

IES Labour Market Overview 2006

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Acknowledgements

The author would like to thank Polly Green for the editing and formatting the final report and Peter Reilly, Richard Pearson, Helen Wolfe and Marlene McGuire for their comments on, or contributions to, earlier drafts.

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British Library Cataloguing-in-Publication Data

A catalogue record for this publication is available from the British Library

ISBN 978-1-85184-361-9

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Executive Summary

The labour supply

Population trends

- The UK's population stands at 60 million, and is predicted to rise to 63 million by 2021.
- Around 37 million people in the UK were of working age in 2005.
- The planned extension of the state retirement age for women means that the proportion of working age women will exceed that of men by 2018.

Economic activity

- 28.4 million people were economically active (working or unemployed but looking for work) in 2005.
- 27.1 million were in employment and just over 1.3 million were unemployed and looking for work.

Employment

- 87 per cent of people employed in the UK are working as paid employees, with a further 12 per cent in self-employment.
- The number of people employed in the UK has risen by 2.5 million over the past decade, and is predicted to rise by a further million by 2012.
- The composition of the UK workforce is changing, with higher proportions of women and older people (over 50s) in employment.

Unemployment

- Unemployment in the UK has declined over the past decade from around 10 per cent of the economically active population to less than five percent.
- The fall in unemployment over the past decade has been driven by a reduction in the levels of long-term unemployment (over six months).

Economic inactivity

- Eight million (or 22 per cent) of the working-age population in the UK are economically inactive.
- The most common reason for economic inactivity is to look after the family, followed by long-term sickness and studying.

Profile of employment in the UK

Industrial Profile

- Distribution and transport (including hotels, restaurants and retailing) account for just under one-third (30 per cent) of employment in the UK. A further 26 per cent of those employed are in business and related services, while 23 per cent are engaged in non-marketed sectors (including public administration, health and education). Fewer than one in five of those employed in the UK work in manufacturing or construction.
- Women are disproportionately represented in the public sector and men are

disproportionately employed in manufacturing.

- Younger workers are disproportionately employed in private-sector service industries (such as distribution, hotels and catering, banking and financial services).
- Banking and other services employ the most people qualified to degree level, while agriculture and fishing have the highest proportion of people who do not hold formal qualifications.
- Service-sector employment expanded by 3.5 million jobs between 1992 and 2002, and is predicted to expand by a further 2.1 million jobs over the decade. Over this period, the manufacturing sector has experienced a substantial decline in employment.

Occupational profile

- Women are disproportionately represented in sales and customer care or administrative and secretarial occupations, while men have a higher representation in managerial occupations or skilled trades.
- Sales and customer service occupations were more likely to be filled by younger workers, while skilled trades, and process plant and machine-operative occupations were the most likely to have an older workforce.
- Employment in higher level occupations (managers, professionals and associate professionals) is predicted to continue expanding over the next decade. By contrast, employment in elementary occupations, plant, process and machine-operative occupations and skilled trades is predicted to experience a decline.

Working arrangements

Part-time working

- Around one quarter of people in employment work on a part-time basis.
- Part-time work is concentrated within several industries, most notably retailing and the personal care sectors.

- The number of part-time workers has seen considerable expansion over the past decade, fuelled by further growth in service industries and increased availability of students who are prepared to work part time.
- The number of part-time workers in the UK is forecast to exceed nine million by 2012.

Flexible working arrangements

- Approximately one-fifth of employees have some form of flexible working arrangement. Flexitime, annualised hours contracts and term-time working are the most popular.
- Women are more likely than men to have flexible working arrangements, with the greatest gender differences reported in the use of flexitime and term-time working.
- In terms of occupational and sectoral differences, professional employees and those in non-marketed sectors (eg public-sector work) were the most likely to have flexible working arrangements.

Long hours working

- There has been a steady decline in the proportion of full-time employees working over 48 hours per week since the EU Working Time Regulations came into force in 1998.
- Those employed in higher-level occupations, and process and machine-operative occupations are the most likely to work over 48 hours per week.

Temporary working

- Around one in twenty employees in the UK work in temporary employment. This proportion has remained relatively stable over the decade.
- The most common form of temporary working is fixed-term or fixed-task contracts, accounting for around half of all temporary work.
- The proportion of people working in temporary employment because they were unable to find permanent work has declined over the decade.

Earnings in the UK

- Average annual earnings in the UK for full-time employees stood at around £24,200 in 2005.
- Earnings across occupations ranged from £35,000 among managers and senior officials to around £15,000 among those in elementary occupations, sales and customer services, and personal service occupations, while variations across educational attainment ranged from £34,000 for degree holders to £16,000 for those with no formal qualifications.
- Employees in the business and finance sectors had the highest average earnings (£30,000), while the lowest earnings are associated with the agricultural sector (£18,000).

Education and training

Educational participation

- Approximately one-fifth of the adult population participate in some form of taught learning, with rates ranging from 80 per cent among 17 to 19 year olds to 10 per cent among those aged 75 years and over.
- The proportion of young people (16 to 19 years) in full-time education has risen from 52 per cent to around 58 per cent over the past decade because of the continued expansion of further and higher education.

Qualifications

- The UK has witnessed a steady rise in the proportion of the working age population educated to degree level over the past decade (from 11 per cent to 17 per cent), and a decrease in those with no formal qualifications (from 23 per cent to under 15 per cent).
- Reflecting historic differences, men are more likely than women to have degree-level qualifications. In recent years the proportion of women entering higher education has exceeded that of men.
- Over one quarter of 26 to 35 year olds have degree-level qualifications, relative to less than 15 per cent of 56 to 59/64 year olds.

Work-related education or training

- Twenty-nine percent of those in employment reported participating in some work-related education or training over the past 13 weeks.
- People in higher-level occupations and occupations related to personal services (such as care workers) were the most likely to receive work-related education or training.
- Work-related education and training were more common in non-marketed service-sector industries (eg public-sector industries) than any other. Construction, energy and utilities and manufacturing sectors had among the lowest levels of training activity.

1 Introduction

The purpose of the *IES Labour Market Overview 2006* is to provide a concise and up-to-date account of the nature and composition of the UK labour market. It reviews the labour market information available on both the supply side aspects of the market (ie people and their availability for work) as well as the demand side (employment and jobs). To this end, the remainder of the report is broken down as follows:

Chapter 2 considers the supply of labour in the UK by examining the national trends in population growth; the extent to which the population is actively engaged in the labour market and the nature of that engagement.

Chapter 3 reviews the profile of employment in the UK in terms of its industrial and occupational spread. It examines relationship between demographic and educational factors and the types of work people undertake.

Chapter 4 focuses on some specific aspects of UK working conditions, namely part-time working, long hours working, flexible working arrangements and temporary working.

Chapter 5 presents the earning profile of UK employees and considers differences across industrial, occupational and demographic groups.

Chapter 6 concludes by examining the educational participation, qualification profile and education and training activities of the UK population.

2 The Labour Supply

2.1 Population Trends

Key Facts

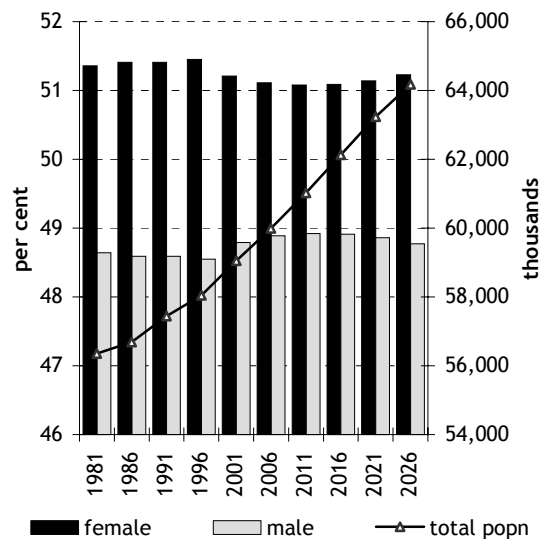
- 60 million people live in the UK, and the population is expected to rise to over 64 million by 2026.
- Approximately 37 million people in the UK were of working age in 2005, rising by four per cent to nearly 39 million over the next decade.
- The extension of the state retirement age for women means that the numbers of working age women will exceed the number of men by 2018.

The UK's labour supply depends upon a number of factors: the size of the overall population, the proportion of that population that are of working age, and the proportion of those of working age who participate within the labour market. This chapter, therefore, begins by reporting on the UK population trends and projections, and considers the impact of these trends on the size and nature of the future UK workforce.

Estimates and projections for the UK highlight how the population size has expanded steadily over the past 25 years, and is predicted to expand further over the next two decades (Figure 2.1).

- Since 1981, the UK population has grown by 3.6 million people (6.5 per cent). In 2006, there were around 60 million people in the UK, compared with 58 million in the previous decade and 56 million in 1981.
- It is anticipated that the UK's population will reach nearly 61 million people by 2011, and will exceed 64 million by 2026.

Figure 2.1: Population trends and forecasts, 1994 to 2034



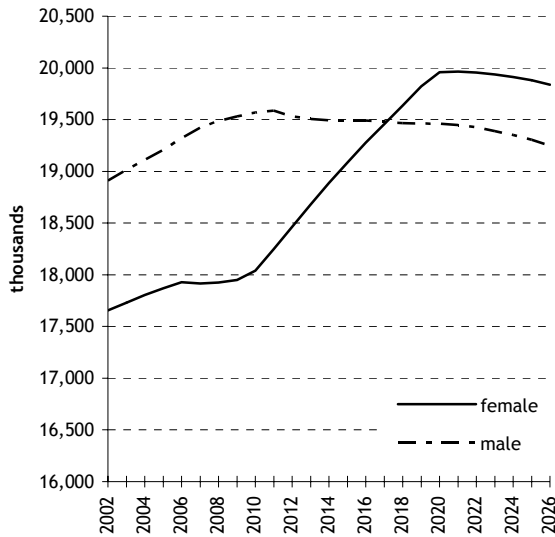
Source: US bureau of Statistic International Database

- The population gap between men and women is narrowing. The proportion of men in the population has risen slightly, from 48.6 per cent in 1986 to 48.9 per cent in 2006, where it is predicted to stabilise.

The proportion of the population that is of working age is determined by the age profile of the population, the school leaving age and the state retirement age. In the UK education is compulsory until the age of 16, while the present state retirement age stands at 60 for women and 65 for men. One factor that will impact on any projections of the future labour supply is the phased extension of the state retirement age for women to 65 years between 2010 and 2020. In

addition, the 2006 White Paper on pension reform has proposed the staged increase in the state retirement age from 65 years to 68 years by 2044.

Figure 2.2: Total populations of working age: UK, 2002 to 2026



Note: Working age and pensionable age populations are based on the state retirement age for given year. Between 2010 and 2020, the state retirement age will change from 65 years for men and 60 years for women, to 65 years for both sexes.

Source: Government Actuary Department 2002 based projections

Our projections of the working-age population in the UK, presented in Figure 2.2, are based on the equalisation of retirement age between men and women .

- There were 37 million working-age individuals in the UK in 2005. The working-age population is predicted to grow by four per cent to nearly 39 million in the next decade.
- Between 2010 to 2020, the phased extension to the state retirement age for women from 60 to 65 years, will raise the number of working-age women from 18 million to nearly 20 million.
- For the first time, the number of women of working age is projected to overtake the number of working age men in 2018.
- Due to its ageing demographic profile, although the overall population is predicted to increase steadily over the next two decades, the number of people of working-age is set to decline from 2021.

