

Trends and Foresight

Report 1 – Jobs & Skills
Prepared for Big Lottery Fund
January 2014

The logo for Trajectory, featuring a red curved line above the word "trajectory" in a lowercase sans-serif font. The letter "o" is replaced by a solid red circle. Below "trajectory" is the text "the futures partnership" in a smaller, lowercase sans-serif font, with "futures" in red and "the" and "partnership" in black.

trajectory
the futures partnership

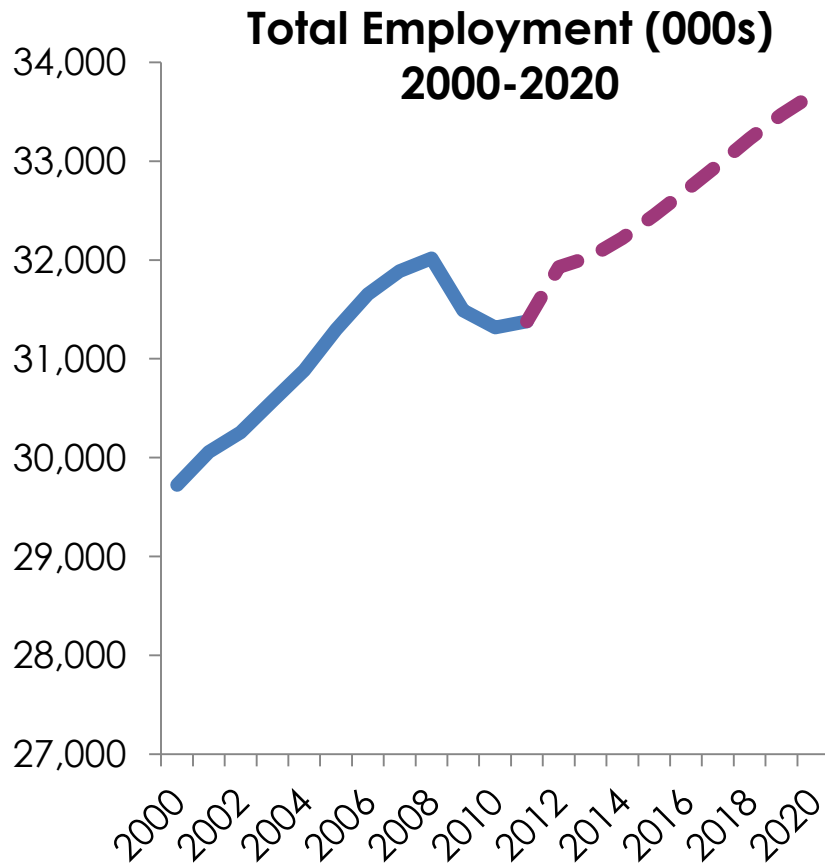
JOBS & SKILLS

Introduction

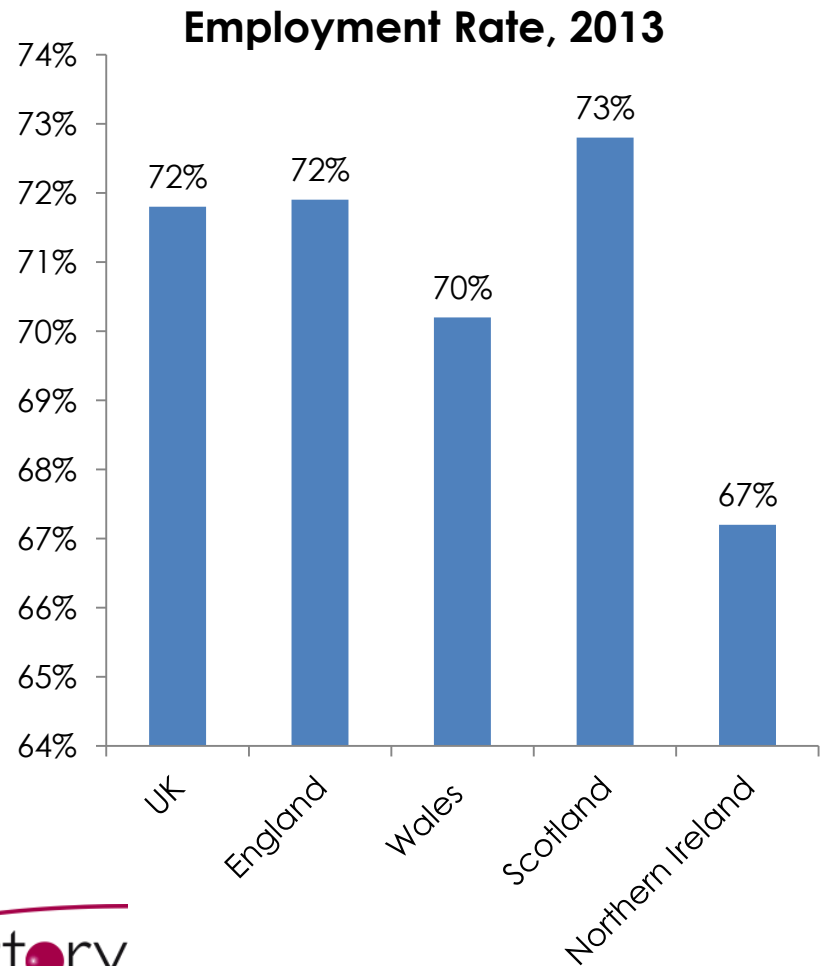
- Despite the difficult economic circumstances exacerbated by a prolonged downturn, unemployment has not risen by as much as expected at the outset of the recession, nor matched rises in previous recessions.
- However, there has been a notable rise in unemployment, and current forecasts show this is unlikely to improve substantially in the short term.
- Other trends in the jobs market have created areas of need - particularly with regard to skills shortages, underemployment, zero hours contracts and the rise in part-time working.

