

GCSE DROP-OUTS 'UNEMPLOYABLE'

Achieving minimum qualifications will increase job opportunities and earnings

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Employers have today issued a stark warning to young people that they risk becoming unemployable without a minimum set of qualifications and are urging those who don't make the grade to stay in education or training to boost their prospects.

New research from the Learning and Skills Council (LSC) reveals that more than one in five (22 per cent) employers say they would not recruit job-seekers with less than five good GCSEs or the vocational equivalent – and 15 per cent completely ignore CVs if the job applicant does not have these essential qualifications.

Following this week's CBI report which revealed that too many teenagers are leaving school barely able to write or add up – LSC research shows that for those that don't stay on in learning and are lucky enough to find a job, the prospects are bleak. Of the three quarters (74 per cent) of employers who would recruit someone with less than five good GCSEs close to half (47 per cent) would only offer unskilled positions with low pay and limited prospects.

On average employers said they would pay someone a starting salary £1,700 higher (an increase of 17 per cent) if they had five A*-C GCSEs or vocational equivalent, compared to someone without these qualifications plus experience. This backs up official statistics which state that over a lifetime someone with the

minimum set of qualifications will earn £4,000 more per year compared to someone without.

Close to eight in 10 (79 per cent) employers believe that applicants without good GCSEs would struggle in their company, with 30 per cent agreeing they would expect them to show less commitment than employees with higher qualifications.

Similarly, among recruiters close to three quarters (74 per cent) think it is essential for job applicants to have the basic set of qualifications (five good GCSEs or the vocational equivalent) before applying for a job – and two thirds (65 per cent) believe it will become even harder for future job-seekers to find a job without these.

Last year close to four in 10 (39 per cent)¹ GCSE students failed to achieve five good GCSEs A*-C or the vocational equivalent – and of these nearly half (48 per cent) dropped out of education and training. This year the LSC predicts 20 per cent² of young people will drop out of education and training in favour of work and access to an immediate pay packet – a decision that some may later come to regret.

LSC data suggests over half (54 per cent) of school-leavers drop out of education because of financial reasons, but with support such as Education Maintenance Allowance available the message to young people opening their GCSE results this week could not be clearer.

¹ In 2005 the proportion of A*-C grades at GCSE leapt two percentage points to 61 per cent, the largest such rise for 13 years according to the DfES.

² 19.7 per cent of 17 year olds were not in learning or training, according to the National Statistics, Participation in education, training and employment of the 16-18 year olds in England in 2005 so the LSC predicts this figure is likely to remain constant in 2006.

Julia Dowd, Director of Young People's Learning at the LSC, said:

"The vast majority of employers we questioned said they would urge school-leavers to continue in education or training and think about the wide choice available at college or on a work based learning programme. This research really hits home the fact that employment opportunities open to young people are massively enhanced by staying in education and training. By not dropping out, young people significantly improve their job prospects and earning potential".

"If young people who have just finished year 11 are considering taking a job just to earn money, they must remember learning is free and that Education Maintenance Allowance (EMA) is available to many. I strongly urge all young people to find out if they are eligible for EMA to support them in all of the possible ways of learning. Before they make any decision, they should call the EMA helpline on 0808 10 16219. It is clear from our research that the long term financial benefits of remaining in education and training, make not dropping out much more attractive. For those who are undecided what to do, log onto www.getsetforlife.org.uk to explore the choices of what, where and how to continue in learning.

ENDS

Notes for editors

This press release applies to England only. Separate EMA schemes are operated by the administrations for Scotland, Wales and Northern Ireland.

The Learning and Skills Council commissioned YouGov to independently question 412 employers online between 21st-24th July 2006. Results were weighted to be representative of the adult GB population, according to the 2001 census. 1,262 respondents had children, 230 of whom had children between the ages of 16 and 19.

What are the key features of EMA?

