

# Key Theme Report

## **Students and Work**

Policy Development Convention, 5-6 December 2013

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# Rationale

## Why Students and Work?

Where previous generations looked upon the labour market as a land of opportunity, many of today's study leavers look upon it with fear and uncertainty, whether they studied at college, university or in their workplace. Educating yourself at post-compulsory level is no longer the insurance policy that it once was against job market woes. Rather, **today's job market is more like running up a downwards escalator** in which college and university leavers are required to acquire more qualifications, skills and practical work experience in order to compete for a reduced pool of jobs, and lower quality ones at that.

Such issues are not only affecting our members now, but if left unresolved will have a scarring effect upon our wider economy, society and perhaps attitudes towards the value of education itself. If students are not getting a decent job as a result of their studies, does this change societal attitudes towards education in the first place?

Students' unions already deliver on *employability*; helping students get into the jobs that do exist. But the problem is not only one of equal *access* to employment, but the *existence* of employment in the first place.

While we fully support the belief that education is about far more than a pathway to employment, we must also recognise the underlying motivations of so many students in which **80 per cent say they study in order to improve their future job prospects**. We also know that **the education system and the health of the UK economy are inextricably intertwined**. So amidst a time of global and UK recession, there is a need to evaluate this interrelationship.

## Students are anxious about the job market

Over October and November we surveyed NUS Extra card holders on a number of questions relating to this theme. The responses confirm our belief that fears relating to future employment prospects are not only weighing heavily on the memberships' minds in terms of their own lives but also their concerns for society at large<sup>1</sup>.

- **Only 29 per cent students believe that when they graduate that the job market will be welcoming.**
- **The fear of future employment problems is a greater concern for students than problems they are experiencing whilst studying.**
  - Students see the two biggest issues for students as money and finance, but the two biggest issues for the UK as a whole as money and unemployment.
  - Students think unemployment is the biggest issue in their local areas.
- However when asked "**What is your one biggest worry about your future?**", the top three answers were;
  - Finding a job
  - Finding a job that I enjoy
  - Finding a job with a decent wage
- There is low faith in the government in this area, with **only 26 per cent believing that the government is addressing youth employment issues.**

# Theme aims

## What is Students and Work seeking to achieve?

In the broadest sense, the Students and Work theme is an investigation into how the student movement can;

- **Influence the employment landscape to;**
  - Improve the availability of quality job opportunities for students working while studying as well as the longer term prospects for students after they complete their studies.
  - Ensure that students feel they are able to satisfactorily make use of their education in the job market.
- **Influence the education system to;**
  - Develop a flexible, accessible education system that is an adequate pathway for students into the modern jobs economy, but does not encourage the marketisation of education.
  - Create a skilled, flexible workforce that enables the development of a more economically viable, environmentally sound and socially responsible economy with higher levels of quality employment.

To do so **we must consider both students' experiences while they study as well as their futures post study**, a progression from NUS and students' unions more commonly prioritising student experiences during study only. This also means providing a more nuanced analysis than the false dichotomy of student and worker to reflect the changing nature of work and student working habits.

- **A greater number of students are working while studying.**
  - 48 per cent postgraduate students, 46 per cent FE students and 37 per cent undergraduate students undertook paid work at some point through their year of study
  - Around 30 per cent of students work throughout their year of study, including term-time and holidays.
  - Our evidence shows the shortfall that students in both further and higher education face, and many work long hours for low pay to make ends meet and to stay the course.
- **A greater number of workers are studying.** For example we should consider the number of part-time students taking evening courses to fit around their jobs, the strains on postgraduates that teach and the growth in apprenticeships with more than 500,000 new apprenticeship starts in 2011/2012.

# The key problems

The familiar figure of 1 million young people unemployed is the headline issue we are most familiar with. However, to singularly focus on this would be to belie a complex set of other interlinked problems that shape students and study-leavers experiences of the job market.

Campaigners in many fields are commonly criticised for overly focusing on specific issues whilst missing the big picture – they can't see the woods for the trees. When talking to students and student officers about how the student movement can influence the job market it is more often the case that feels harder to see the trees for the woods. **The scale and complexity of the problems facing students and young people in this area can overwhelm and intimidate**, meaning it can feel difficult to identify and act on specific issues.

Indeed, **there are very many issues to address and we can't all tackle all of them at once, but we can prioritise and act upon the issues that have most impact** on our members. Policy development in this theme should involve the clarification of our wider narrative – what do we want the job market to look like – then identifying the specific issues we want to change and that when combined form the broader employment landscape. **Overcoming a lack of confidence in students' and students' unions ability to change the job market** is the most important challenge for our movement in this area.

It is worth clearly stating that **the Students and Work priority seeks to go beyond the media obsession with graduate prospects** and look into the experiences of a more accurate representation of our 7 million members across further *and* higher education.