2.2 Economic activity

Key Facts

- In 2005, 28.4 million people were economically active: 27.1 million were in employment and just over 1.3 million were unemployed and looking for work
- Economic activity is linked to individual characteristics: women, people at either end of the age distribution, those from minority ethnic groups, and individuals with work-limiting disabilities are the least likely to be employed or looking for work.

As has been noted above, there are over 36 million people of working age in the UK. However, not all these individuals are actively engaged in the labour market. The size of the workforce is determined by the number of people of working age and their willingness and ability to participate in paid work. In this regard, it is possible to distinguish between three groups of individuals:

- those who are in work (employed)
- those out of work but actively looking for work (unemployed)
- those who are neither in work nor looking for work.

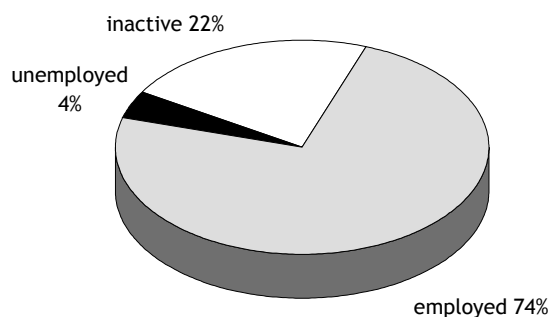
The first two groups make up to **economically active** population (or workforce), while the last group is termed **economically inactive**.

In 2005, over three-quarters (78 per cent) of the working age population were defined as economically active. This group comprised 27 million people (74 per cent) who were in some form of employment and just over 1.3 million people (four per cent) who were unemployed but looking for work. The remaining 22 per cent of the working age population (eight million people) were economically inactive, *ie* not engaged in the labour market (Figure 2.3).

2.3 Characteristics of the UK workforce

Individual characteristics have considerable bearing on the probability of an individual actively participating in the labour market, and some groups are more likely to participate in the labour market than others (see Table A1.1).

Figure 2.3: Economic activity in the UK, 2005



Source: Labour Force Survey

Groups with lower than average economic activity rates include:

- **women** – less than three-quarters (73 per cent) of working age women are economically active, compared with 83 per cent of men
- **young people** – those aged 16 to 25 have lower levels of economic activity than the general population mainly due to participation in post-compulsory education. Only 68 per cent of people in this age group are economically active
- **older people** – people aged 56 to 59/64 are also less likely to be economically active, due to early retirement and/or ill-health (see Figure 2.12 on page 8)
- **individuals from minority ethnic groups** – economic activity rates are considerably lower among than average among minority ethnic groups. Activity rates are lowest among people from Chinese or Asian backgrounds, 59 and 63 per cent respectively
- **people who are work-limiting disabled** – only 36 per cent of people who have a long-term disability, which affects both their day-to-day activities and their ability to carry out paid work, are economically active, compared to 84 per cent of people with no disability.

2.4 Employment

Key Facts

- The majority (87 per cent) of people employed in the UK are working as paid employees, with a further 12 per cent working in self-employment.
- Men are more likely to be self-employed or working on government training schemes, while women are disproportionately represented among unpaid family workers.
- The numbers of people employed in the UK has risen by 2.4 million over the past decade.
- Between 2002 and 2012 around 1.5 million more people are forecast to enter employment, the majority of them will be women.
- Over the past decade, there has been a steady rise in the proportion of older people (over 50s) in employment.

Having reviewed the rates of economic activity in the previous section, we now turn our attention to those who are economically active and in employment, considering in more detail the nature of their employment, and how employment patterns have evolved over the previous decade.

The employed population is commonly divided into four groups: employees (dependent employment), the self-employed, those on government supported employment and training programmes (eg such as the New Deal) and unpaid family workers (Table 2.1).

Table 2.1: Type of employment arrangements, 2005

	%	No.
Employee	87	23,614,000
Self-employed	12	3,302,000
Government emp. & training programmes	<1	117,000
Unpaid family worker	<1	73,000
Total	100	27,106,000

Source: Labour Force Survey

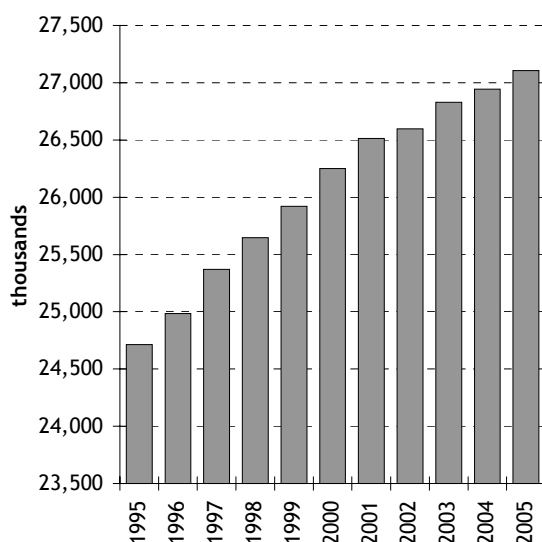
In 2005, employees made up the majority of those at work, around 87 per cent (or 23.6 million people). A further 3.3 million people in the UK (12 per cent) were self-employed, while the remaining one per cent were either on

government employment or training programmes, or employed as unpaid family workers.

2.4.1 Employment over the decade

Over the past decade, the UK has experienced substantial growth in its level of employment, with around 2.4 million more people in employment in 2005 than in the previous decade, from 24.7 million to 27.1 million (Figure 2.4). Employment grew significantly, from over one per cent growth each year, during the period between 1995 and 2000, before stabilising at an average growth rate of 0.6 per cent over the period 2001 to 2005.

Figure.2.4: Employment in the UK, 1995 to 2005



Source: Labour Force Survey

2.4.2 Employment by age

Patterns of employment vary considerably by demographic characteristics, such as gender and age. Reflecting the differences in economic activity observed in the previous section, substantially more men are in employment than women, around 79 per cent of men compared with 70 per cent of women (Appendix, Table A1.1).

There are also key gender differences between the types of employment undertaken (Figure 2.5). The majority of self-employed workers and people on government training programmes are

Figure.2.5: Type of employment by gender, 2005



Source: Labour Force Survey

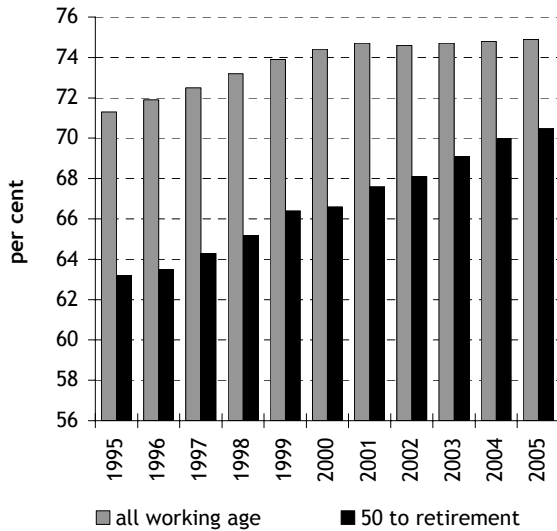
male, 74 per cent and 59 per cent respectively. In the case of the self-employed, this partly reflects the gender segregation at an industrial level, eg construction, in which male-dominated industries also employ a large number of self-employed workers. Unpaid family workers, however, were more likely to be female (69 per cent). Among employees the gender mix is more balanced, and 49 per cent of those in dependent employment are women.

Looking at the trends in employment participation, the proportion of women in work increased steadily over the past decade, and it is anticipated that this pattern will continue over the next few years. The Institute of Employment Research predicts that between 2002 and 2012, the total level of employment in the UK will rise by almost 1.5 million. Most of these new jobs will be part-time, and the majority will be taken up by women (Wilson et al., 2004).

2.4.3 Employment of older workers

Another factor that has contributed to the recent expansion of employment is the increased engagement of older workers in the labour market (Figure 2.6). Over the decade, the proportion of people between the ages of 50 and 59/64 who are in employment has risen from 63 per cent to 71 per cent, an increase of 12 per cent, while among the working age population as a whole the rise has been more modest (five per cent).

Figure 2.6: Proportions in employment, working age and 50 to 59/64, 1995 to 2005



Source: Labour Force Survey

2.5 Unemployment

Key Facts

- Unemployment in the UK has declined over the past decade from around nine per cent of the economically active population to less than five per cent.
- Male unemployment is traditionally higher than female unemployment, although this gap has narrowed in recent years.
- The fall in unemployment over the past decade has been driven by the reduction in the levels of long-term unemployment (ie for over six months).
- Older individuals, people who are disabled, lone parents and people with no qualifications are the most likely to experience long-term unemployment.

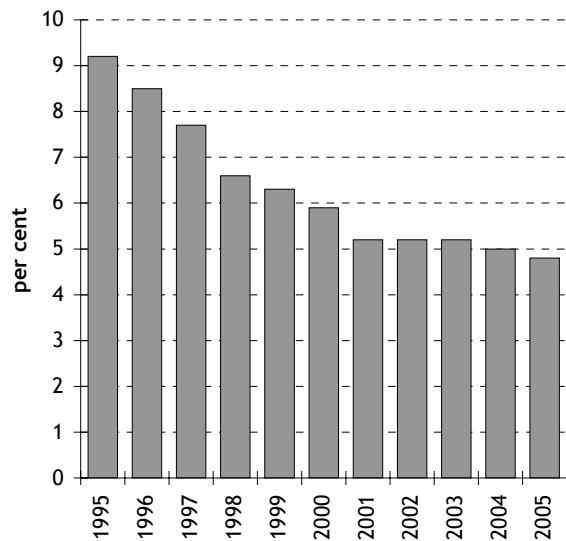
There are two methods of calculating the unemployment rate in the UK:

- **Claimant unemployment rate** – based on the number of people out of work and claiming unemployment benefit divided by the number of people economically active.
- **International Labour Organisation (ILO) unemployment rate** – based on the number of people out of work, recently looking for work, and able to start work divided by the number of people who are economically active.

In 2005, around 4.7 per cent of the economically active population (or 1.3 million people) were unemployed and looking for work under the ILO defined unemployment rate. This compares with 2.8 per cent unemployment, based on the claimant count.

The ILO-defined unemployment rate experienced a substantial decline, from nine per cent in 1995 to approximately five per cent over the period since 2001 (Figure 2.7).

Figure 2.7: ILO unemployment rate 1995 to 2005

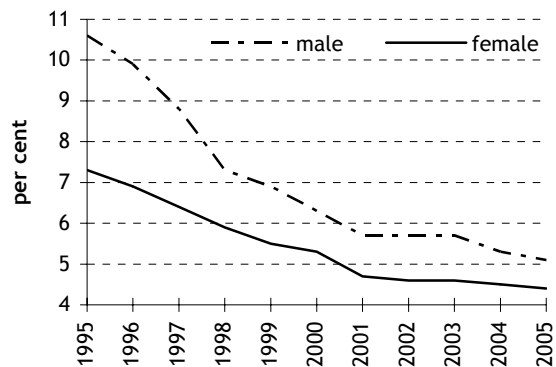


Source: Labour Force Survey

2.5.1 Unemployment by gender

Unemployment rates historically have been consistently lower for women than men (Figure 2.8).