Employment

Total employment set to increase

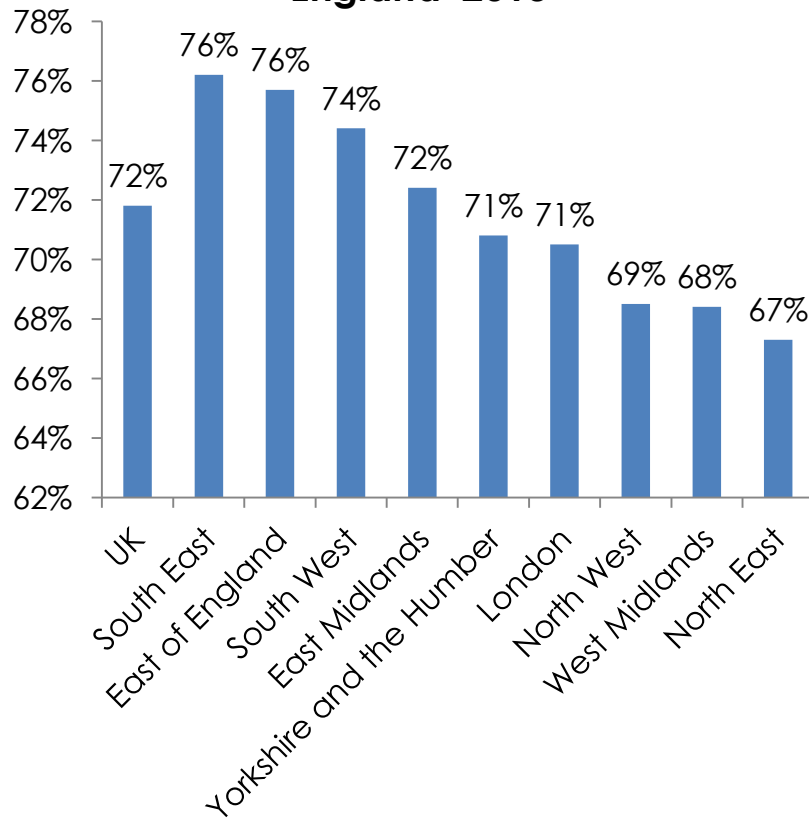


But national picture varies widely



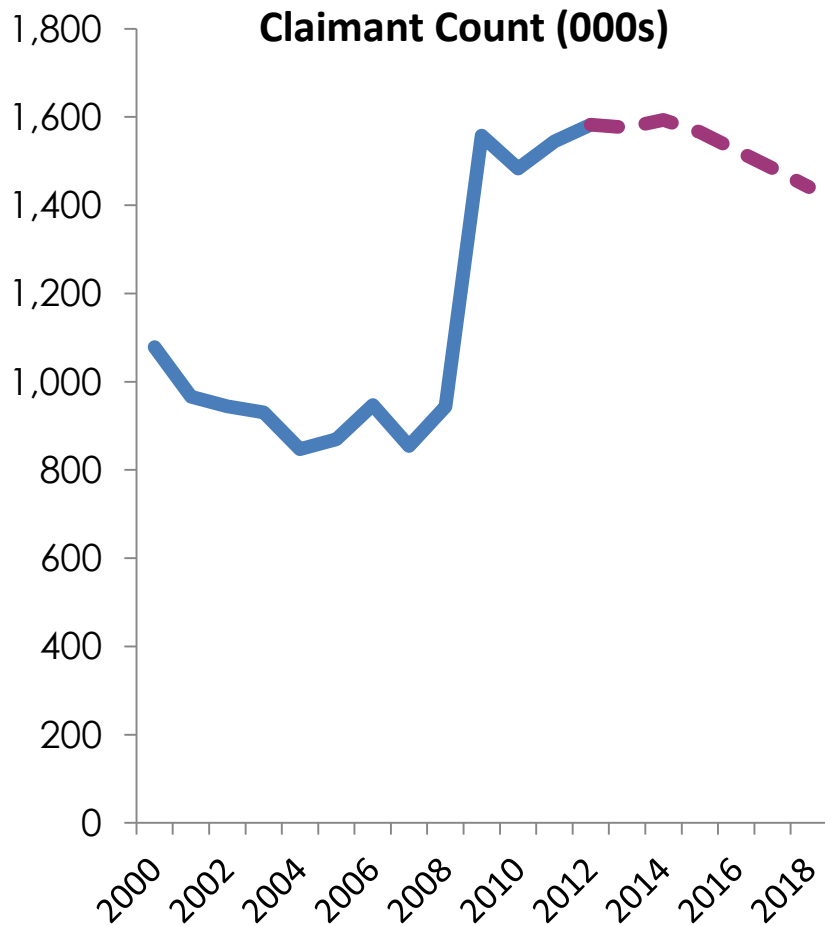
Employment

**Regional Employment Rate,
England 2013**



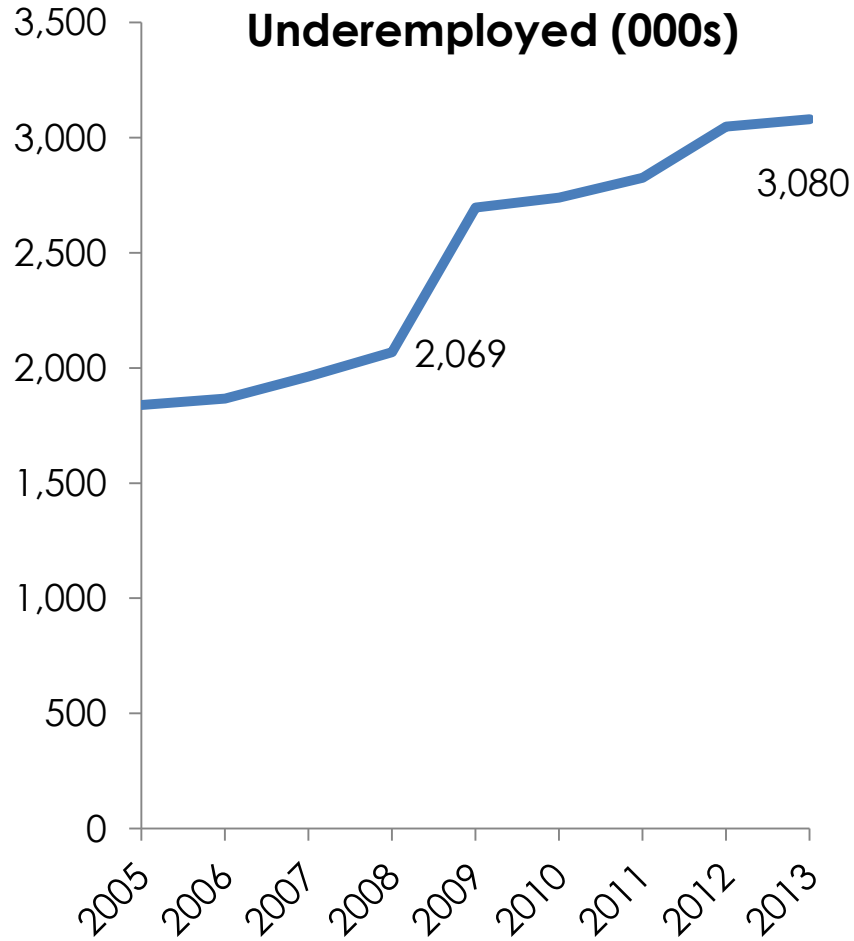
- Even within a single UK nation, the regional picture can vary very sharply.
- In England, for example, there is a clear divide between regions in the South (where employment is well above UK average) and those in the north.
- Despite a younger population and role as an economic centre, London is slightly below national average.

Unemployment



- Although total employment in the UK is rising (and set to increase further over the next 5 years) this is not being driven by a reduction in unemployment.
- The claimant count is (the number of people looking for work but who cannot find a job) set to remain at its historically high level over the next few years, declining only slightly after 2016.
- By 2018, it is still expected to be 500,000 higher than its pre recession peak in 2007, according to economic forecasters Oxford Economics.