- Weekly payment bands of £30, £20 and £10 per week, depending on household income.
- Intermittent Bonus payments depending on the programme of learning.
- Available for both academic and vocational study, up to level 3, which can include courses such as basic skills GCSE retakes, GNVQs, NVQs, as well as AS and A2s.
- No other household benefits are affected.
- Young people can still have a part-time job.

Who is eligible?

- Young people are eligible to receive or to continue receiving EMA from September 2006 providing:
 - They will already be 16, 17 or 18 on the 1st September 2006;
 - Are from a household with a combined income of up to £30,810;
 - They are participating in full-time further education (as defined in EMA guidance) up to and including Level 3, or LSC funded e2e or a Programme led Apprenticeship

- They must be:
 - a person who is 'settled' in the UK, and been ordinarily resident in the UK for at least the three years prior to the start of their learning programme;
 - a national of any European Union (EU) country or the child of an EU national, and been ordinarily resident in the UK for at least the three years prior to the start of their learning programme;
 - a European Economic Area (EEA) migrant worker or the spouse or child of an EEA migrant worker, who is ordinarily resident in the UK at the start of their learning programme and has been ordinarily resident in the EEA throughout the three year period prior to that; or
 - recognised as a refugee by the UK Government, the spouse or child of a refugee, have been granted Humanitarian Protection, or have EU Temporary Protection.

- If a young person lives overseas as part of a family serving with HM Forces or the Ministry of Defence, they should call the Children's Education Advisory Service (CEAS) on +44 1980 618 244 for advice on EMA.

Application

In order to apply for EMA, young people need to follow this procedure:

1. Pick up an application form from school, college, learning providers, Connexions personal advisers or by calling 0808 10 16219 or by logging onto www.direct.gov.uk/ema.
2. EMA is paid directly into a young person's bank account, therefore if they haven't got an account, they should set one up and obtain a statement in their name or ask the bank to fill in the relevant part of the application pack to verify the account.ⁱ
3. Parents/carers need to fill in parts of the application form and provide evidence of household income in the previous financial year 2005/2006. This will normally be the 2005/2006 Tax Credits Award Notice (TCAN)ⁱⁱ from the Inland Revenue. Some parents/carers may need to send in a P60 (for employed parents) or SA302 (for self-employed parents).
4. Once the form is correctly completed and returned to the Assessment and Payment Body, a 'Notice of Entitlement' will be sent to the young person, which will explain how much the young person can receive when they enrol on a valid programme of learning at school, college or training provider and start attending regularly.
5. The young person should take the 'Notice of Entitlement' to their school, college or learning provider when they start their programme of learning and sign an 'EMA contract' agreeing to be paid in return for regular attendance and commitment to their course.

EMA Contract

Once enrolled, the student must attend all course sessions and sign an EMA Contract with their school or college. The contract sets out what is expected in terms of attendance, coursework and progress.

Apprenticeships

To find out more about Apprenticeships, young people should visit www.apprenticeships.org.uk or call 08000 150 400

Alternatively, they can get advice on how to get a place on an Apprenticeship by calling a Connexions Direct Adviser on 080 800 13219.

Employers can call the Apprenticeships helpline on 08000 150 400, or contact their local Learning and Skills Council.

LSC

The LSC exists to make England better skilled and more competitive. We are responsible for planning and funding high-quality vocational education and training for everyone. We have a single goal: to improve the skills of England's young people and adults to world-class standards. Our vision is that by 2010, young people and adults in England have the knowledge and skills matching the best in the world and are part of a truly competitive workforce. Established in 2001, we work nationally, regionally and locally from a network of offices across the country.

FOR FURTHER INFORMATION:

All public enquiries regarding EMA please contact: 0808 10 16219 (some mobile operators may charge for calls made to this number) or visit www.direct.gov.uk/ema.

All public enquiries please contact: LSC Helpdesk: 0870 900 6800

All media enquires please contact:

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ⁱ The bank account chosen must be able to accept payments by BACS

ⁱⁱ A Tax Credits Award Notice (form TC602) is sent to parents direct from the Inland Revenue, and a sample copy can be viewed at www.direct.gov.uk/ema