The key issues can be themed in terms of the;

- **Quantity of jobs**
  - Employment levels overall, in different sectors and in different types of roles.
  - Underemployment in terms of the number of hours worked.
  - Regional and national differences, such as the favourable bias towards London and the South East of England.
  - Variance between demographic groups.
- **Quality of jobs**
  - Underemployment in terms of skills.
  - Fair pay.
  - Level of progression and learning and development.
  - Secure contracts with good terms and conditions.
  - Variance between demographic groups.
- **Access to jobs**
  - Adequate careers information and guidance to support students and study-leavers decision making.
  - Social mobility and the advantages of some in accessing the job market ahead of others.
  - Circular problem of needing experience to get a job, but needing a job to get experience.
  - Variance between demographic groups.

# Which problems are priority?

Half of Society and Citizenship Zone Conference was dedicated to debate on the ethical considerations relating to specific issues and which issues delegates thought NUS and students' unions should prioritise, as well as beginning to think about action planning.

Delegates undertook a deliberative democracy exercise in which through a series of debates in increasing numbers of people were asked to find consensus on what the five most important issues facing students in the job market were. The following section will give more detail on the key issues identified; including the ethical considerations, factual background and possible ways forward.

In order of agreed importance the issues were;

1. **Quality of jobs is often low**
2. **Low pay**
3. **Poor information and guidance s**
4. **Discrimination and differing experiences**
5. **Regional inequalities**

## Quality of jobs is often low

The **UK labour market is becoming increasingly polarised, taking on an 'hour-glass' shape**. This shape looks like a growth in jobs in the 'top' characterised by higher wage work requiring advanced qualifications, a growth in jobs at the 'bottom' characterised by low wage service sector jobs, and jobs in the 'middle' declining<sup>2</sup>. Between 2001 and 2012 the only job types which have increased are those at the extreme ends of the 'top' and 'bottom' income brackets.

For students and study-leavers, while it is a fair aspiration to reach the 'top' brackets later in a person's career **the challenge is getting the**

**first foot in the door in the first place**. Many graduates in particular would traditionally expect to enter the job market somewhere in the middle, but this is less and less possible

with this step of the ladder gradually eroding. For every 1 job at mid-level there are now 2.3 jobs at low skill level.

This contributes to the growing phenomenon of underemployment for study leavers. According to the TUC many study leavers and **20 per cent of young people end up to working at a lower skill level than they would have some years ago** in growing service sector professions such as sales, customer service and caring. The situation for non-graduates is more pronounced than for graduates. Since the onset of the recession, **there are 1 million more people underemployed say the TUC**.

A further concern in the quality of jobs is the **increasing casualisation of job roles** and a **weakening of terms and conditions**. The most high profile example is the **rise of zero hour contracts since the recession began, with estimates of ranging between 250,000 to 5.5 million UK wide**. Students and young people are statistically more likely to be employed on zero hour contracts as they are more likely to work in part-time jobs around their studies or in service sector jobs as identified above where such contracts are more common. There is contentious debate on whether zero hour contracts are exploitative, or offer flexible terms of employment.

We also know that this **casualisation of employment is hitting students' pockets hard**. The government's Student Income and Expenditure Survey<sup>3</sup> shows that average income among first year full-time students fell by almost £2,000 over the last five years and it's a shift away from work earnings that is one of the main causes cited in the report. It notes that "a change in the quality and duration of

*job opportunities” in which “we find more students working in casual jobs rather than in continuous jobs, and the pay in these casual jobs seems to be falling in real terms.”*

It is common rhetoric for students to be blamed for not having the right skills and experience for employment, but we know that the UK population is becoming better and better educated as time goes on. Turning this narrative around, we should be thinking about how **we have a jobs quality deficit, not simply a skills deficit.**

## Low pay

Research by TUC show that **four out of five new jobs created in 2010 were paid at less than £8 per hour**<sup>4</sup>. So while government statistics show an ongoing slow reduction in unemployment levels, we have to question whether it is the right kind of jobs that are being created. Is a job at low pay better than no job at all?

A key issue around pay for student and study-leavers is that of **the rise in unpaid internships**. Internships are increasingly replacing entry level jobs that study-leavers would traditionally take at lower-mid levels of the ‘hour-glass’, with research conducted by YouGov and NUS showing that one in five 18- to 24-year-olds has undertaken an internship<sup>5</sup>. The problem is that they are often unpaid, especially in certain sectors.

This means that **while unpaid internships can certainly offer hard to acquire experience, the need to work for free can discriminate against those from less wealthy backgrounds** or who do not live in London (where many such roles are). Those from mid-high income groups are three times more likely to have undertaken an unpaid role than those from mid-low income groups.