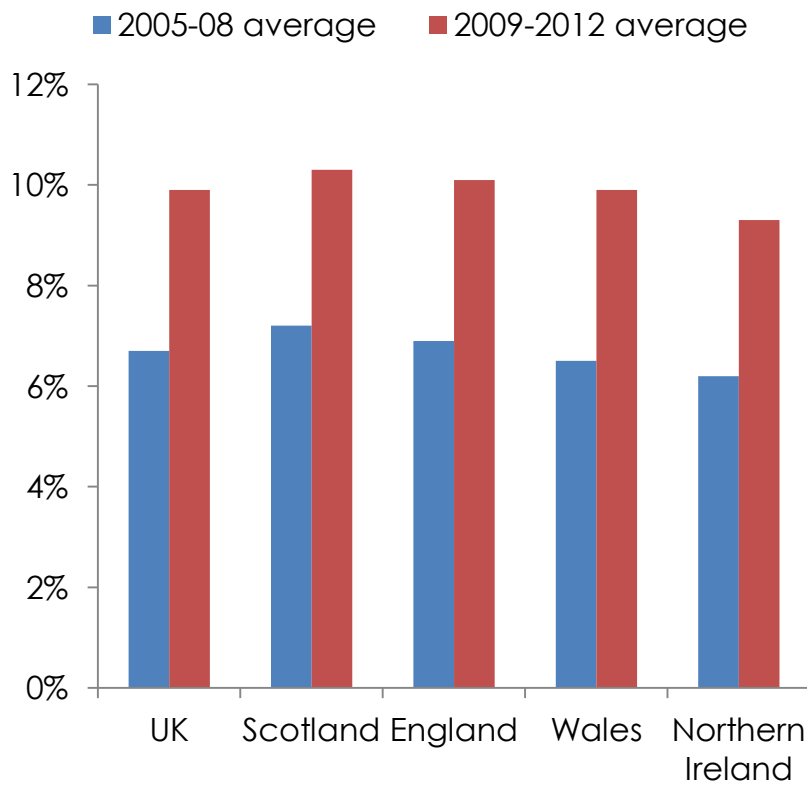
Underemployment



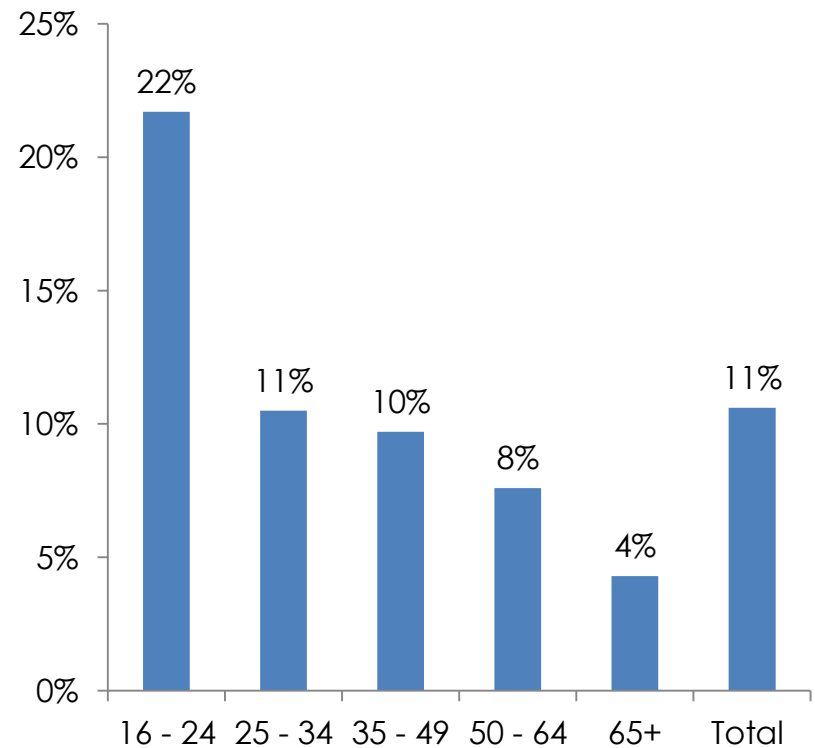
- Although higher than pre-recession, unemployment figures compare very well to previous recessions – a much higher proportion of people have managed to stay in work.
- However, this masks the sharp rise in part-time employment – and many people working part-time would rather work full-time (underemployment as defined by the Labour Force Survey). In total, underemployment has risen by 1 million over the course of the downturn.
- As well as limiting earned income, underemployment can also affect a household's eligibility for other forms of financial help, such as state benefits.

