Resolution Foundation

Can training help workers change their stripes?

Retraining and career change in the UK

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Executive Summary

Britain is on the verge of an employment crisis, with labour-intensive and lower-paid sectors hardest hit

The coronavirus crisis has already brought significant disruption to the UK labour market, leading to sharp falls in the number of people employed, the number of hours they work and the number of job vacancies on offer. Before the crisis set in, nearly one-in-five UK workers (19 per cent) were in a sector that would be (temporarily) shut down, a large proportion of whom were low-paid and had lower-level qualifications.

Although many workers were furloughed under the Coronavirus Job Retention Scheme (JRS) and have now started to come back to work, there are growing concerns that employment in labour-intensive sectors offering in-person services will continue to suffer. For instance, nearly four-in-ten workers in hospitality and leisure, and one-in-ten workers in non-essential retail, remain furloughed. With the JRS starting to wind down from this month and these sectors still facing significant supply constraints, many more adults could soon be out of work. They will need support to re-enter employment swiftly if we are to avoid lasting high unemployment. Moreover, some of the sectoral shifts currently happening are likely to be more permanent in nature. It remains to be seen the extent to which the hospitality and leisure sectors will recover from this crisis in the medium term, but the retail sector is very likely to continue to decline, as it had been doing before this crisis hit.

The prospect of a rise in unemployment means that the Government will need to consider adult education and retraining policies that will help some workless adults move back into work and help other adults move to different sectors.

Recent retraining debates have been narrowly focused on the automation threat, with broader formal training outside the workplace in decline

Unfortunately, the UK is not in a particularly strong position to do this. Before the current crisis, retraining policy was frequently discussed within the context of the job-displacing effects that automation and technological change could have upon declining heavy industries. This led to calls for retraining schemes that were centred on sectors like manufacturing. These calls failed to recognise the fact that most of the decline in manufacturing has been driven by a longer-term fall in the number of workers moving into the sector, rather than a rise in the numbers leaving manufacturing and moving into unemployment. In fact, over recent years the annual number of workers leaving service sectors like hospitality and retail (which have taken a bigger hit in the current crisis) and moving into unemployment (152,000 and 108,000, respectively) has been larger than the number leaving manufacturing (105,000).

More broadly, training not directly linked to one's current job has declined by 20 per cent since the early 2000s. And across both this type of training and employer-led training, which is much more common in Britain (roughly 6 million UK adults report having work-related training in a given year, compared to only about 1.6 million in formal education outside of work), participation is biased towards the already highly qualified. In other words, the existing system offers fewer opportunities both for those not currently connected to employers, and for the lower-qualified workers most at risk of losing their jobs in the current crisis.

Policy makers looking to tackle high unemployment via retraining therefore find themselves in a difficult position

Policy makers looking to fend off unemployment in the current crisis are therefore in a difficult position: current training provision and debates tend to overlook the types of workers who are most at risk of losing their jobs, and most in need of moving sectors. This challenge should cast a sharp light on the role of adult education and training: to what extent can it help workers re-enter the labour market, and to what extent can it help them retrain for work in entirely different sectors?

To help answer these questions, this report uses data from Understanding Society over the 2012-18 period in order to understand the relationship between broad types of education and training and the likelihood of a person either re-entering the labour market after a spell of worklessness, or changing industry (and in doing so, attaining a pay rise). As well as comparing the relative effects of training upon the odds of achieving these outcomes, having controlled for a variety of personal and work-related factors, we explore the extent to which the effects vary across different groups of adults.

Our aim is not to discuss variation in the economic returns that exist between different types of qualifications (which is already covered by a rich body of research), but instead to shed light on the broader link between education and training and making important career transitions.

There is a strong association between training and returning to work, particularly among non-graduates

One-in-twenty (5 per cent) of 25-59-year-olds in the UK experienced a spell of worklessness during 2012-18. A range of different types of training were statistically significantly associated with them moving back into work, holding constant various personal and work-related characteristics. For instance, absent any education or training, we would expect 53 per cent of 25-59-year-olds who had recently moved out of work to return to a job within two years. We would expect 71 per cent of 25-59-year-

olds who had training that resulted in a qualification to do so (a difference of 19 percentage points).

While training linked to a qualification had a somewhat stronger association with returning to work, we didn't identify big differences between different lengths of training, with longer forms of training not having much of a stronger relationship with returning to work as compared to shorter courses. There were clearer differences between different subgroups of adults, however, with the association between training and returning to work greatest for non-graduates, and younger non-graduate women in particular. Absent any training, 39 per cent of those in this group who had recently moved out of work returned, a figure boosted to 62 per cent among those who had undertaken training resulting in a qualification (a 23 percentage point difference). Older non-graduate men also received a particularly large boost to the odds of returning to work from training.

There is less evidence to suggest a strong association between most forms of training and career change; only full-time education bears a significant link

Beyond simply returning to work, there is the question of how – and to what extent – education and retraining can help workers change sector, and ideally change sector while obtaining higher levels of pay than they received before. Therefore, our research tests the association between training and the odds of a person moving industry, again controlling for several personal and work-related characteristics.

We find somewhat small, though statistically significant, associations between some forms of training and changing industry. For instance, absent any education or training, we would expect 15 per cent of 25-59-year-olds to currently be working in a sector that is different from the one they worked in three years ago. We would expect 18 per cent of those who had taken training that resulted in a qualification to have done so. The association between industry change and full-time education is, however, much larger: we would expect 31 per cent of those who had undertaken full-time education in the interim

to be working in a different sector to the one in which they were employed in prior to full-time study.

The relationship between training and making a 'positive' industry change (i.e. both working in a different industry and experiencing a 10 per cent pay boost) is similar. Full-time education is again the only form of training associated with a substantial increase in the likelihood of a positive industry change: while we would expect just 5 per cent of workers who have not experienced training to have both changed industry and received a minimum 10 per pay rise compared to three years ago, we would expect 11 per cent of those who had completed some full-time education in the interim to have done so. Once again, these effects are largest for non-graduates, particularly older non-graduate men and women.