Figure 2.8: ILO unemployment rates by gender, UK, 1995 to 2005



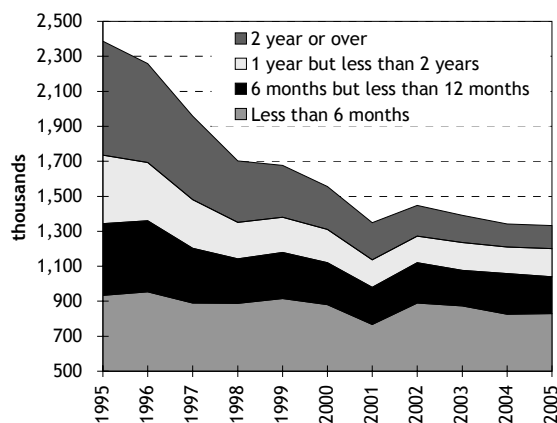
Source: Labour Force Survey

Much of the difference, however, can be explained by the fact that women without work are more likely to have withdrawn from the labour market (become economically inactive) than enter unemployment. The gap widens at times of economic downturn, when men are more likely to be unemployed, and narrows during periods of economic growth.

2.5.2 Long-term unemployment

The main driver for the decline in unemployment over the past decade has been the decline in the proportion of long-term unemployed, *ie* those out of work for more than six months. Although the number of people who are classified as short-term unemployed has remained relatively stable over the past decade (at below one million) the number of people who are long-term unemployed has fallen from nearly 1.5 million to around 500,000. Consequently, in 2005 less than 38 per cent of those unemployed were long-term unemployed, compared with 61 per cent in the previous decade (Figure 2.9).

Figure 2.9: ILO unemployment by duration, 1995 to 2005



Source: Labour Force Survey

A study of the individual characteristics of those who are unemployed, however, suggests that some groups of unemployed people are likely to spend less time out of work than others. These groups include:

- **Women:** Unemployed women were less likely than their male counterparts to have been unemployed for more than six months (31 per cent compared with 43 per cent). A possible reason for the difference is that unemployed

women are more likely than men to leave the labour market, *ie* become economically inactive.

- **Younger people:** The short-term unemployed are more likely to be younger people, while the long-term unemployed tend to be older. Over one-half (52 per cent) of unemployed people aged 56 to retirement were long-term unemployed, while among 16 to 25 year olds the proportion was 30 per cent.
- **Those with higher level qualifications:** Unemployed people with higher level qualifications are less likely to be long-term unemployed than those with qualifications at below NVQ level 2 or equivalent (five GCSEs, grades A to C) or those with no qualifications. Although only one-third of unemployed people who held an NVQ level 2 or above were short-term unemployed, the proportion among those with no qualifications was closer to half.
- **Non-disabled people:** One-third of the unemployed people who were not disabled had been unemployed for six months or more, compared with over one-half of people with work-limiting disabilities.

A summary of the relationship between individual characteristics and unemployment duration is provided in the Appendix, Table A1.2.

2.6 Economic inactivity

Key Facts

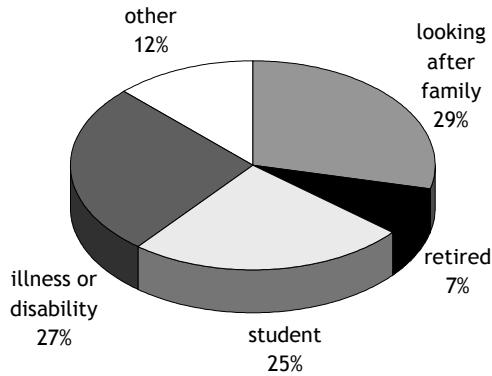
- Eight million (or 22 per cent) of the working age population in the UK are economically inactive.
- The most common reason cited for economic inactivity is to look after the family (29 per cent), followed by long term sickness (27 per cent) and studying (25 per cent).
- Economic activity is strongly related to individual demographics and life stages.

The final group of individuals to consider are those who are economically inactive, *ie* people who are not at work, and who are not unemployed and looking for work. As noted in the previous section, there were eight million working-age people in the UK who reported to be economically inactive in 2005. This represents

over one-in-five (22 per cent) of the working-age population.

There were a number of reasons for non-participation in the labour market (Figure 2.10):

Figure 2.10: Reasons for economic inactivity, 2005



Source: Labour Force Survey

- One-quarter (25 per cent) of those who are economically inactive are students.
- Over one-quarter (27 per cent) of economically inactive individuals have an illness, disability or long term sickness.
- Twenty-nine per cent are looking after family.
- Seven per cent have taken early retirement.

Among the remaining 12 per cent a number of reasons are presented for not being part of the labour market, including not needing a job (2.3 per cent), temporary sickness or illness (2.2 per cent) and the belief that there are no jobs available (0.4 per cent).

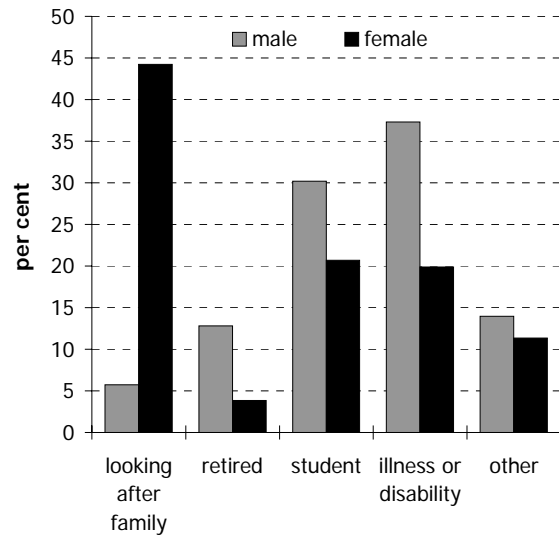
It should be noted, however, that among the eight million who are economically inactive, a large proportion of individuals (1.8 million) would 'like to work' but have withdrawn from the labour market, and so are not actively seeking work. The largest group of such people is those who are long-term sick (605,000), while a further 556,000 are looking after the family and 276,000 are students.

2.6.1 Inactivity by demographic characteristics

Reasons for economic inactivity are determined by personal circumstances, and as such vary considerably by demographic characteristics.

Looking at the differences by gender (Figure 2.11), the most common reason for women to be economically inactive is that they are looking after the family; nearly one-half (44 per cent) of women give this as the reason for inactivity, compared with six per cent of men.

Figure 2.11: Reasons for economic inactivity, by gender and country, UK, 2005

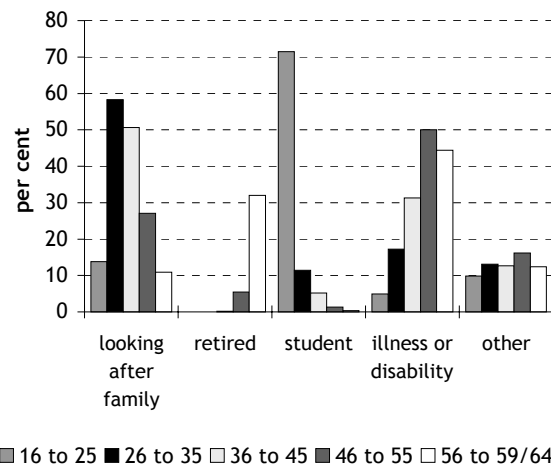


Source: Labour Force Survey

Among men, illness or disability was the most common reason for economic inactivity, and accounts for 37 per cent of male inactivity, relative to 20 per cent of female inactivity.

Also reflecting the key life stages described above, variations in economic inactivity, and reasons for such inactivity, are strongly associated with age (Figure 2.12):

Figure 2.12: Reasons for inactivity by age, 2005



Source: Labour Force Survey

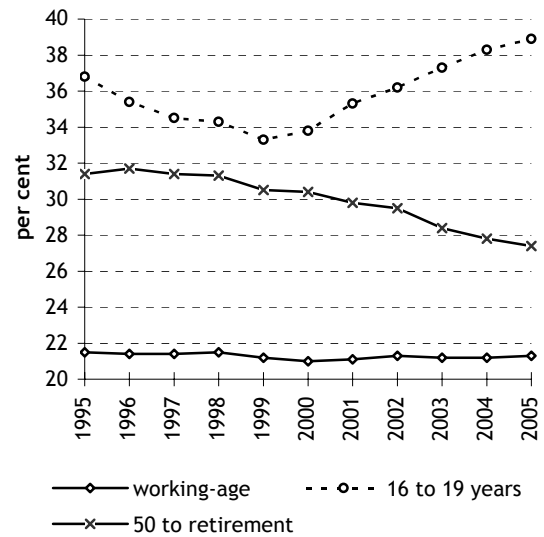
- Younger people (16-25 year olds) were most likely to be report being inactive because of being a student; 71 per cent of inactive young people cited this reason.
- Within the middle age groups, the most common reason for economic inactivity relates to family responsibilities, accounting for 58 per cent of inactivity among 26 to 35 year olds and 51 per cent of the inactivity reported among 36 to 45 year olds.
- Among those aged 46 to 59/64, illness or disability is the most common reason for non-participation in the labour market.

2.6.2 Trends in inactivity

Although there has been much improvement in levels of unemployment over the past decade, levels of economic inactivity have remained relatively stable, at just under 22 per cent of the working-age population (Figure 2.13). This partly reflects the changing fortunes of young people, who saw a decline in their inactivity rates in the first half of the decade (because of improvements in labour market prospects), followed by an increase in inactivity rates in the second half of the decade, reflecting the continued expansion of post-compulsory education (see Chapter 6).

Conversely, among people aged between 50 years old and the state retirement age inactivity rates remained stable, at around 32 per cent of the population, between the period 1994-5 to 1997-8, before declining to under 28 per cent in the period since 1998-9.

Figure 2.13: Inactivity by age, 1995 to 2005



Source: Labour Force Survey

3 The Profile of UK Employment

3.1 Industrial profile

Key facts

- Distribution and transport (including hotels, restaurants and retailing) account for around 30 per cent of employment in the UK. A further 26 per cent are employed in business and related services, while 23 per cent are employed in non-marketed sectors (including public administration, health and education). Fewer than one in five of those employed in the UK work in manufacturing or construction.
- There are broad demographic variations in employment across the industrial sectors, with women disproportionately represented in the public sector and men disproportionately employed in manufacturing and construction. Younger workers are disproportionately employed in private sector services industries (such as distribution, hotels and catering, banking and financial services).
- Service sector employment expanded by 3.5 million jobs between 1992 and 2002, and is predicted to expand by a further 2.1 million jobs over the decade. Over this period, the manufacturing sector has experienced a substantial decline in employment, which is predicted to continue through to 2012.

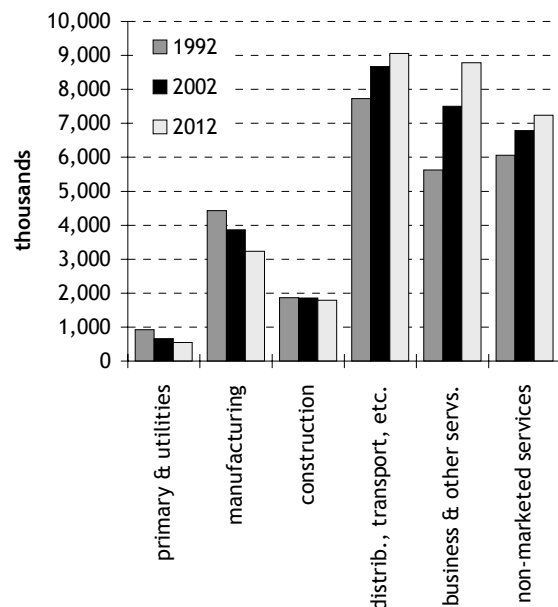
Having looked at the numbers of people at work, this chapter considers the industrial composition of UK employment and how it is changing. The section concludes with a review of the patterns of employment across industries by demographic and other individual characteristics.

In 2002, distribution and transport (including hotels, restaurants and retailing) accounted for a greater share of UK employment than any other sector (30 per cent). A further quarter (26 per cent)

were employed in business and related services and 23 per cent were employed in non-marketed sectors such as public administration, health and education. Manufacturing accounted for 13 per cent of employment, while construction accounted for six per cent. Approximately two per cent of the employed population worked in agriculture.