Underemployment

Underemployment has risen across the UK



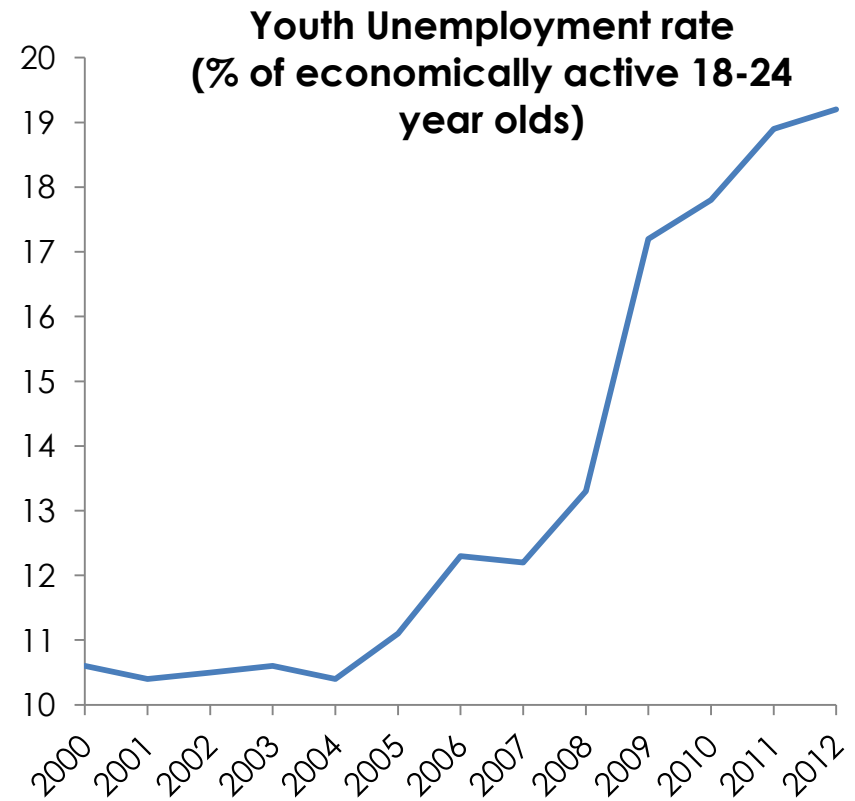
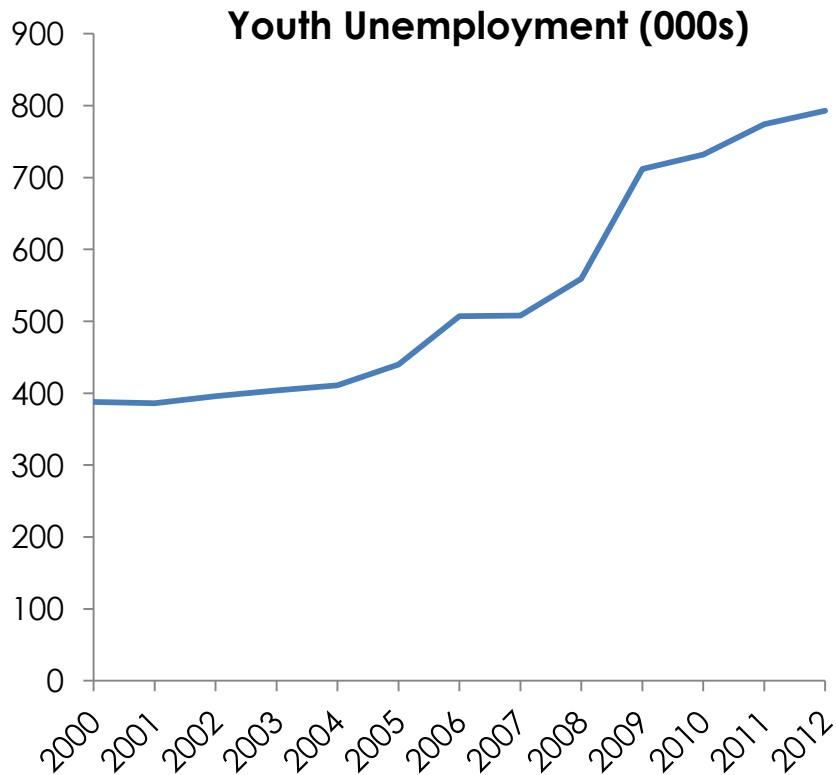
And it disproportionately affects the young (2013)



Source: Labour Force Survey

Youth unemployment has doubled since 2000

The total number of unemployed young people has almost doubled since the turn of the century, with one in five economically active people aged 18-24 unemployed – almost 800,000 in total