It is important to put these findings into context. Only a small proportion of people take on the more intensive forms of full-time training that we find associated with big career changes, with just one per cent of 25-59-year-olds in full-time study. This may reflect barriers that prevent adults from taking up such intensive study: for instance, the availability of appropriate courses, their own or the state's capacity to pay for it, and the perceived cost-benefit to doing so. Whatever the drivers, it's clear that Britain has little recent experience of success in this area.

Policy makers should avoid retraining policies that are centred on specific challenges or narrow groups of workers, and instead focus their current efforts on tackling unemployment

Given the scale of the current crisis, and the types of workers most affected, it is long past time for the UK's retraining narrative to move beyond specific forms of job loss and narrow groups of workers (e.g. automation and industrial decline). Policy makers should look to education and training as one way to tackle the high levels of unemployment that we are likely to be facing. They should recognise the positive role that training can play in helping lower-qualified workers re-enter a job after a spell of worklessness, particularly when linked to qualifications,

and particularly for non-graduates (and younger women and older men within them). Of course, even with training, helping recently-redundant workers to re-enter the labour market could prove far more difficult to achieve if vacancies in labour-intensive sectors with low barriers to entry (e.g. hospitality, entertainment and retail) remain thinner on the ground than they were during the majority of the period we studied (2012-18).

Where the goal is to shift large numbers of workers from one sector to another, our findings are more challenging. There is little evidence to show that shorter courses make much of a difference in helping workers change sector on their own. And while full-time education does appear more strongly linked to the odds of changing sector, it's unlikely that a majority of unemployed adults, or those in work but looking to change sector, would be either willing or able to afford to return to full-time study in the years to come.

Similarly, looking abroad for answers on how to develop national, large-scale retraining schemes that match displaced workers to jobs in growing sectors is not entirely straightforward. Some of the more successful retraining regimes that persist in Scandinavian countries rely on a long history of close engagement between employers, unions and government. This is a tripartite structure that has historically been more fragile in the UK, and largely lacking in the specific sectors worst hit by the current crisis. In other words, retraining systems cannot easily be imported.

In the short-to-medium term, government should consider policies that would help adults re-enter work and/or change career by adopting more sector-focused job creation initiatives that have training built into them. For instance, we have previously called for investment in social care and 'green jobs' like home retrofitting as a way to boost sectoral reallocation and tackle unemployment during this crisis. By providing training very directly linked to government-led job creation in areas with relatively low skills barriers to entry, courses can be more specific and shorter than the full-time study that has historically been shown to make a difference in supporting sectoral change.

In fact, government playing a role in job creation could help overcome the lack of tripartite coordination that prevails in the UK.

The unemployment effects of the coronavirus crisis are only beginning to emerge. Tackling these effects will require a multi-pronged approach that should include the swift provision of training that has proven effective in helping adults re-enter work from worklessness, and strategies that link retraining to achievable (and desirable) job creation initiatives in other sectors. These are difficult challenges to which no single policy will serve as a panacea, but that doesn't mean policy makers should shy away from them.

Section 1

Training and adult education before the coronavirus crisis

Before the onset of the coronavirus crisis, the common narrative around adult education and training tended to focus on the threat of automation and technological change, and the needs of those in manufacturing who are thought to be most at risk of displacement. Unfortunately, this framing tended to overlook the majority of lower-qualified workers, many of whom work in sectors that have felt the most acute effects of the current crisis.

This section discusses why calls to retrain a specific subset of displaced workers are wide of the mark. We show that much of the decline in sectors like manufacturing has been driven less by a rise in people moving out of the sector, and more by a long-term reduction in people moving into it. We also place this recent retraining preoccupation in the broader context of Britain's pre-coronavirus adult retraining system, showing that training not directly linked to one's current employer had been in long-term decline; and both this and the much larger volumes of employer-led training have been tilted towards those who already have higher-level qualifications.

In recent years, calls for retraining have been predicated upon automation and industrial decline

Much of the recent discussion around adult education has been driven by fears that technological change and automation could drive large-scale redundancies. Predictions about the size and shape of the effects that automation could have on employment tend to vary: the Office for National Statistics (ONS) estimated that 7 per cent (1.5 million) of all UK jobs were at high risk of automation in 2017;[1] the professional services firm, PwC, estimated that 30 per cent of UK jobs would be at high risk of automation by the 2030s;[2] and analysis from the consultancy Oxford Economics predicted that by 2030 as many

1 Office for National Statistics, The probability of automation in England: 2011 and 2017, March 2019.
2 PwC Economics, Will robots really steal our jobs? An international analysis of the potential long term impact of automation, February 2018.

as 20 million manufacturing jobs could be lost worldwide, including "several hundred thousand" UK jobs.[3] [4]

Despite coming to different conclusions on how many jobs could be at risk, the combined effect of these reports was to drive up calls for large-scale retraining programmes. For instance, the Organisation for Economic Cooperation and Development (OECD) found that one million UK jobs could be at risk of automation, in particular many in manufacturing. They called on the UK to develop a large-scale retraining programme in response to automation, where £90 billion would be spent on both retraining and replacing workers' lost wages as they return to study.[5]

Retraining workers who leave declining sectors like manufacturing is a worthwhile policy, but its limited focus skips over the larger number of adults losing jobs in coronavirus-hit sectors

The manufacturing sector has been declining for several decades, and automation studies have singled out manufacturing roles as particularly likely to become obsolete over the medium term.[6] It is therefore unsurprising that manufacturing workers have played a large role in the country's retraining narrative.