Looking at employment over the past decade, there has been a sizeable shift in the industrial composition of the UK economy (Figure 3.1).

Figure 3.1: Employment change, by industry, 1992 to 2012



Source: based on Wilson et al. (2004)

Service sector employment expanded by 3.5 million jobs between 1992 and 2002, and is predicted to expand by a further 2.1 million jobs over the decade. In numeric terms, business and

other services employment has become one of the most important sub-sectors for job creation over the past decade, with employment in this sector increasing by 1.9 million between 1992 and 2002, and a prediction of a further increase of 1.3 million jobs by 2012.

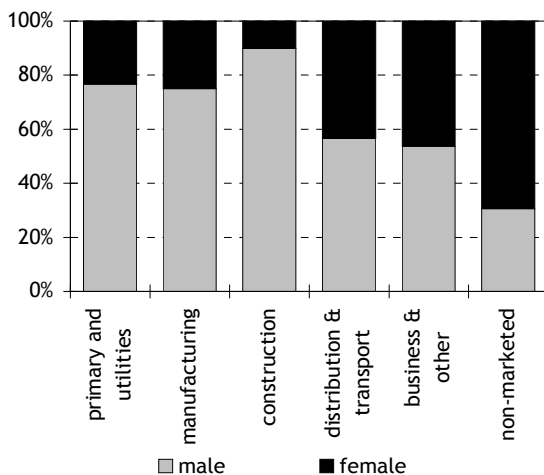
Other service-related sectors, such as distribution and transport (covering retailing, wholesaling, hotel and catering) and non-marketed services (eg public administration, education and health), have also seen strong employment growth. The distribution and transport sector expanded by nearly one million jobs between 1992 and 2002, while the non-marketed services sector increased by 700,000 jobs. Both sectors are predicted to employ a further 400,000 people each by 2012.

The situation for the manufacturing sector appears less promising however. This sector lost around 600,000 jobs between 1992 and 2002, and is predicted to lose a similar number of jobs over the next decade.

3.1.1 Industrial employment, by gender

Employment in the UK still displays a high degree of gender segregation across industrial sectors. The non-marketed services (eg public administration, education and healthcare) are disproportionately more likely to employ women than men, while the reverse is true in case of secondary industries such as manufacturing and construction (Figure 3.2).

Figure 3.2: Employment, by industry and gender, 2005



Source: Labour Force Survey

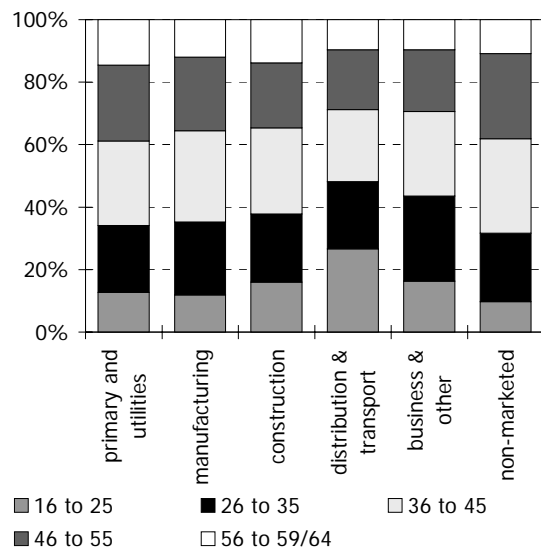
- Within the non-marketed sectors 69 per cent of employment is accounted for by women.
- Distribution and transport (which includes retailing, wholesaling, hotel and catering) and business and finance exhibit a more balanced gender distribution, 43 and 46 per cent of people employed in these industries are women.
- Manufacturing and construction are sectors that display some of the greatest levels of employment disparity when it comes to gender: 90 per cent of people working in construction are men.

A notable feature of the gender distribution reported below is that sectors predominately employing women are, in general, the ones most predicted to see an expansion in employment over the next few years, while many of the sectors employing a disproportionate number of men are forecast to remain either static or witness a decline in the numbers employed.

3.1.2 Industrial employment by age

Employment in the UK also exhibits some differentiation by age groups (Figure 3.3). Younger workers (aged 16 to 25) are disproportionately employed in the distribution and transport sector, accounting for 43 per cent

Figure 3.3: Employment, by industry and age, 2005



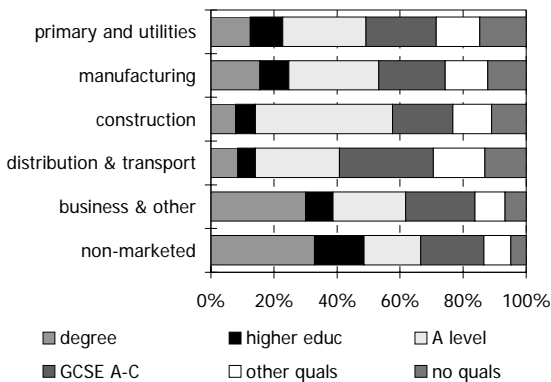
Source: Labour Force Survey

of the sector's employment. The primary industries, manufacturing and non-marketed services, meanwhile, disproportionately employ older workers.

3.1.3 Industrial employment, by educational attainment

As may be expected, there is a clear relationship between the qualification levels of those employed and the industrial sectors in which they work (Figure 3.4). The non-marketed services sector accounts for the highest proportion of graduate level employment (33 per cent), with a further 16 per cent of people in the sector holding higher education qualifications below degree level. Similarly, around 30 per cent of those working in the banking and other services sector are qualified to degree level.

Figure 3.4: Employment, by industry and qualification, 2005



Source: Labour Force Survey

By contrast, workers in the primary and utilities sectors were the least likely to have formal qualifications. These figure, however, disguise some strong sub-sectoral variations. In agriculture and fishing, for example, 21 per cent of the sector do not hold formal qualifications, while in energy and utilities the figure is only six per cent.

3.2 Occupational profile

Key facts

- There are clear gender differences across the occupational groups, with women disproportionately represented in sales and customer care or administrative and secretarial occupations, while men have higher representation in managerial occupations or skilled trades.
- Reflecting sectoral differences, sales and customer-service occupations were more likely to be filled by younger workers, while skilled trades, and process-plant and machine-operative occupations were the most likely to have an older workforce.
- Employment in higher-level occupations (managers, professionals and associate professionals) is predicted to continue expanding over the next decade. Conversely, employment in elementary occupations, plant, process and machine-operative occupations and skilled trades is predicted to experience a decline.

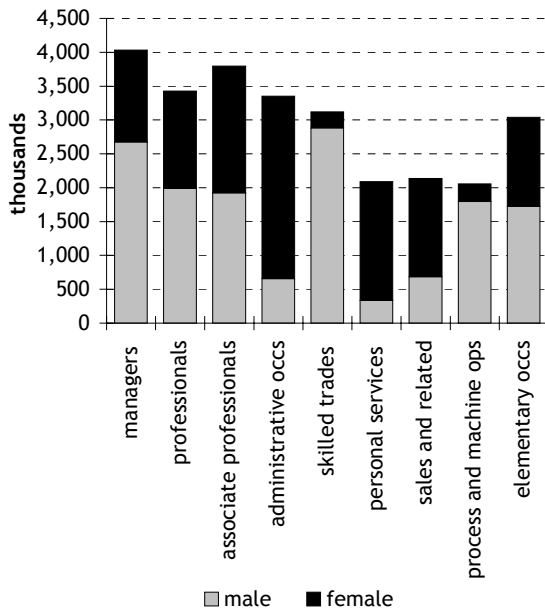
A commonly-applied convention when classifying employment in the UK is to differentiate across nine occupational groups (Standard Occupation Classification 2000), ranging from managers and senior officials to elementary occupations.

There is a fairly even distribution of employment across the nine occupational groups. In 2005, around 11.2 million people were employed in the higher level occupations (managers and senior officials, professionals, associate professionals and technical occupations), while another 7.6 million were engaged in semi-skilled or intermediate services sector work (ie administrative occupations, personal services and sales and customer services). A further 5.2 million were employed in skilled and semi-skilled manual occupations (skilled trades, and plant and machinery operatives), while a remaining 3.0 million workers were engaged in unskilled 'elementary occupations'.

Although the numbers employed within each of the nine occupational groups are similar, there are some distinct variations by gender (Figure 3.5). There are ten times more men working in skilled trades than women, and five times more men working in plant process and machine operative occupations than women. Women, however, have a far greater representation in

administrative and secretarial occupations, personal service occupations, and sales and customer care.

Figure 3.5: Employment, by occupation and gender, 2005



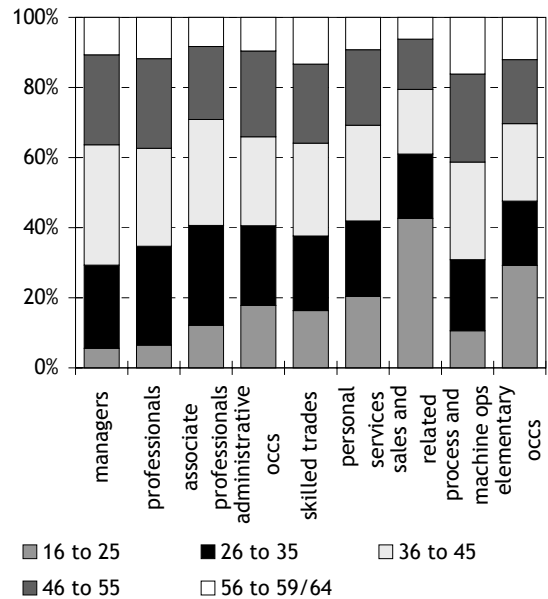
Source: Labour Force Survey

3.2.1 Occupations by age

Another key factor determining occupational choice is age. The link between age and occupation is partly associated with the levels of experience required by the occupation and partly by the relationship between that occupation and the industrial sector of employment. Thus, occupations that require a higher level of education and experience (eg managers and professionals) will tend to have older workers than those occupations that require entry-level skills. Similarly, occupations that are associated with declining industries (eg manufacturing) will usually to have an older workforce than occupations that are associated with emerging industries (eg service sector employment). The relationship between occupation and age is explored further in Figure 3.6.

- The sales and related occupations employed the highest proportion of younger workers; 43 per cent of people working in this occupation are aged 16 to 25, while only six per cent were over 56 years of age.

Figure 3.6: Employment, by occupation and age, 2005



Source: Labour Force Survey

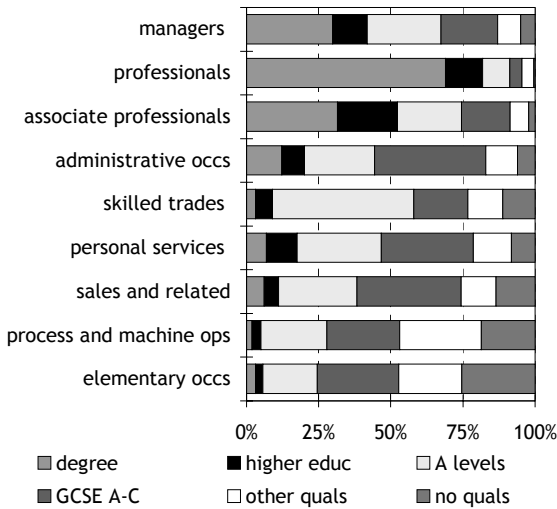
- In contrast, managers and senior officials and professional occupations had the lowest proportion of younger workers, six per cent.
- Process, plant and machinery operative occupations had the highest proportion of older workers, 41 per cent of the workforce is over the age of 45, while 16 per cent are over the age of 55.