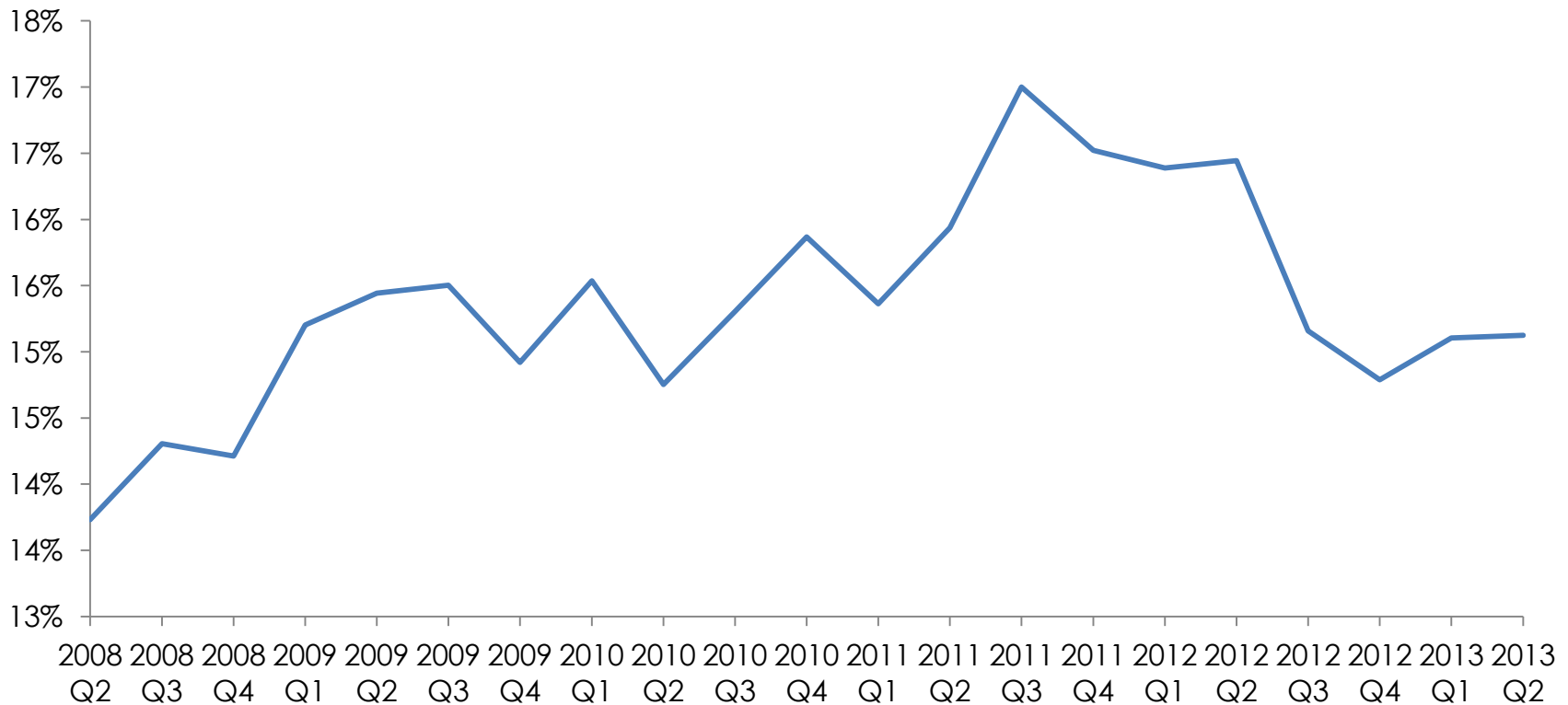


Source: Labour Force Survey

The proportion of NEETs are falling

Although they are most likely to be underemployed, and unemployed, the total proportion of NEETS has actually fallen over the past two years

