an indicator of how well the economy is doing in creating jobs, relative to the total number of adults.

The short answer is that there is a clear cyclical pattern, with the EPOP ratio falling significantly during recessions as employment falls, but then returning to a longer-term ratio of around 0.6. The article takes a bit of reading but again highlights the value of looking at ages and gender in understanding how the labour market has changed. The higher female labour market activity rates in older age categories have been the main factor in offsetting the impact of population ageing on the EPOP ratio.

This study on why older people have left the labour market since the start of the pandemic is also a useful read [Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic – Office for National Statistics](#).



Public and private sector employment

Estimates of the number of people employed in the public and private sector in the UK is published quarterly by ONS [Public sector employment, UK – Office for National Statistics \(ons.gov.uk\)](#). The latest figures published in March include data up to December 2022. A few observations looking back over the previous ten years from 2012 to 2022 (headcount figures):

- employment in central government is up from 2.68 million to 3.55 million
- employment in local government is down from 2.57 million to 1.99 million
- employment in public corporations is down from 637,000 to 194,000
- private sector employment increased from 29.74 million to 32.75 million.

One of the complexities of the data is the reclassification of organisations and workforces from public to private and vice versa. For example, the change in public corporations includes the movement of housing associations from public to private.

News

A new website has been launched for people interested in careers in the fashion or textiles industry

[UKFT Futures | Promoting Careers in Fashion and Textiles](#)

A government-founded High Growth Enterprise Taskforce **[Government-backed Taskforce is tackling the entrepreneur gap, as stats reveal the North East has the least female-founded high-growth businesses - GOV.UK \(www.gov.uk\)](#)** is responding to the finding that only 6% of high growth enterprises were founded by all-women or majority-women teams. In the North East there are only five companies with at least one female founder.

The ONS Census choropleth maps **[Census Maps - Census 2021 data interactive, ONS](#)** provide a visually engaging view of topics from the Census including employment. One observation, which may not be unexpected, is the higher density of employment in caring and leisure occupations and the higher rates of economic inactivity in coastal local authority areas.

[Measures of National Well-being Dashboard: Quality of Life in the UK - Office for National Statistics \(ons.gov.uk\)](#). This is a dashboard measuring the quality of life in the UK with data going back to 2011 and covering 44 indicators including personal well-being, what we do, education and skills and our relationships.

To find out more about the employability and careers services at EDT,
please contact us at **careersinfo@edt.org**