3.2.2 Occupations by educational attainment

As with industrial sectors, qualification levels are key determinants of the jobs which people do (Figure 3.7).

- The majority of professionals (69 per cent) are qualified to degree level, with a further 13 per cent qualified to higher education below degree level (eg HND / HNCs).
- Similarly, over a half (52 per cent) of people in associate professional occupations have higher education qualifications, with 31 per cent holding degrees.
- Among skilled trades, A level or equivalent (eg NVQ level 3) qualifications are more prevalent, 48 per cent are qualified to this level.

Figure 3.7: Employment, by occupation and qualification level, 2005



Source: Labour Force Survey

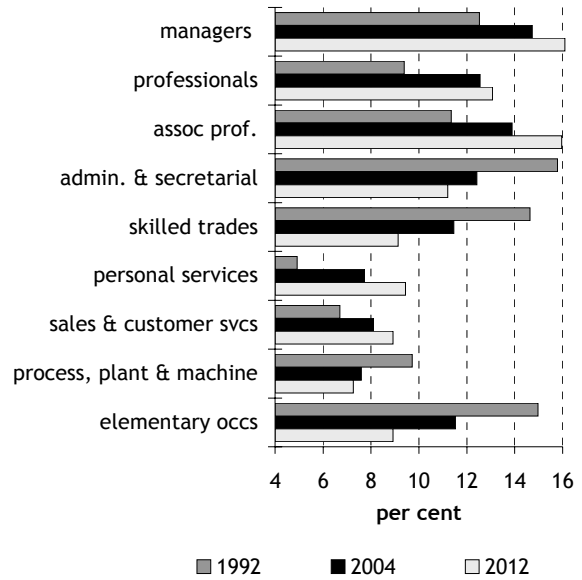
- Elementary occupations and plant, processing or machine operative occupations employed the highest proportion of people who did not hold formal qualifications, 25 and 18 per cent respectively.

3.2.3 Occupational changes

The sectoral changes outlined in the previous sections will also have an impact on the occupational profile of the UK workforce. Figure 3.8 highlights the trends in the occupation profile of the workforce since 1992 and the predicted occupational composition by 2012. The evidence suggests that there is an ongoing shift in UK jobs away from unskilled occupations and towards highly skilled, senior level, occupations. According to the Institute of Employment Research:

- **managers and senior officials**, who made up over 12 per cent of employment in 1992, are forecast to account for 16 per cent of those working in 2012.
- **professional and associate professional occupations** are predicted to expand steadily over the decade. The share of employment in professional occupations has grown from around nine per cent of the workforce in 1992 to 13 per cent in 2012. This growth has been driven by public sector expansion (eg health

Figure 3.8: Occupational change, 1992 to 2012



Source: based on Wilson et al. (2004) and LFS

- and education) and growing demand for business services.
- **administrative, clerical and secretarial occupations** have experienced a decline in employment numbers over the past decade that is forecast to continue to 2012. This is partly due to a fall in demand for secretaries, typists and word processing operatives brought about by new technologies.
- **skill trades and process, and plant and machinery operative** occupations are also expected to face a decline in employment share as a result of the predicted drop in employment within the manufacturing industries.
- **Sales and customer services occupations and personal service occupations** have experienced increases in employment share since 1992, and are predicted to carry on expanding over the next decade. Women and part-time workers are expected to make up the majority of the new jobs in these occupations.
- **Elementary occupations** have seen a decline in their share of employment over the past decade, and this decline is predicted to continue as the economy increasingly requires a more highly skilled workforce.

4 Working Arrangements

In the previous sections, we reviewed the supply and demand sides of the labour market in terms of the numbers of people at work, the types of jobs in which they are engaged, and the willingness of those out of work to seek it. This section continues to focus on the patterns of work by looking at the working arrangement or terms and conditions of those employed, including:

- part-time working
- long hours working
- flexible work arrangements
- incidence of temporary work.

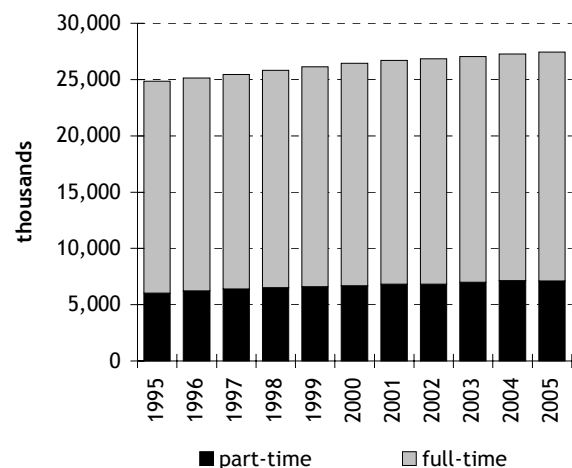
4.1 Part-time working

Key facts

- Around one quarter of workers are employed on a part-time basis.
- Part-time work is concentrated most notably in retailing and the non-marketed sectors (eg public administration, health and education) and distribution and transport (including hotels, restaurants and retailing).
- Over the past decade, the number of part-time workers has expanded considerably, fuelled by further growth in service industries and an increase in students wanting to work part-time.
- The number of part-time workers in the UK is forecast to exceed nine million by 2012.
- Men and women have different reasons for working part time. Men are relatively more likely to work part time while studying, while women more commonly work part time to balance family commitments.

Over seven million people in Great Britain worked on a part-time basis in 2005. This represents over one-quarter (26 per cent) of the workforce, and a two percentage point increase in the proportion of part-time workers over the decade (Figure 4.1). Although in recent years growth in the relative importance of part-time working has been modest, IER has forecast that part-time working will continue to expand over the next decade, with the main driver for growth being female part-time workers.

Figure 4.1: Full-time or part-time in main job (all in employment) in Great Britain, 1995 to 2005

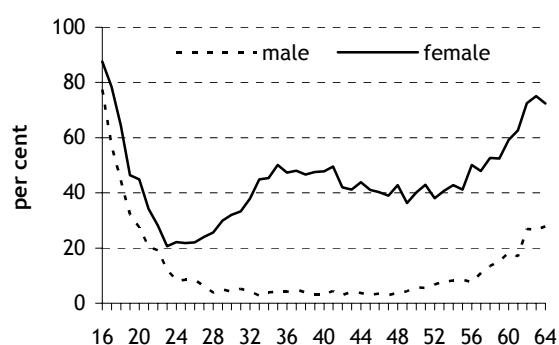


Source: Labour Force Survey, 1994-5 to 2004-5

Individuals often choose to work part time as a means of flexibly balancing their job around other family or personal commitments (eg participation within education). It is therefore unsurprising that patterns of part-time working vary considerably

by age and gender (Figure 4.2). Among men, part-time working is highest in young people (reflecting educational commitments), declining steadily between the ages of 16 and 25, and increasing marginally from among those aged 50 and above. Part-time working among women is higher than that of men across all age groups but shows a number of peaks related to life events (eg study and looking after the family).

Figure 4.2: Part-time working, by age and gender, 2005



Source: Labour Force Survey

4.1.1 Reasons for part-time working

The motivation for part-time working in women and men is explored in Table 4.1.

Table 4.1: Reasons for working part-time, by gender, 2005 (per cent)

	Male	Female
Student/pupil	37	13
Could not find a full-time job	16	6
Ill/disabled	5	2
Did not want a full-time job	41	79
<i>Of which:</i>		
to spend more time with family	10	40
domestic commitments prevent full-time working	6	26
financially secure/work by choice	29	8
earn enough to work part-time	15	8
insufficient childcare facilities	0	1
other reason	39	16

Source: Labour Force Survey

Women work part-time for family and domestic reasons. Indeed, other studies have shown that part-time working among women is closely

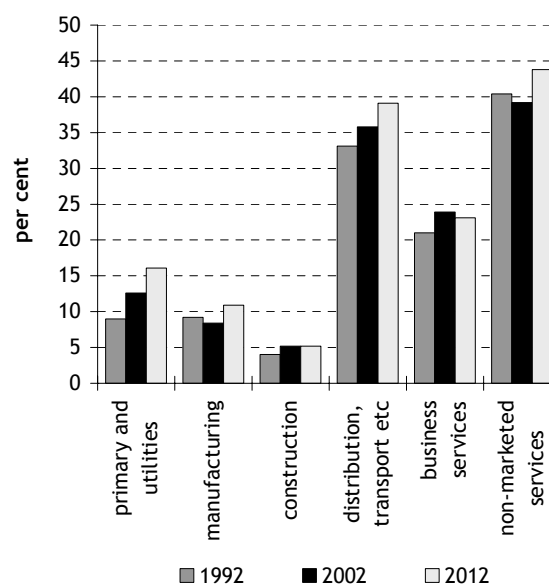
related to the age of the youngest dependent child, with around two-thirds of women with children under the age of five working part-time, compared to one-half of those with children aged 11 to 15 years, and 30 per cent of those with no children (Aston et al., 2005).

Men are more likely to report working part-time while studying or because they are financially secure. These reasons are also closely related to age, with the majority of part-time workers suggesting that they did not want full-time work as the approached state retirement age.

4.1.2 Part-time work, by industrial sector

Incidences of part-time working vary across industry, and are particularly concentrated in the service sector (Figure 4.3). Distribution and transport, for example, has seen the greatest rise in part-time working over the past two decades, and IER forecasts that by 2012 around four in ten of the sector's jobs will be part-time.

Figure 4.3: Part-time working by industrial sector, 1992 to 2012



Source: based on Wilson et al. 2004

In the retailing sub-sector, the proportion of part-time workers is also predicted to rise, from 54 per cent in 2002 to 60 per cent in 2012. Other industries in which part-time work represents an integral part are in the non-marketed services sector. Within education, health and social

services almost one-half of the workforce is employed on a part-time basis.

4.2 Flexible working

Key facts

- Around one-in-five workers have some form of flexible working arrangement. The most popular forms are flexitime, annualised hours contracts and term-time working.
- Women are more likely to benefit from flexible working arrangements than men, with the greatest gender differences occurring in the flexitime and term-time working.
- Those in professional occupations were the most likely to benefit from flexible working arrangements, although high proportions of these employees are term-time workers in the education sector.
- Non-marketed sectors were the most likely to offer flexible working arrangements (35 per cent), while distribution and transport were the least likely (11 per cent).

As well as part-time work, another method of providing working-time flexibility is to offer ‘special working hours’ arrangements, ie arrangements that are atypical or non-standard in some way. These arrangements comprise: flexi-time, annualised hours contracts, term-time working, job sharing, nine-day fortnights, four and a half day weeks and zero hours contracts (Table 4.2):

Table 4.2: Flexible working arrangements, 2005

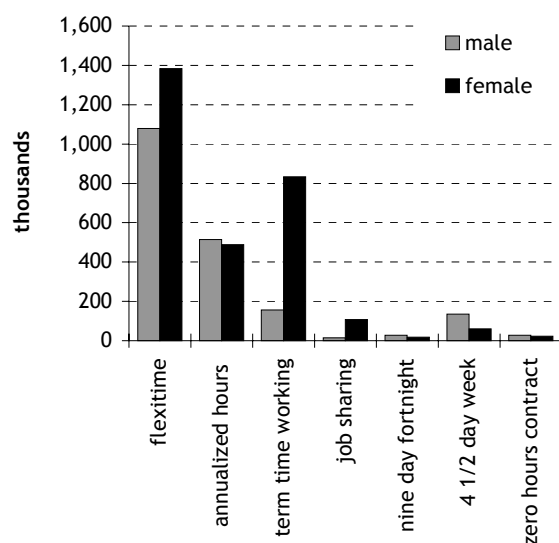
	%	No.
Standard working hours arrangement	79	19,131,608
Special working hours arrangement	21	5,128,366
<i>Of which</i>		
flexitime	52	2,653,749
annualised hours contract	20	1,017,739
term-time working	20	1,013,517
job sharing	2	124,183
nine-day fortnight	1	44,817
four and a half day week	4	210,762
zero hours contract	1	63,599
Total	100	5,128,366

Source: Labour Force Survey, 2005

- One in five employees has some form of flexible hours arrangement.
- The most common form of flexible working is flexitime, covering 2.7 million employees, followed by annualised hours contracts and term-time working, covering one million employees each.
- 211,000 people work four and a half day weeks, while 124,000 people engage in job-sharing.
- Less frequently used methods of flexible working include zero contract hours (affecting 64,000 people) and nine-day fortnights (45,000).