Percentage of all 16 to 24 year olds who are NEET

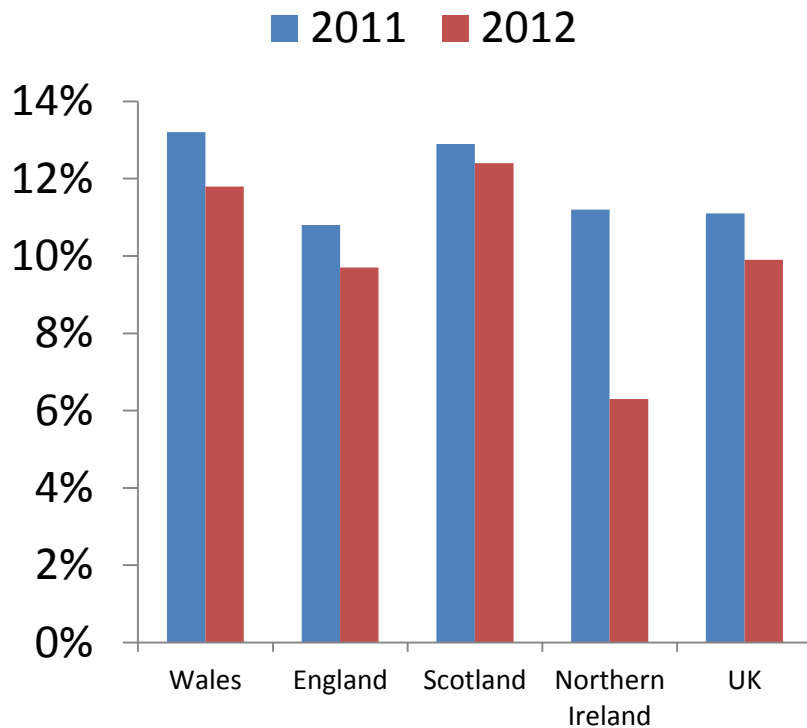


Source: Labour Force Survey

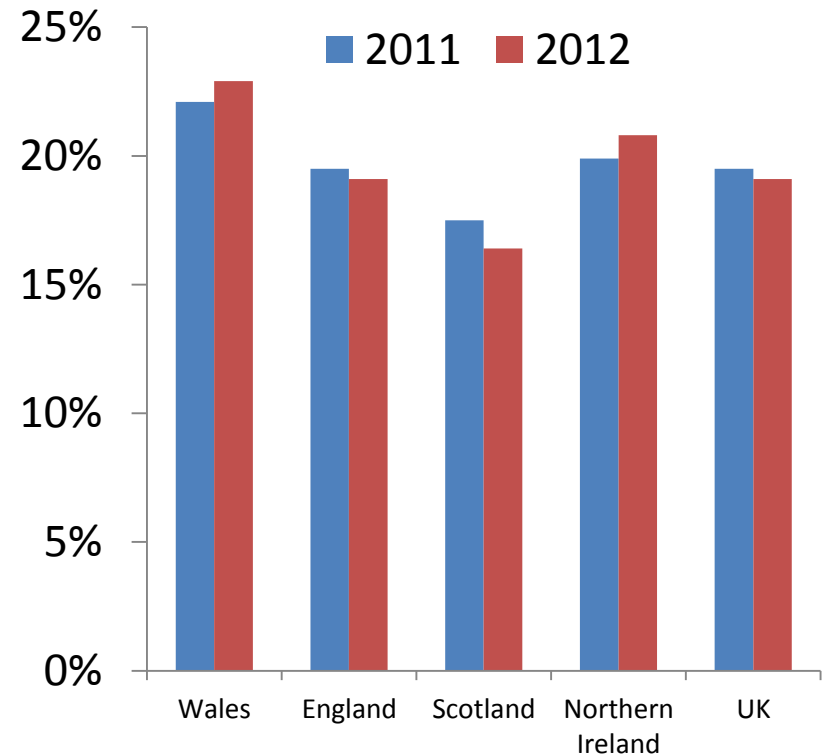
NEETS – by nation

The biggest NEET successes have been amongst the youngest in Northern Ireland – although the number of NEETs aged 19-24 has not seen any real improvement over the past 2 years