It is right that we try to prevent workers from being pushed out of work and into unemployment (or inactivity). However, the specific focus on automation (and, within that, manufacturing) that garnered a large amount of space in the UK's adult education policy narrative was too narrow. This has become even more true during the pandemic, given that many of the workers that this approach risked glossing over were from in-person service sectors hard-hit by the current crisis.

As a proportion of total UK employment, manufacturing (a proxy for sectors widely affected by technological change) has indeed declined markedly: it comprised nearly 20 per cent of jobs in 1995, compared to just under 10 per cent today. The relative decline in retail has been much smaller (from roughly 10 per cent to 7 per cent).

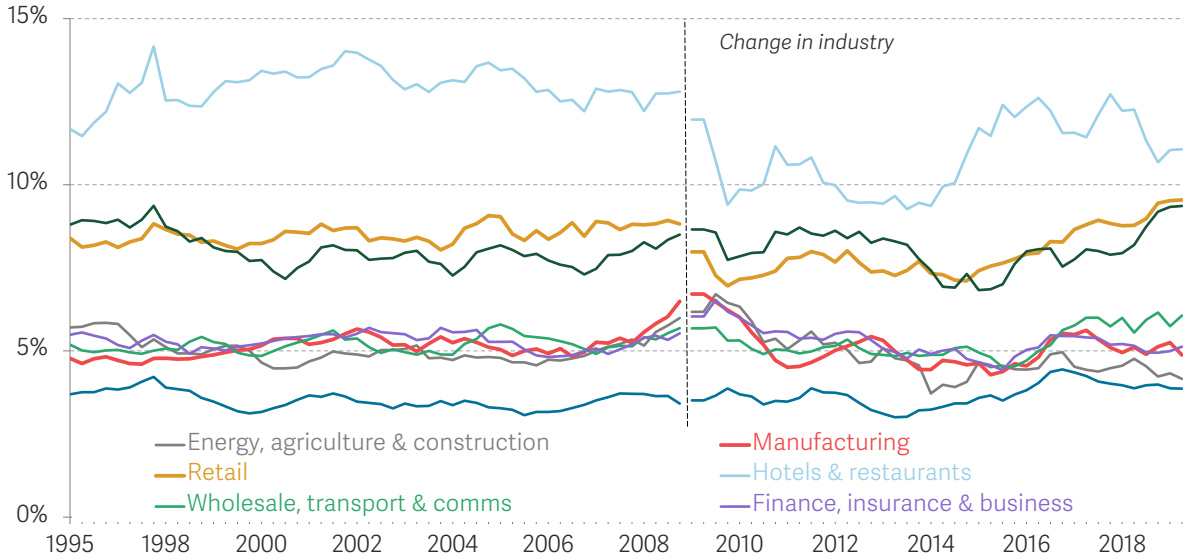
And yet, figures from the ONS's longitudinal Labour Force Survey indicate that the *decline in manufacturing* has been *driven less by a rise in the number workers moving out of the sector* and more by a longer-term *reduction in the number of workers moving into it*. Figure 1 shows that manufacturing's outflow rate (the number of people leaving the sector over a quarter as a proportion of all those working in the sector in the previous

3 BBC, Robots 'to replace up to 20 million factory jobs' by 2030, June 2019.
4 These estimates are each based on modifications to a methodology set out in a 2013 paper by academics Carl Frey and Michael Osborne, which examined the proportion of employment in the US that was susceptible to computerisation. See: C Frey & M Osborne, The Future of Employment: How susceptible are jobs to computerisation?, Oxford Martin School, September 2013.
5 T Wallace, UK faces £90bn bill to retrain one million workers who face losing jobs to robots, The Telegraph, May 2019.
6 Studies on automation and the future of the workforce tend to draw a distinction between roles that could be partially affected by automation (for instance, certain tasks within a particular job may change) and those that would become obsolete as a result of a firm taking on new technology.

quarter) has held roughly flat, at around 5 per cent, since the series began. And that outflow rate has been either middle- or low-ranking compared to the seven other sectors featured here – especially those sectors, like retail and hospitality, which have been badly hit by the current crisis.

FIGURE 1: **Outflow rates from manufacturing are lower than in most other sectors**

Quarterly outflow rates of 16-59/64-year-olds, by sector: UK



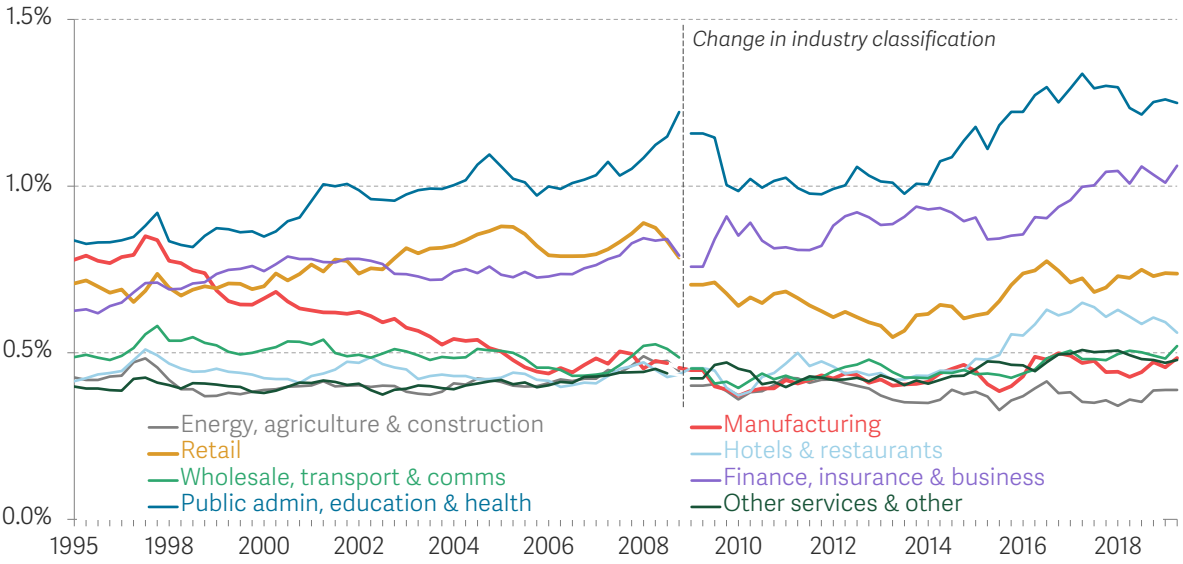
NOTES: Four-quarter rolling average. This analysis covers women aged 16-59 and men aged 16-64. The outflow rate is the number of people leaving the sector over a quarter as a proportion of all those working in the sector in the previous quarter. Vertical line represents changes to the sectoral classification in Q1 2009.
SOURCE: RF analysis of ONS, Labour Force Survey two-quarter longitudinal datasets.