Overall, women are more likely to take advantage of flexible working arrangements than men, accounting for 60 per cent of those engaged in any flexible working arrangements. There are also clear differences related to the types of arrangements in question, with women accounting for the majority of those in job sharing (88 per cent are women), on term-time working arrangements (84 per cent) and flexitime arrangements (56 per cent); they are less likely, however, to report having annualised hours arrangements (49 per cent), zero hours contracts (46 per cent) or four and a half day week arrangement (31 per cent) (Figure 4.4).

Figure 4.4: Flexible working arrangements by gender



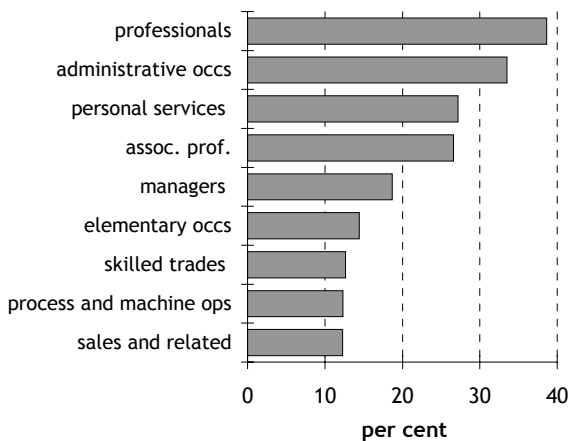
Source: Labour Force Survey

4.2.1 Flexible working arrangements, by job characteristics

The proportion of employees engaged in flexible working arrangements varies by occupational grouping and industrial sectors (Figures 4.5 and 4.6). Professional occupations are the most likely to support flexible working arrangements (a high proportion of whom are term-time workers involved in teaching), followed by administrative occupations.

Although those employed in occupations associated with entry-level or intermediate skill needs were among the least likely to report flexible working arrangements, in some cases, such as sales and related occupations, this may be because part-time working is common practice and flexibility is achieved through other informal arrangements.

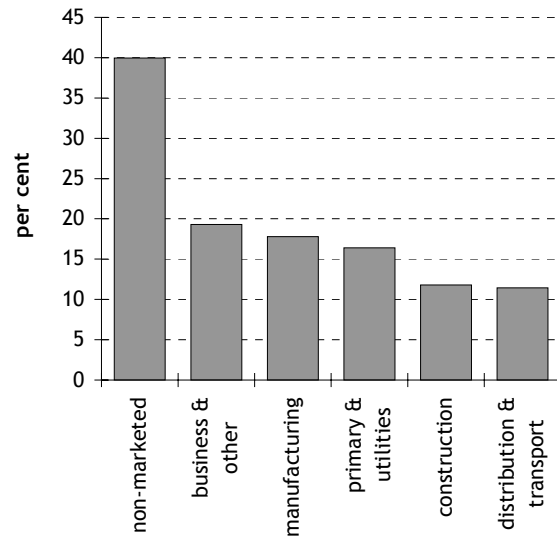
Figure.4.5 Flexible working arrangements, by occupational groups



Source: Labour Force Survey

In terms of the industries, the non-marketed sectors were by far the most likely to offer flexible working arrangements (40 per cent), followed by business and related services, primary and utility sectors and manufacturing (between 16 and 19 per cent). Construction, and distribution and transport were the sectors in which employees were least likely to be part of flexible working arrangements (12 and 11 per cent respectively), although, in the case of distribution and transport, a high proportion of the workforce is working flexibly through part-time working arrangements.

Figure.4.6 Flexible working arrangements, by industrial sectors



Source: Labour Force Survey

4.3 Long hours working

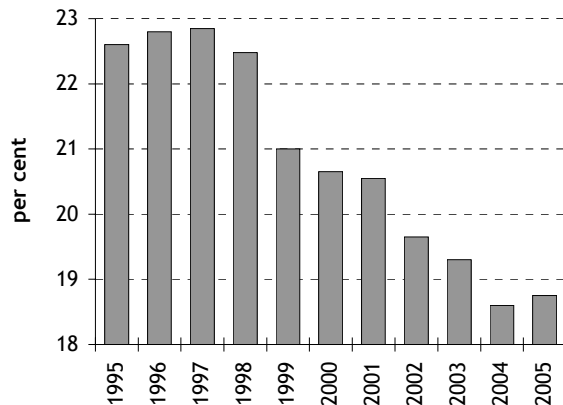
Key facts

- Since the working time regulations came into force in October 1998 there has been a steady decline in the proportion of full-time employees working over 48 hours per week.
- Long hours working is closely associated with occupation. Those employed in higher level occupations and process and machine-operative occupations were the most likely to work over 48 hours per week.

Although historically the UK has among the highest incidence of long hours working in the EU, the Working Time Regulations that came into force in October 1998 have had notable consequences on working hours.

Since the working hours directive, the proportion of full-time workers (working over 16 hours per week) who are also working long hours (*ie* more than 48 hours per week) has experienced a general decline (Figure 4.7). In 1995, nearly 23 per cent of full-time employees worked over 48 hours per week. This figure fell to 21 per cent of full-time workers in 1999, and has continued to decline to around 18.5 per cent of full-time employees by 2005.

Figure 4.7: Percentage of full-time employees working over 48 hours per week

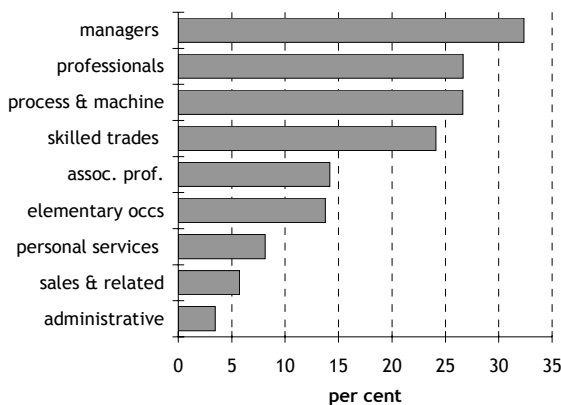


Source: Labour Force Survey

4.3.1 Long hours and occupation

Long hours working is closely related to occupational groupings (Figure 4.8), with those most likely to be working over 48 hours per week either employed in higher level occupations (such as managerial and professional occupations) or traditional manual occupations (*ie* process and machine operatives).

Figure 4.8: Long hours working, by occupation, 2005



Source: Labour Force Survey

Research by IES suggests that the reasons for working long hours vary across occupations (see Kodz et al., 2003). Among process, plant and machinery operatives, working long hours due to the undertaking of paid overtime is seen by employees as a means of improving earnings, while among higher level occupations work pressures, a desire to achieve career progression, and ‘long hours cultures’ encourage people to work longer hours, often as unpaid overtime.

4.4 Incidence of temporary work

Key facts

- Around five per cent of employees in the UK work in temporary employment. This proportion has remained relatively stable over the decade.
- The most common form of temporary working is fixed-term or fixed-task contracts, accounting for around half of all temporary work.
- The proportion of people working in temporary employment because they could not find permanent work has declined over the decade.

Over the past decade the proportion of people who claim that their job is temporary, *ie* the job is not permanent in some way, has remained relatively stable at between around five and seven percent of employees (Table 4.3). This stability, however, masks some minor variations in the types of temporary jobs undertaken by employees in the UK over the decade. In particular, there has been a slight fall in the proportion of temporary workers who are on fixed period contracts (from 55 per cent to 47 per cent), while agency temping has seen a rise in its share of temporary working, from 11 per cent to 19 per cent.

Table 4.3: Types of temporary working, 1995 to 2005 (per cent)

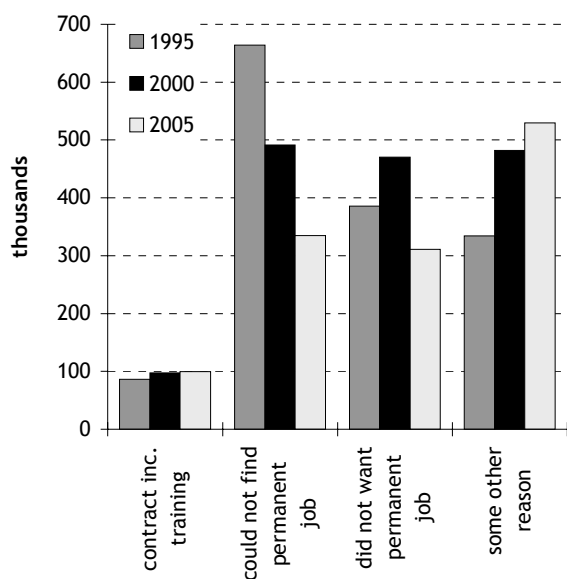
	1995	2000	2005
Permanent	93	93	95
Temporary	7	7	5
<i>Of which</i>			
seasonal work	4	4	5
contract for fixed period, fixed task	55	49	47
agency temping	11	16	19
casual work	20	19	17
not permanent in some other way	11	12	12
Total	100	100	100

Source: Labour Force Survey

Looking more closely at the reasons for working in temporary employment, there has been a decline over the decade in the proportion of people taking up ‘involuntary’ temporary working, *ie* those employed in temporary work because they were unable to find a permanent

job, from around 45 per cent to around 26 per cent of temporary workers. The proportion of temporary workers who claim that their work is non-permanent because of their contract includes a training period has increased marginally, from six and eight per cent, while the proportion who claim their jobs are non-permanent for some other reason has increased from 23 per cent to 42 per cent.

Figure 4.9: Reason for temporary working, 1995 to 2005



Source: Labour Force Survey

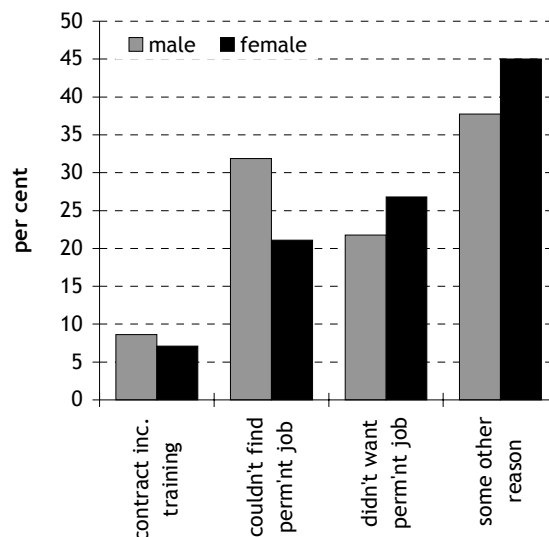
4.4.1 Temporary working, by gender

Although the proportion of people in temporary work was similar for men and women (five and six per cent respectively) there are minor variations by gender in the types of temporary work undertaken. Most common among both women and men is fixed-term contract work.

Female temporary employees were more likely to work in this way than male ones, 51 per cent compared to 44 per cent. Other forms of temporary working (casual work, agency temping and seasonal work), accounted for a slightly higher proportion of temporary working among men than women.