## Poor information and guidance

A **third of young people say they hadn’t received any careers advice from anyone**<sup>6</sup>. This is notably pronounced for FE students, with

the FE sector often criticised for failing to provide coherent structured programmes of information and guidance, exacerbated by cuts to the Connexions service. With regards to apprenticeships, the wide range of providers often means that guidance can be confusing.

There is also a **common mismatch between young people’s career aspirations and future skills needs**<sup>7</sup>, with less than 1 per cent of young people looking to get into careers where demand is predicted to rise in the UK economy, including plumbing, hotel work, and human resources. This brings us back to the question of to what extent educational choices are being made on interest or by career aspirations.

Better career guidance is urgently needed to help young people make informed decisions about education and careers. Employers have a vital role in bridging the chasm between education and jobs, to help the next generation of young people into work.

## Discrimination and differing experiences

Entry into the job market, as well as experiences once working, is not a level playing field for all students and study-leavers. This is based on a number of factors, from a person’s belonging to liberation groups, to the educational pathway they have taken along the way to varying levels of social mobility. We know that;

- **Non-graduates are twice as likely to be unemployed than graduates.**
- **One in four young black people are unemployed** – twice as likely as young white people – with young black men having experiencing the highest rates of joblessness.
- The scrapping of the Education Maintenance Allowance (EMA) and the abolition of college-based apprenticeships are likely to have played a key role in holding back education prospects for young black men according to the TUC<sup>8</sup>.

- White and Asian youngsters are also now twice as likely to be unemployed as those from the same ethnic group over the age of 24<sup>9</sup>.
- **Disabled people are 30% more likely to be unemployed** than those without disabilities<sup>10</sup>
- Only 1 per cent women work in skilled trades compared to one fifth of all men, and young women are more likely to get stuck in low paid jobs<sup>11</sup>.

## Regional inequalities

National level unemployment and job creation figures hide considerable regional inequalities around the spread of jobs and skills that must be addressed. It is common knowledge that London and the South East act as somewhat of a sponge for jobs, and jobs at higher skill levels.

- 34 per cent of jobs in London are higher skilled, notably more than elsewhere in the UK.
- The North East has the lowest percentage of higher skilled jobs.
- 60 per cent graduates want to work in London but the city only holds 20 per cent of 'graduate' jobs<sup>12</sup>. The slowdown in graduate recruitment has been most acute in the north of England.

Regional solutions delivered collaboratively between government, businesses and other organisation are needed in order to rectify this regional conundrum.



# Where now?

## What can NUS, students' unions and students do?

NUS and students' unions have great untapped potential to influence employment issues at local, regional and national levels. There are a number of levels of response required;

- Greater commitment better considered action from government.
- Greater commitment from employers to create new, quality jobs for study leavers.
- Incentives for employers to create jobs and improve job quality.
- Better partnership between stakeholders to develop shared solutions (across civil society, government and businesses).
- Local level partnerships eg: local businesses, government, colleges and universities.
- Structural economic responses, eg: redirecting Job Seekers Allowance Payments to create paid internship schemes.
- Students' union initiatives to support their own members.

# Endnotes

<sup>1</sup> It is worth noting that the majority of these NUS Extra card holders are undergraduates and so these responses are not fully representative of the broad student body.

2

<http://www.nus.org.uk/Documents/The%20Modern%20Jobs%20Economy%20Full%20Version.pdf>

3

<https://www.gov.uk/government/publications/student-income-and-expenditure-survey-2011-t0-2012>

<sup>4</sup> <http://www.tuc.org.uk/economic-issues/labour-market/four-five-jobs-created-june-2010-have-been-low-paid-industries>

5

[http://d25d2506sfb94s.cloudfront.net/cumulus\\_uploads/document/05tns8c27q/YG-Archive-NUS-results-121130-internships.pdf](http://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/05tns8c27q/YG-Archive-NUS-results-121130-internships.pdf)

6

<http://www.skillsdevelopment.org/PDF/New%20Directions.pdf>

7

[http://www.educationandemployers.org/media/18037/nothing\\_in\\_common\\_final.pdf](http://www.educationandemployers.org/media/18037/nothing_in_common_final.pdf)

<sup>8</sup> <http://www.tuc.org.uk/economic-issues/labour-market/labour-market-and-economic-reports/young-black-men-have-experienced>

<sup>9</sup> <http://www.tuc.org.uk/economic-issues/labour-market/labour-market-and-economic-reports/young-black-men-have-experienced>

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[http://www.papworth.org.uk/downloads/disabilityintheunitedkingdom2012\\_120910112857.pdf](http://www.papworth.org.uk/downloads/disabilityintheunitedkingdom2012_120910112857.pdf)

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<http://www.theguardian.com/business/2013/nov/01/young-women-trapped-low-paid-skilled-jobs>

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<http://qtimedia.co.uk/sites/qtimedia.co.uk/files/imce/Smaller-Businesses-Research.pdf>

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