But while the manufacturing sector's outflow rate has appeared roughly mid-pack and stable since the mid-1990s, its inflow rate (the number of people entering a sector over a quarter as a proportion of everyone not employed in that sector in the previous quarter) appears to have played a much larger role in its decline. Figure 2 shows that the inflow rate declined from the beginning of our time series in 1995 to the mid-2000s, thereafter holding relatively flat.

The fall in the manufacturing sector's inflow rate is larger than that of any other sector over the 24 years from 1995 to 2019, and stands in direct contrast to the growing inflow rates for public administration, finance, insurance and business services over the same time period. In other words, it appears that manufacturing's decline has been driven by a relatively large and steady fall in inflows (the bulk of which occurred well over a decade ago), rather than by a recent or abnormally large increase in outflows.

FIGURE 2: **The rate of adults moving into manufacturing fell steadily until the early 2000s**

Quarterly inflow rates of 16-59/64-year-olds, by sector: UK



NOTES: Four-quarter rolling average. This analysis covers women aged 16-59 and men aged 16-64. The inflow rate is the number of people entering the sector over a quarter as a proportion of all those not working in the sector (due to working in other sectors, unemployment or economic inactivity) in the previous quarter. Vertical line represents changes to the sectoral classification in Q1 2009.
SOURCE: RF analysis of ONS, Labour Force Survey two-quarter longitudinal datasets.

Of course, many of these flows will reflect workers 'churning' from one sector to another. However, the potential for workers to move out a declining sector and into worklessness has characterised much of the discussion around automation and the need for retraining policies. But although manufacturing leavers used to move into unemployment at a higher rate than leavers from all sectors, on average, there is little significant difference today. In fact, even before the onset of the current crisis, it was retail leavers who stood out as more likely than average to move into unemployment.[7]

Putting to one side the *rates* of movement to unemployment and inactivity, policy makers should naturally be concerned about the *overall number* of workers moving out of work, given that this would – in most circumstances – form a pool of adults in need of job search assistance and/or retraining. Again, however, the evidence does not suggest that manufacturing is a uniquely worrying case. Table 1 shows the total number of workers that moved out of a particular sector on average each year during 2015-18, and within that, the number who moved into other employment, into unemployment and into inactivity. When viewed in absolute terms, the number of workers flowing out of manufacturing and into unemployment was roughly 'mid-pack' (i.e. 105,000 per year from

7 For further details, see: L Gardiner & D Tomlinson, Sorry, we're closed: Understanding the impact of retail's decline on people and places, Resolution Foundation, February 2019.

manufacturing, relative to 238,000 from public administration and 108,000 from hotels and restaurants). In percentage terms, 27 per cent of all workers moving from a job into unemployment came from public administration, education and health, 16 per cent from finance, 14 per cent from retail, 11 per cent from hotels and restaurants and just 8 per cent came from manufacturing.

TABLE 1: **Comparted to other sectors, the number of manufacturing workers flowing into unemployment appears mid-pack**

Annual average number of 16-59/64-year-old workers moving into unemployment, inactivity and other employment, by sector: UK, 2016-18

	Unemployment	Inactivity	Employment	Total outflows
Public admin, education & health	238k	622k	621k	1.48k
Finance, insurance & business	203k	299k	693k	1.19k
Retail	152k	286k	523k	961k
Hotels & restaurants	108k	231k	391k	730k
Wholesale, transport & comms	116k	141k	456k	713k
Other services & other	100k	190k	383k	673k
Manufacturing	105k	143k	389k	637k
Energy, agriculture & construction	85k	126k	288k	499k

NOTES: This analysis covers women aged 16-59 and men aged 16-64.
SOURCE: RF analysis of ONS, Labour Force Survey two-quarter longitudinal datasets.

Our argument is not that the 8 per cent of manufacturing workers moving into unemployment should be overlooked, but instead that adult education policies focused primarily on retraining at-risk workers from more easily-automatable sectors like manufacturing can easily skip over the even larger number of workers moving out of other sectors that could also potentially benefit from quality education and training – particularly those sectors that are struggling even more now as a result of the pandemic.