Reasons for temporary working also varied by gender. Men were more likely than women to report temporary working due to having a contract that included training or because they could not find a permanent job. Women, however, were more likely to be working on a temporary basis because they did not want a permanent job (Figure 4.10).

Figure 4.10: Reasons for temporary working, by gender



Source: Labour Force Survey

5 Earnings in the UK

Key facts

- Average annual earnings in the UK for full-time employees were approximately £24,200 in 2005.
- There are wide variations in earnings across occupations, ranging from £35,000 among managers and senior officials to around £15,000 among those in elementary occupations, sales and customer services and personal service occupations.
- Variations based on educational attainment range from £34,000 for degree holders to £16,000 for those with no formal qualifications.
- Employees in the business and finance related sectors had the highest average earnings (£30,000), while the lowest earnings are associated with distribution, hotel and catering (£19,000) and the agricultural sector (£18,000).

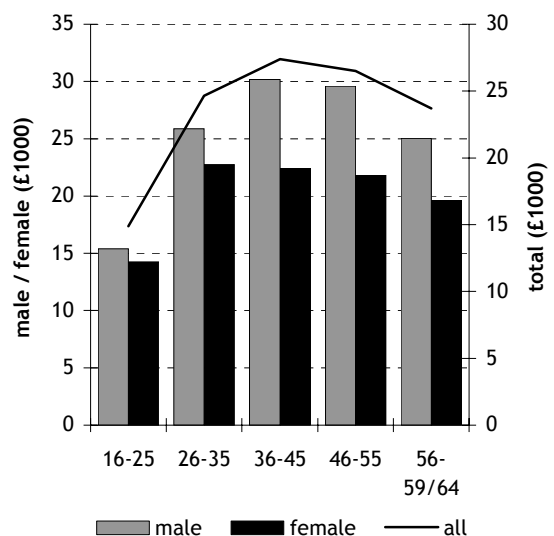
In 2005, the average gross annual earnings among employees in the UK were approximately £20,200. Among full-time employees the average income was £24,200, while part-time workers earned an average of £7,800. This section explores average earnings in the UK, and their determinants.

5.1 Earnings by demographic characteristics

Annual earnings are closely associated with age and gender (Figure 5.1). Across the age groups, average earnings rise steadily from around £15,000 among 16 to 25 year olds to a peak of £27,000 among 36 to 45 year olds.

Irrespective of age group, however, the average full-time earnings of men are higher than those of women. The greatest differentials between the earnings of men and women are among those aged between 36 and 55 years old, where men earn over 40 per cent more than women per annum.

Figure 5.1: Annual earnings of full-time employees, by age and gender, 2005



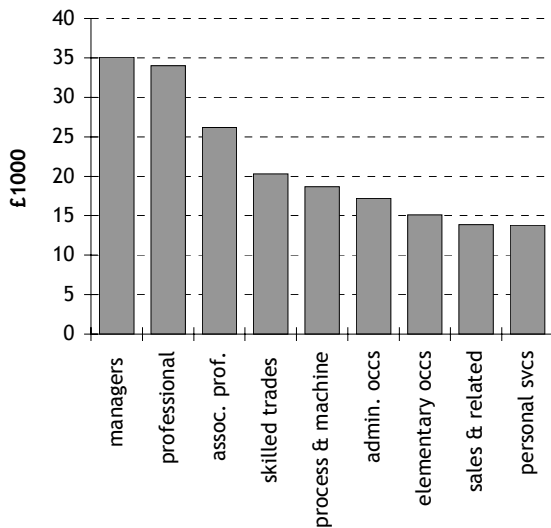
Source: Labour Force Survey

5.1.1 Earnings by occupation

Among full-time employees, managers and senior officials have the highest gross annual earnings (around £35,000), followed by employees in professional occupations (£34,000) and associate professional and technical occupations (£26,000) (Figure 5.2). Employees in elementary occupations, sales and customer

services and personal service have among the lowest incomes, at an average of around £15,000 or less.

Figure 5.2: Annual earnings of full-time employees by occupation, 2005

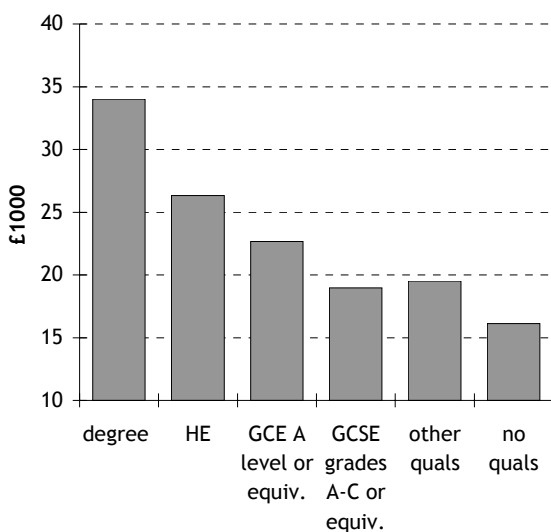


Source: Labour Force Survey

5.1.2 Earnings by educational attainment

Like occupational differences in pay, annual earnings are closely related to educational attainment (Figure 5.3).

Figure 5.3: Annual earnings of full-time employees by level of educational attainment, 2005



Source: Labour Force Survey

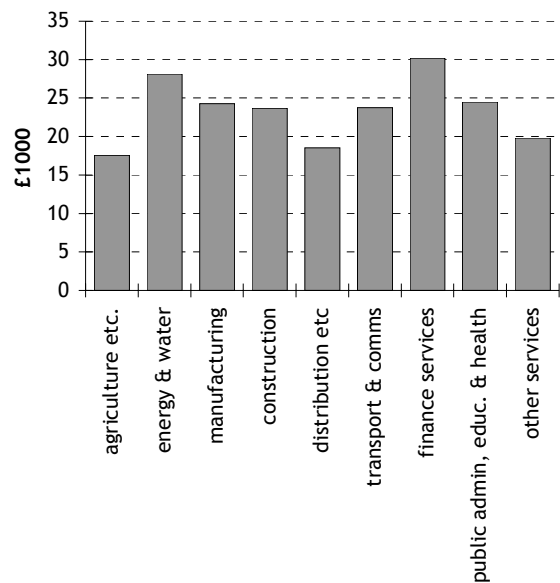
Those with degrees have average annual earnings of £34,000, compared with £26,000 among those with higher education qualifications below degree level (eg HNDs / HNCs) or £23,000 among those whose highest qualification is an A level or equivalent. At the other end of the pay scale, the average full-time annual earnings of people with no qualifications are just over £16,000.

5.1.3 Earnings by industries

Figure 5.4 shows differences in earnings by broad industrial groupings:

- Employees in banking, finance and business services have the highest average earnings levels (£30,000), followed by the energy and utilities sector (£28,000).
- The majority of the other sectors (manufacturing, construction, transport and communications, and public administration, health and education) have similar average wage levels (approximately £24,000).
- The distribution, hotels and restaurants sector and agriculture and fishing are associated with the lowest average earnings, £19,000 and £18,000 per year respectively.

Figure 5.4 Annual earnings of full-time employees, by industry, 2005



Source: Labour Force Survey

6 Education and Training

6.1 Educational participation

Key facts

- Around one in five people engage in some form of taught learning but rates of participation vary considerably with age, ranging from 80 per cent among 17 to 19 year olds to 10 per cent among those aged 75 years and over.
- Over the decade, the expansion of further and higher education has led to an increase in the proportion of young people (16 to 19 years) in full-time education, from 52 per cent to around 58 per cent.

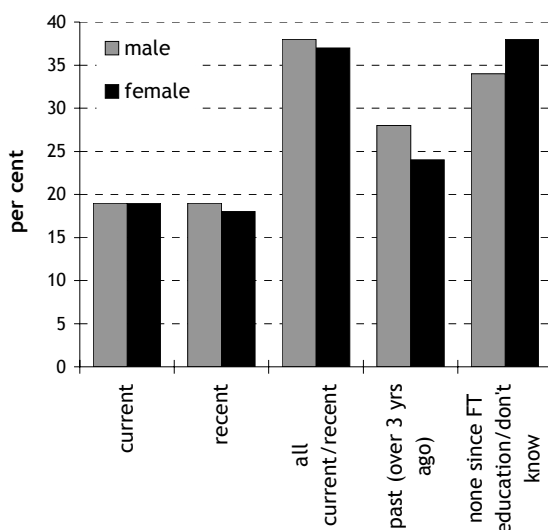
In 2003, around one in five (19 per cent) of both men and women engaged in some form of learning, whether taught learning or self-directed (Figure 6.1).

However, a slightly higher proportion of men participated in recent learning activities than women, 19 per cent compared with 18 per cent. Combined, 38 per cent of men and 37 per cent of women have had some current or recent experience of learning.

Although there is increasing policy emphasis on the development of skills and knowledge throughout people's working lives, participation in learning is very much dependent on age (Figure 6.2).

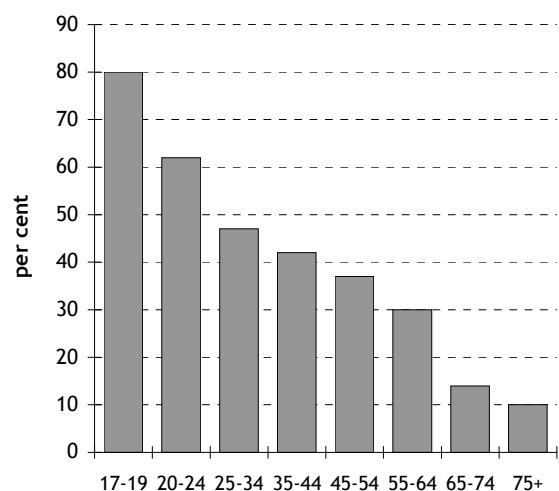
6.2 Engagement in learning

Figure 6.1 Current or recent experience of learning by gender, 2003



Source: Aldridge and Tuckett, 2004

Figure 6.2: Current or recent experience of learning, by age



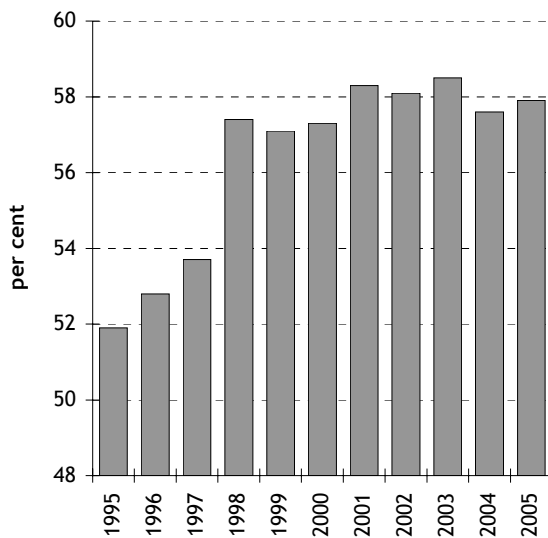
Source: Labour Force Survey

The youngest age group (17 to 19 year olds) still have the highest level of engagement with learning (80 per cent), while the proportion falls to 62 per cent among 20 to 24 year olds. Between the age of 25 and 64 years, the proportion of learners falls steadily from 47 per cent to 30 per cent. Only ten per cent of those aged 75 years or over engage in some form of learning.

6.2.1 Participation in formal learning

Data is also available on the proportion of 16 to 19 year olds engaged in full-time learning, *ie* those enrolled on a full-time education course as a proportion of all young people in the age group (Figure 6.3). Between 1995 and 2001, the proportion of young people in full-time education rose from around 52 per cent to 58 per cent, where it has since stabilised.