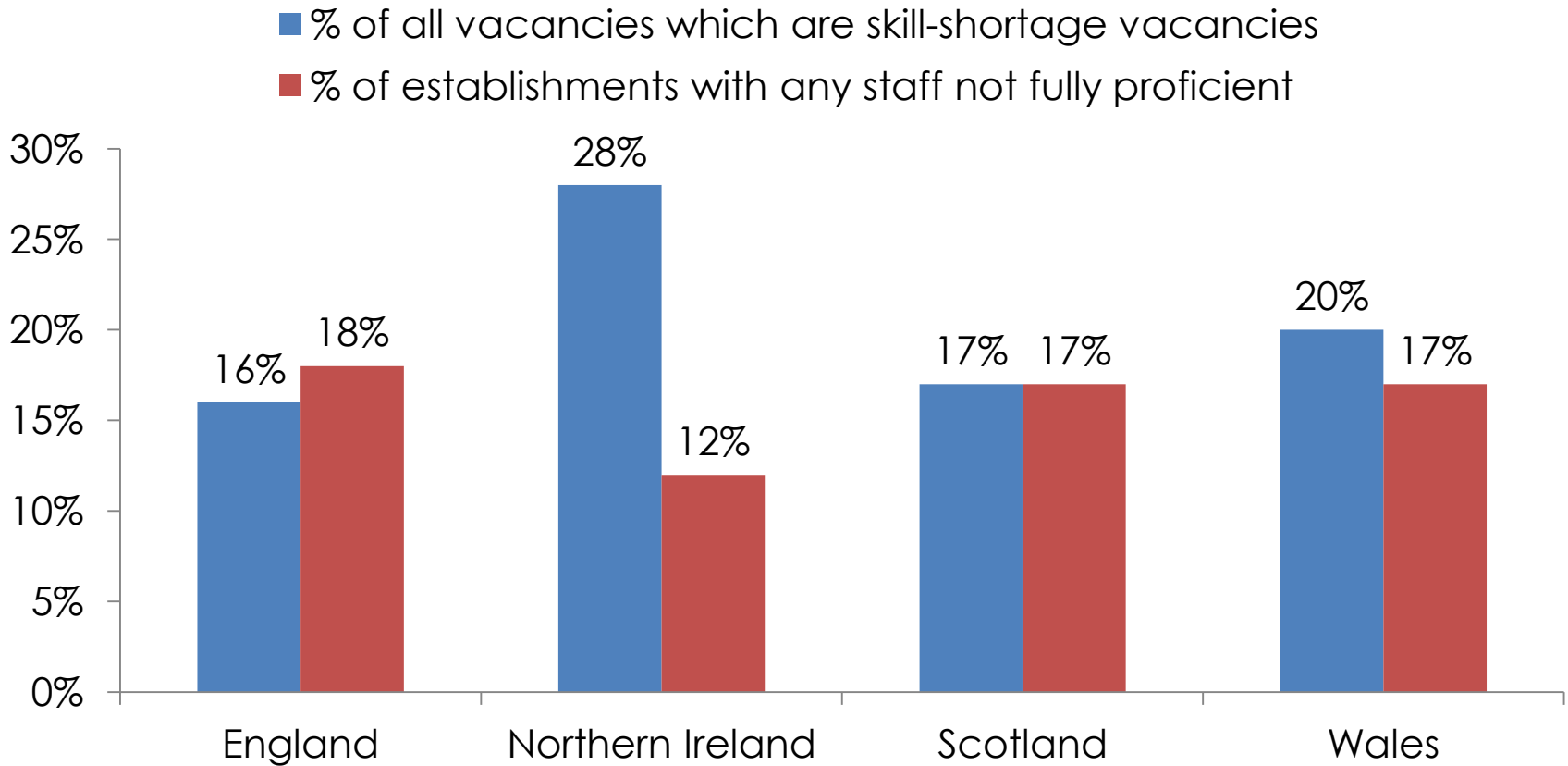
16 – 18 year olds



19 – 24 year olds



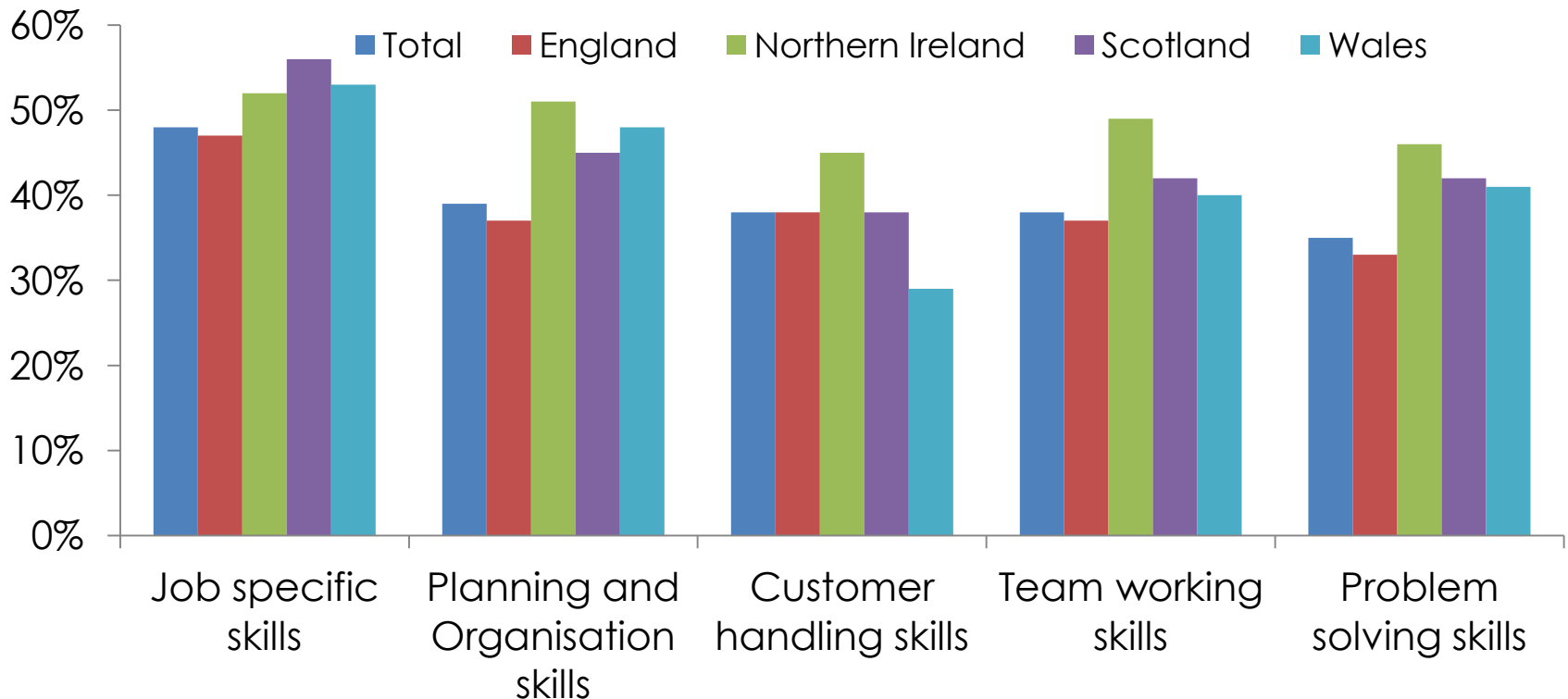
Skills shortages are a particular issue in Northern Ireland, where more than 1 in 4 job vacancies are caused by skills shortages



Skills Shortages

Most common cause of skills gap is job specific skills – implying that there is insufficient training at a basic level. Other prominent areas could be addressed during education – such as problem solving or organisation

Causes of skills gaps caused by lack of each skill



Emerging areas of need

- Although employment is scheduled to rise over the next five years, unemployment will not fall, as the increase in the number of workers is driven by population growth. Unemployment will remain an important area of need in the short and medium term.
- Although the topline figures indicate that the proportion of NEETs in the population is falling, this progress is occurring almost exclusively amongst the youngest group - those aged 16-18. There has been no improvement for the people aged 19-24 with this age group driving the youth unemployment rate to 19% in 2012.
- The comparatively modest rise in the number of unemployed individuals is partly explained by the sustained rise in part-time workers. Although many are happy to work part-time, an increasing number say they only do so because they cannot find full-time work – creating a trend in underemployment.
- Across the UK, between 16%-28% of all vacancies are caused by skills shortages. Many of these are partly caused by a lack of job-specific training, but other main causes are basic skills such as communication, organisation and problem solving. These skills deficits need to be tackled early on to reduce this trend.

Thank You

tom@trajectorypartnership.com
carolin@trajectorypartnership.com
paul@trajectorypartnership.com

www.trajectorypartnership.com

Trajectory Ltd
Enterprise House
1-2 Hatfields
London SE1 9PG
T 020 3567 5801
#TrajectoryTweet