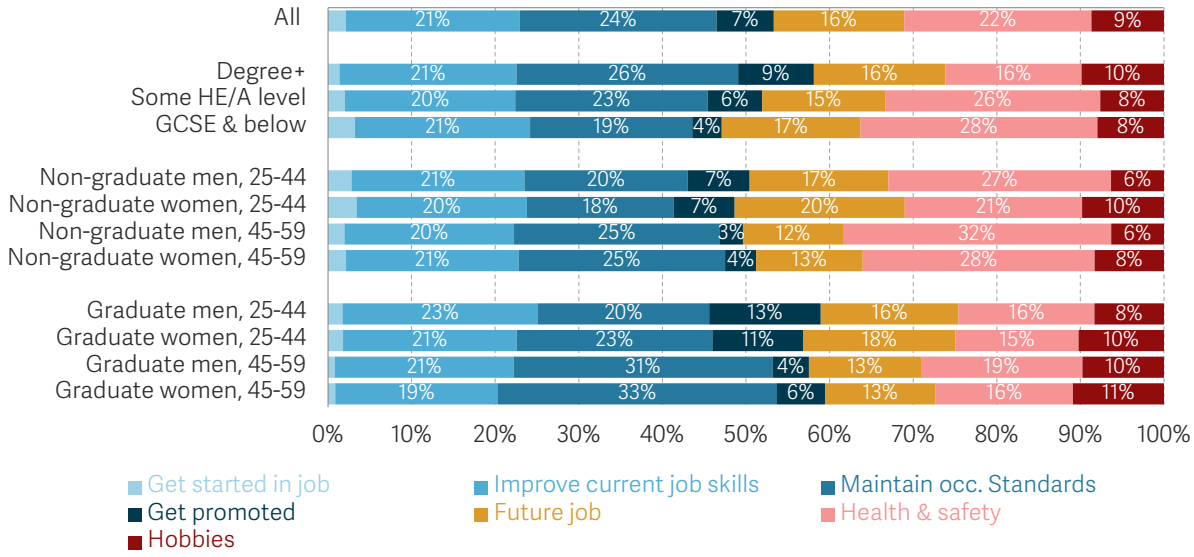
More broadly, non-employer-led training has been in decline, and the large majority of adult education and training that actually exists is focused on workers with higher-level qualifications

Putting to one side in-vogue retraining debates, it's worth reflecting on the adult training that we actually deliver in the UK. The large majority is employer-led: according to figures for the Labour Force Survey (LFS) for 2019, roughly 6.2 million in-work 25-59-year-olds (24 per cent) recently had some form of work-related training. By contrast, we estimate that just 1.6 million 25-59-year-olds (5 per cent) were enrolled in any full- or

part-time education course (excluding those done for leisure purposes).[8] The fact that the UK has focused on employer-led adult skills development – not least via reforms to apprenticeships – is not necessarily a bad thing, attempting to align the delivery of skills training with current demand. But it is concerning that non-employer-led training has declined by 20 per cent since the early 2000s, especially now that the current crisis is disrupting many firms and sectors.[9]

FIGURE 3: **Training received by lower-qualified adults is more likely to centre on health and safety**

Purpose of education or training scheme among 25-59-year-olds who received any form of education or training: UK, 2012-18



NOTES: This figure excludes those respondents who participated in full-time education (because full-time students are not asked to indicate the purpose of their course).
SOURCE: RF analysis of ISER, Understanding Society.

8 These figures correspond to data from the Department for Education as well from the Higher Education Statistics Agency: roughly 1.1 million adults in England participated in an adult further education classroom-based course in 2018/19 (a reduction of 30 per cent since 2011/12) and 730,000 adults age 25 and over were enrolled in a part- or-full time course at a higher education institution in the same year. However, the higher education figure does include foreign students and there is the potential for some overlap across the two data sources, such as where a student is registered on a higher education course but studying that course at a further education college. See: Department for Education, Further Education and Skills, March 2020; Higher Education Statistics Agency, Higher Education Student Statistics: UK, 2018/19 - Student numbers and characteristics, January 2020.

9 Participation in adult further education has fallen for a number of reasons, including funding reductions and learner eligibility restrictions: although all adults without a Level 2-equiavlent English and Maths qualification are entitled to study one free of charge, funding for other lower- and mid-level qualifications has been siphoned off over recent years. For example, all adults without a 'full' Level 2 qualification (as opposed to a course that sits within a larger qualification) were in the past eligible to study for one free of charge. But since 2016/17, those age 24 and over and in work have been required to pay half tuition costs. Additionally, all adults without a full Level 3 qualification were in the past able to study for a Level 3 course for free but since 2016/17, only 19-23-year-olds have been able to continue to do so (provided it is their first), while everyone age 24 and older has either had to pay upfront or take out at an Advanced Learner Loan. See: Department for Education, Independent panel report to the Review of Post-18 Education and Funding, May 2019.

Moreover, adults who undergo of training are substantially more likely to already have a high-level qualification. LFS figures show that adults with a Master's degree or higher are nearly twice as likely to report recently having had work-related training than their counterparts qualified only to GCSE-equivalent levels of education (see Figure 9 and Figure 10 in the annex). And figures from Understanding Society (Figure 3) illustrate stark qualification-based differences in training purposes between adults.

Among those non-graduates that report having had any training in the past year, health and safety remains the most common purpose. By contrast, training appears to offer graduates the opportunity to improve their skills and maintain occupational standards. In other words, the existing training opportunities for many lower-qualified adults do little to help them develop the skills for progressing in work or changing career.

Lower-qualified adults, a large proportion of whom are young, are most likely to have been affected by the current economic crisis

So far, the substantial reductions in employment and sharp sectoral downturns that have characterised the current economic crisis have disproportionately affected younger and lower-paid workers. While to some extent this is down to employment patterns (younger and lower-paid workers are more likely to work in highly affected sectors like hospitality and retail), recent Resolution Foundation research has found that low-paid workers are still more likely to be furloughed than their higher-paid counterparts, even after sector and a range of other characteristics are taken into account.[10]

The large employment effects of this crisis have therefore cast a brighter light onto the UK's adult education and training system for two related reasons. First, because as in most recessions, there will be a large number of adults who have recently lost work (many of whom will have lower levels of education) who will need help getting back to work in a more competitive labour market. Second, because of the unique sectoral effects of this particular crisis: if many of the crisis's worst hit sectors (hospitality, retail and transport) decline either temporarily or in the longer term (with retail particularly likely to decline over the longer term given pre-coronavirus trends[11]), a large proportion of recently redundant workers will need to change sectors in order to find work.