Figure 6.3: Proportion of 16 to 19 year olds engaged in full-time education, 1994-5 to 2004-5



Source: Labour Force Survey

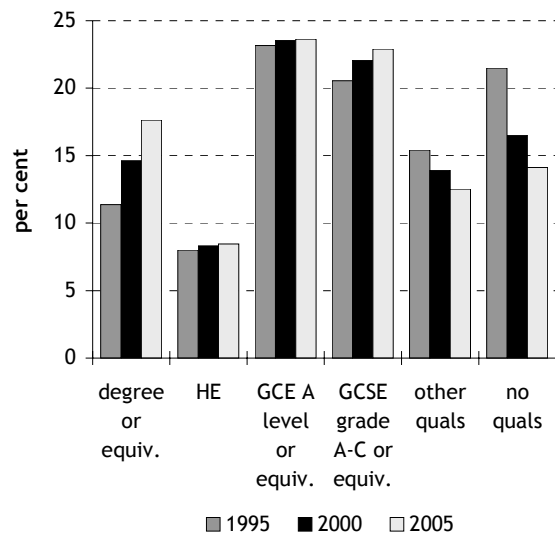
6.3 Qualifications

Key facts

- Over the decade, the UK has experienced a steady rise in the proportion of the working age population educated to degree level (from 11 per cent to 17 per cent) and a decrease in those with no formal qualifications (from 23 per cent to under 15 per cent).
- Men are still more likely than women to have degree-level qualifications, but this is based on historic differences. In recent years the proportion of women entering higher education has exceeded that of men.
- Reflecting the expansion of further and higher education over the past two decades, educational attainment is strongly related to age. Over a quarter of 26 to 35 year olds have degree-level qualifications, relative to less than 15 per cent of 56 to 59/64 year olds.

Over the past decade the UK population has become increasingly more qualified (Figure 6.4), with the greatest changes occurring at either end of the qualifications spectrum. The proportion of people with degrees or equivalent qualifications has risen from 11 per cent to 17 per cent, while the proportion of people with no qualifications has fallen from 23 per cent to 15 per cent.

Figure 6.4: Highest qualification, 1995 to 2005

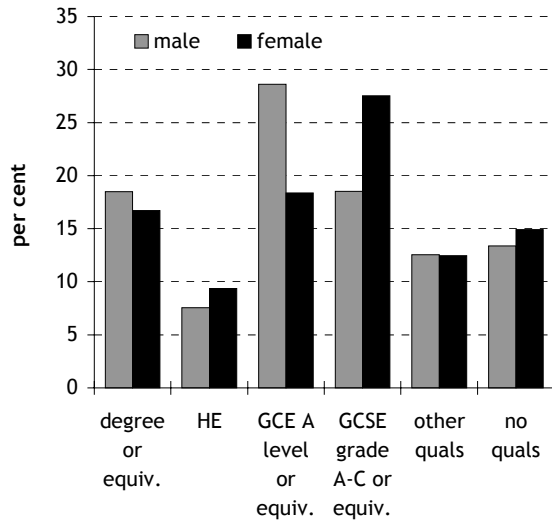


Source: Labour Force Survey

6.3.1 Educational attainment, by gender

There are still differences in the qualification profile of men and women in the UK (Figure 6.5).

Figure 6.5: Highest qualification level, by gender, 2005



Source: Labour Force Survey

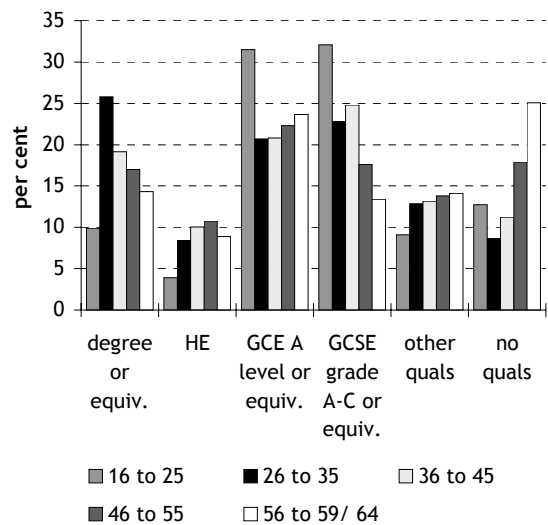
- Men are more likely than women to hold degree or equivalent qualifications (18 per cent compared to 16 per cent), and are considerably more likely to hold GCE A level or equivalent qualifications (29 per cent compared to 17 per cent). Much of this variation, however, is the consequence of historic differences and some of the more recent data suggests that female participation in higher education is now higher than that of men.
- Women are more likely than men to be educated at higher education below degree level (nearly 10 per cent compared to eight per cent), and are also more likely than men to be educated at GCSE grade A to C or equivalent (25 per cent compared to 17 per cent).
- A slightly higher proportion of women held no formal qualifications than men (16 compared to 14 per cent).

6.3.2 Educational attainment by age

Qualification levels in the UK are very much dependent upon age, and correspond to the

expansion of further and higher education over the past few decades (Figure 6.6). Over a quarter (26 per cent) of 26 to 35 year olds are qualified to degree level (compared to 14 per cent of 50 to 59/64 year olds). By contrast, the oldest age group (50 to 59/64 year olds) are the most likely to hold no formal qualifications (24 per cent), while 25 to 34 year olds were least likely to do so (eight per cent of the cohort).

Figure 6.6 Highest qualification held, by age, 2005



Source: Labour Force Survey

6.4 Work-related education or training

Key facts

- Three-in-ten workers reported participating in some work-related education or training over the past 13 weeks, with 15 per cent reporting some training over the previous month.
- Those in higher level occupations and occupations related to personal services (such as care workers) were the most likely to receive work-related education or training.
- Work-related education and training was more common in non-marketed service sector industries (eg public sector industries) than any other. Male dominated industries such as construction, transport and communications and manufacturing had among the lowest levels of training activity.

In 2005, 29 per cent of the workforce (7.8 million) suggested that they had engaged in some form

of work-related education and training (Table 6.1). Of those who reported such training, around half suggested that the training had taken place within the last month, while 2.8 million also suggested that it involved some element of off-the-job training.

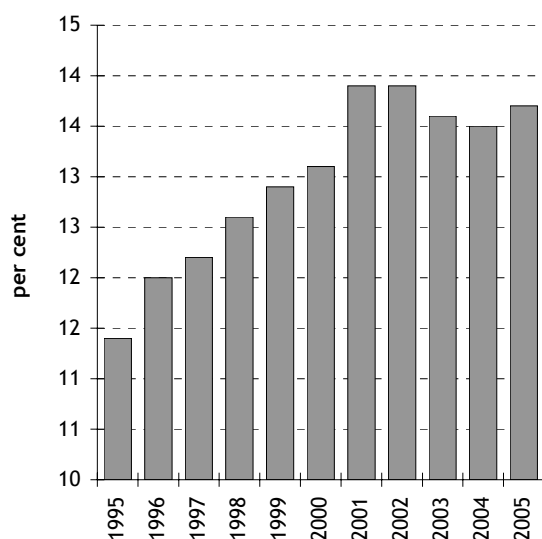
Table 6.1: Work-related education or training, 2005

	%	No.
No training	71	18,867,855
Training in last 13 weeks	29	7,784,138
<i>Of which</i>		
on the job training in last 4 weeks	5	1,367,820
training away from job in last 4 weeks	7	1,958,268
both	3	796,582
no training in last 4 weeks	15	4,122,670

Source: Labour Force Survey

Over the past decade, there has been an increase in the proportions of the workforce claiming to have received work-related training in the past four weeks, from 11.9 per cent in 1994-5 to a peak of 15.0 per cent in 2000, before marginally declining to 14.7 per cent in 2004-5 (Figure 6.7).

Figure 6.7: Work-related education or training in past four weeks, 1994-5 to 2004-5



Source: Labour Force Survey

The pattern reflects general trends in the employment rate over this period, and it is likely that some of the variations in training activities relate to induction activities affecting new recruitment.

6.4.1 Education and training, by occupation

On the whole, those employed in higher level occupations (eg managerial, professional or associate professionals) are also the most likely to receive work-related training. The one exception to this is that of those engaged in personal service related occupations (Figure 6.8). The high levels of work-related education and training among personal service occupations can be explained in part by the need for training among care workers that form part of this occupational group. Nearly one-half (47 per cent) of health care workers, and 41 per cent of childcare workers, have received training in the past 13 weeks.

Figure 6.8 Work-related education or training in last 13 weeks, 2005 (per cent)



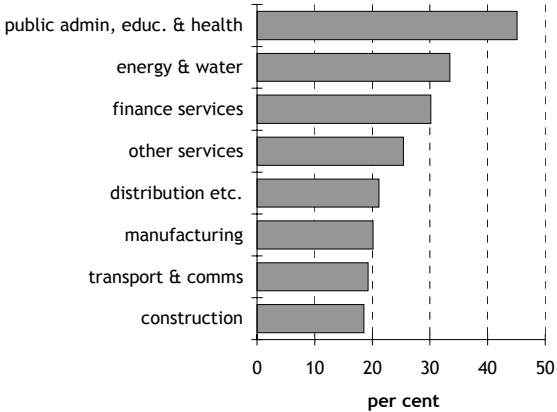
Source: Labour Force Survey

6.4.2 Education and training, by industry

Finally, the proportions of the workforce in receipt of work-related education or training vary considerably by industrial sector (Figure 6.9). The non-marketed sectors, such as the public administration, education and health sectors, have among the highest levels of participation, followed, at some distance, by the

energy and utilities and business and related sectors. Manufacturing, transport and communications and construction, meanwhile, had among the lowest levels of participation in work-related training.

Figure 6.9: Work-related education or training in past 13 weeks, 2005



Source: Labour Force Survey

Appendix

Table A1.1: Economic status by individual characteristics, 2004

	In employment	ILO unemployed	Inactive	Total (1,000s)
Gender				
Male	79	4	17	18,702,464
Female	70	3	27	17,719,892
Age				
16 to 25	60	8	32	7,447,431
26 to 35	80	3	16	7,802,957
36 to 45	82	3	15	8,989,196
46 to 55	80	2	17	7,555,419
56 to 59/65	63	2	35	4,627,353
Ethnicity				
White	76	3	21	32,979,983
Mixed	64	7	29	267,513
Asian or Asian British	57	6	37	1,635,800
Black or Black British	60	8	31	812,623
Chinese	53	6	41	197,713
Other ethnic group	59	6	35	504,498
Disability				
DDA disabled and work-limiting disabled	32	4	64	4,253,300
DDA disabled	83	3	14	1,575,831
Work-limiting disabled only	67	6	27	1,192,132
Not disabled	80	4	16	29,401,093
<i>All</i>	74	4	22	36,422,356

Source: Labour Force Survey

Table A1.2: Unemployment and long-term unemployment by individual characteristics, 2005

	Numbers unemployed	% long-term unemployed
Gender		
Male	784,677	43
Female	547,712	31
Age		
16 to 25	557,998	30
26 to 35	271,751	40
36 to 45	236,568	41
46 to 55	180,514	47
56 to 59/65	85,558	52
Highest qualification		
Degree or equivalent	140,683	33
Higher educ	75,124	34
GCE A Level or equiv	236,500	33
GCSE grades A-C or equiv	378,521	32
Other qualifications	230,773	45
No qualification	258,448	47
Don't know	12,340	57
Disability		
DDA disabled and work-limiting disabled	171,010	51
DDA disabled	42,661	42
Work-limiting disabled only	73,969	54
Not disabled	1,044,749	34

Source: Labour Force Survey

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