These outcomes have led to calls for employment support and training programmes to support workers and jobs during this crisis.[12] Many of these calls rightly recognise that, while some out-of-work adults may be able to shift back into work through a combination

10 See: N Cominetti, L Gardiner & H Slaughter, The Full Monty: Facing up to the challenge of the coronavirus labour market crisis, Resolution Foundation, June 2020.
11 L Gardiner & D Tomlinson, Sorry, we're closed: Understanding the impact of retail's decline on people and places, Resolution Foundation, February 2019.
12 See for instance: Institute for Employment Studies, Help Wanted: Getting Britain back to work, May 2020; S Evans & J Dromey, Emergency Exit: How we get Britain back to work, Learning and Work Institute, June 2020; CBI, Building a World-Class Innovation and Digital Economy Recommendations for an innovation and technology-led recovery, June 2020.

of advice and shorter-length training, others would be better served by participating in a longer, more intensive retraining process to allow them to take up a new career in a growing sector. In other words, the current crisis underscores the need for an adult education and training system that can help all workers *re-enter* the labour market, as well as helping some be *reallocated* to growing sectors.

This is a tall order, particularly for an education and training system that has, over recent decades, left the largely lower-qualified workers most affected in the current crisis without much cover.

By looking to the (recent) past, we can better understand the extent to which (re)training can meet the employment challenges in the current crisis

Both the scale of the current crisis and the limited focus of adult retraining debates complicate efforts to learn from recent policy initiatives. However, it is important that we understand the adult education system we have, the outcomes it delivers and for whom it is most successful if we are to implement effective policy to deal with both longer-standing (e.g. relating to automation) and more recently emerging (e.g. relating to the coronavirus crisis) challenges.

On that basis, this report uses data from Understanding Society collected over 2012-18 in order to estimate the effects of broad types of education and training upon the odds of a person either re-entering the labour market after a spell of worklessness, or changing industry (and in doing so, attaining a pay rise). As well as comparing the relative effects of training on the odds of achieving these outcomes having controlled for a variety of personal and work-related factors, we also explore the extent to which *different forms of training* are associated with either re-entry or reallocation for *different groups of adults*.

The aim is not to generate information on the individual economic returns that exist between different types of qualifications,[13] but instead to gauge the association between participating in adult education and making important career transitions.

The remainder of this report is set out as follows:

- The next section of this report, Section 2, presents patterns of labour market re-entry for individuals experiencing a spell of worklessness, before going on to analyse the extent to which different types and intensities of training are associated

13 There is a rich body of academic research outlining the financial returns to different types and levels of qualifications, with results often differing between methods and comparison groups. Differences include, for instance, whether the comparator is an individual who does not have a particular qualification, began studying for said qualification but did not complete it, or who has a qualification one level below the particular qualification in question. For example, see: F Buscha & P Urwin, Estimating the Labour Market Returns to Qualifications Gained in English Further Education Using the Individualised Learner Record (ILR), Department for Business, Innovation and Skills, April 2013; L Dearden, L McGranahan & B Sianesi, An in-depth analysis of the returns to National Technical Qualifications obtained at Level 2, Centre for the Economics of Education, December 2004; G Conlon et al., The Payoff to Technical Qualifications: Reconciling Estimates from Survey and Administrative Data, Centre for Vocational Education Research, November 2017.

with re-entry from worklessness into work. It also considers how the strength of that association varies between different groups of adults.

- Section 3 presents patterns of individuals' sectoral change, discussing the frequency with which individuals move between sectors as well as the frequency with which individuals make positive career changes, i.e. sector moves that are combined with pay rises. It then discusses the extent to which different types and intensities of education and training are associated with making cross-sector moves, and how that strength of these associations varies between groups.
- Section 4 concludes by placing our findings in the context of the current economic crisis and the challenges facing policy makers. It highlights the extent to which different forms of training can be effective in facilitating labour market re-entry, especially for those types of workers most affected in the current crisis. It also discusses the somewhat weaker association between most forms of training (apart from full-time education) and a person changing industry, and how that could shape the Government's strategy on job search and retraining in the weeks and months to come.

Section 2

Training to return to work

While one-in-five 25-59-year-olds have experienced some form of worklessness over recent years, one-in-twenty (5 per cent) will have moved into worklessness having previously recently been in work. This section focuses on the role of education and training in facilitating job re-entry for that 5 per cent.

Before outlining the relationship between training and job re-entry, this section shows that education and training among workless adults is, like training patterns for the wider population, unevenly distributed, especially when it comes to the attainment of qualifications. While 18 per cent of workless graduates reported having had some form of training, only 14 per cent of those with mid-level and 11 per cent of those with lower-level qualifications did. To the extent that education and training are associated with adults moving from worklessness back into work, these inequalities are a concern. Only about 12 per cent of out-of-work benefit claimants took up training in 2018/19, with a majority signing on to shorter-duration courses.

And indeed, our analysis finds that holding constant various personal and work-related characteristics, training – and its qualification-bearing forms in particular – is positively and significantly associated with a workless person moving back into work. These results are particularly striking for two groups which receive some of the lowest levels of education and training to begin with: younger non-graduate women, and older non-graduate men.

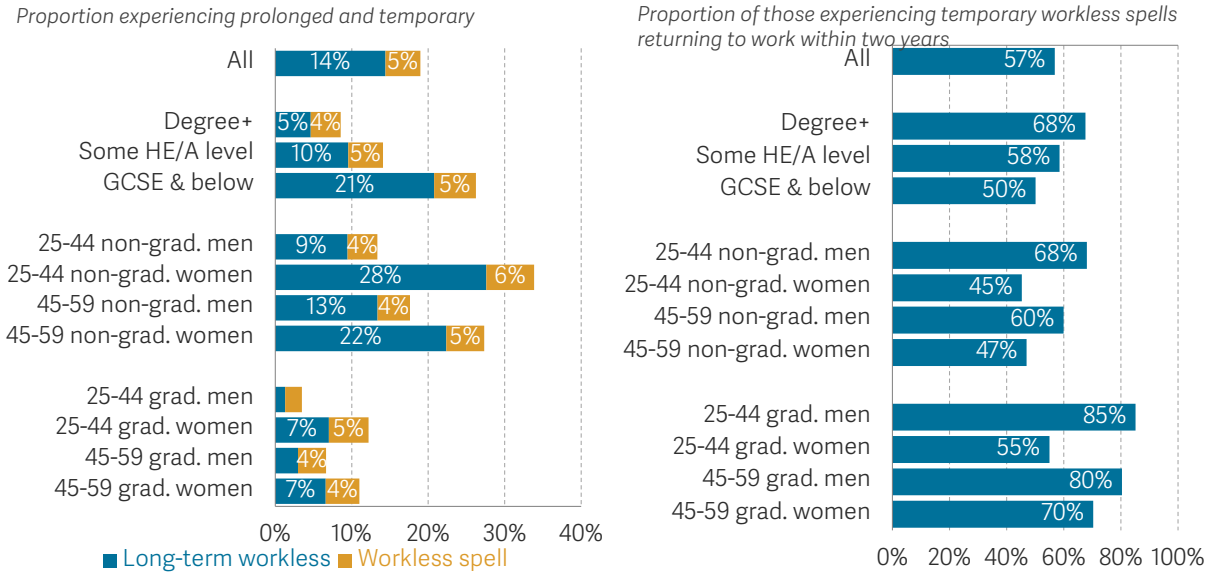
Nearly one-in-five adults age 25-59 will have experienced worklessness over the previous five years

Figures from Understanding Society shows that 19 per cent of all adults age 25-59 experienced at least one spell of worklessness between 2012 and 2018. This includes 14 per cent who experienced a period of prolonged worklessness (where a respondent was out of work during each of the four previous years) and an additional 5 per cent who experienced a *workless spell* (where they were in work three or four years prior

but subsequently moved out of work). The left-hand panel in Figure 4 shows that there is substantial variation in the proportion of adults who experience *longer-term worklessness*, ranging from 1 per cent of younger non-graduate men to 28 per cent of younger non-graduate women.

FIGURE 4: **Younger non-graduate women are more likely than most to experience temporary worklessness, and less likely than most to return**

Proportion of 25-59-year-olds experiencing worklessness and returning to work: UK, 2012-18



NOTES: Long-term workless captures those not in work in any of the previous four waves. Those classed as having a workless spell were in work three or four waves prior but subsequently moved out of work. Those experiencing workless spells who return to work are people who were in work in work three or four waves prior, moved out of work over one of the two the previous two waves and then subsequently returned to stable employment (in work in the current wave and at least one of the three following waves). Respondents indicating that they are retired, and those who were in full-time education over the previous three to four waves, have been removed from analysis, as are those who were in full-time education three or four waves prior.
SOURCE: RF analysis of ISER, Understanding Society.

And although a far smaller proportion of adults experienced a *workless spell*, this too varied according to qualification and gender. While 5 per cent of all 25-59-year-olds experienced a spell of worklessness, only 2 per cent of younger graduate men did, compared to 6 per cent of younger non-graduate women. Finally, just as qualifications and gender are correlated with the odds of experiencing a workless spell, they are also associated with labour market re-entry, i.e. returning to work within two years of moving into worklessness.[14] The right-hand panel of Figure 4 shows that, among the 5 per cent of 25-59-year-olds experiencing a workless spell, 57 per cent returned to work within two

14 Meaning they returned to work at least two waves after having first reported being out of work, and stayed in work for at least one of the following three years. This group of 'returners' excludes respondents who were retired or full-time students at the time of reporting being out of work.

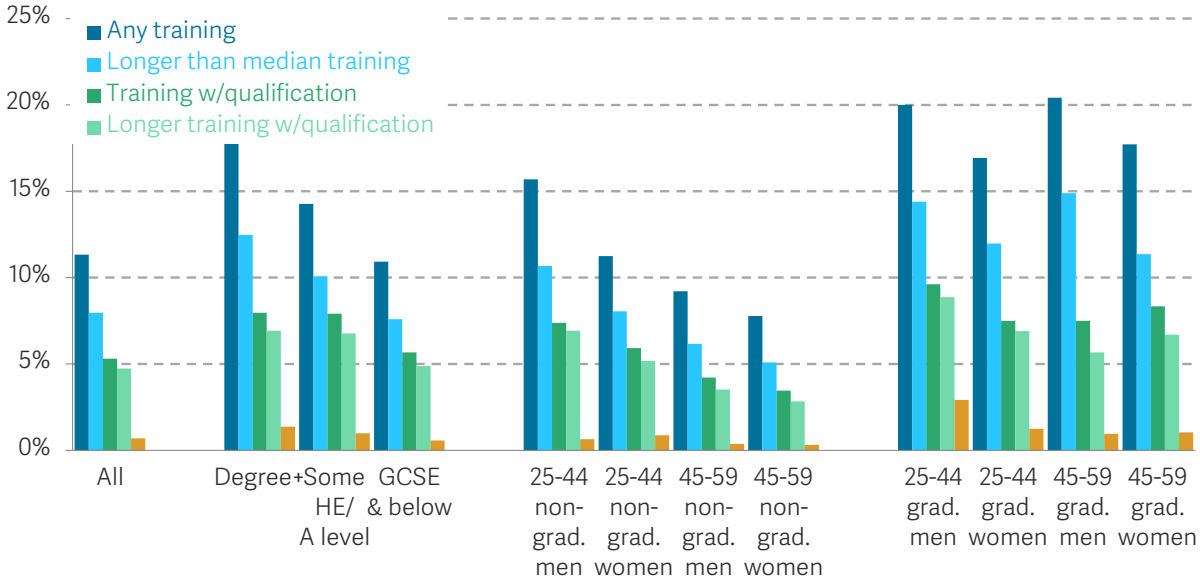
years, ranging from more than two-thirds (68 per cent) of the 4 per cent of graduates who experienced a workless spell, to only half of those qualified up to GCSE-equivalent level (5 per cent of whom experienced a workless spell).[15]

Even among out-of-work adults, those with lower-level qualifications are less likely to access education and training

These gaps are a concern – particularly given that the groups who appear least likely to return are the same groups that are most likely to move out of work. This section asks whether education and training have an independent effect on the odds of returning to work within two years, all else being equal. Before setting out our analytical findings, we discuss the prevalence of education and training among those out of work in recent years.

FIGURE 5: **Out-of-work adults with lower-level qualifications are less likely to be in education or training than their higher-qualified counterparts**

Proportion of workless 25-59-year-olds who reported receiving different forms of education and training: UK, 2012-18



NOTES: 'Workless' refers to all adults who are unemployed or out of work at the time of interview, excluding those who report being an apprentice, a full-time student or retired.
SOURCE: RF analysis of ISER, Understanding Society.

Although data from Understanding Society tells us less about the subject or planned duration of a particular course, it provides a good overview of how training is distributed

15 Respondents whose job status is listed as 'on maternity leave' are in this analysis classed as being employed, given they remain on a contract with their employer. 2.6 per cent of 25-44-year-old women were reported on maternity leave in our 2012-18 sample, including 3.7 per cent of graduates and 2 per cent of non-graduates. By contrast, women whose employment status listed as 'looking after family or home' are classed as economically inactive for the purposes of capturing attachment to a firm. 17 per cent of 25-44-year-old women were in this category over the same timeframe, including 9 per cent of 25-44-year-old graduates and 21 per cent of 25-44-year-old non-graduates.

among workless adults. Figure 5 shows that while 11 per cent of all workless 25-59-year-olds participated in some form of education or training (see below for a description of the categories of training we focus on), that figure ranged from 18 per cent of those with degrees, to 14 per cent among those with mid-level and 11 per cent of those with lower-level qualifications.[16] This is noteworthy not least because, as Figure 4 shows, lower-qualified adults are more likely to experience worklessness to begin with.

The patterns above illustrate training and education taken up by out-of-work adults in the round. We now turn to administrative figures that outline training participation patterns among benefit claimants specifically. Figures from the Department for Education (DfE) and the Department for Work and Pensions (DWP) show that during the 2017/18 academic year, roughly 6 per cent (306,000) of adult benefit claimants aged 19-64 in England took on some form of training.[17] The majority of claimants who enrol on a course appear to do so in order to make themselves more employable and find work.[18]

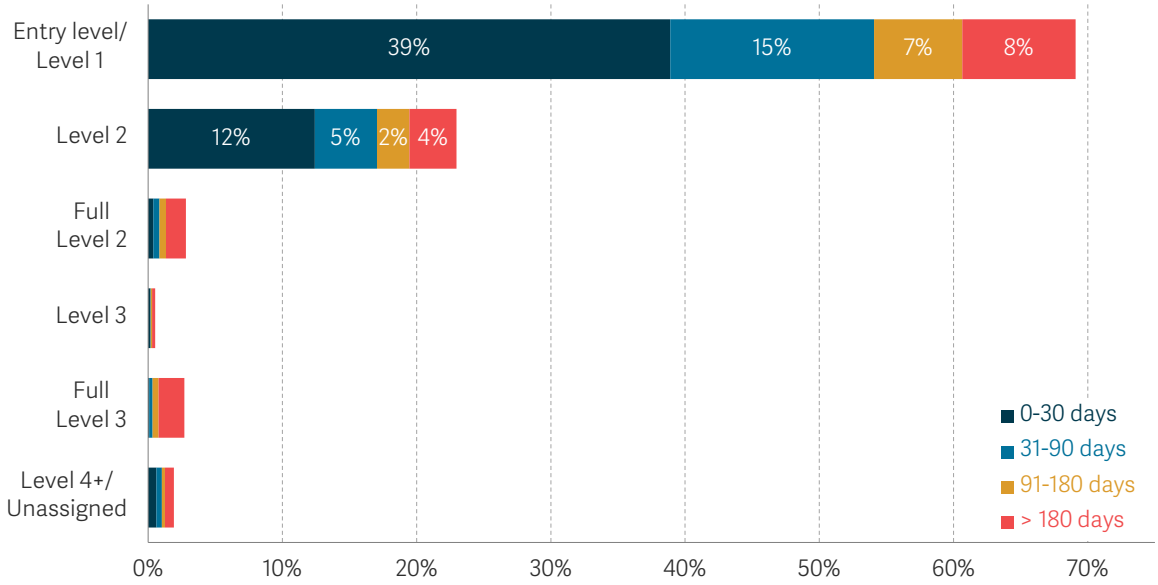
Putting to one side *why* a person claiming benefits signed up to a further education course, Figure 6 indicates that the vast majority of courses that learners in receipt of benefits ("benefit learners") sign up to are at lower levels of study and shorter in duration. 92 per cent of all courses that benefit claimants signed up to in 2017/18 were either at Level 2 (GCSE equivalent) or below, and 51 per cent of all courses were both at Level 2 or below and had planned durations of fewer than 30 days.[19] [20]

Although many of these courses are shorter in duration and focused at lower levels of study, they may still have a positive effect on the chances of an out-of-work benefit claimant returning to work. We turn to next to the relationship between training and job re-entry.

16 Excluding respondents who were retired, in full-time education or already on a government training scheme.
17 Or, to put it the other way around, in 2017/18 more than one-in-four (27 per cent) of adult further education learners were on benefits at the start of their course.
18 Between 2014/15 and 2017/18 (and therefore before Universal Credit covered the majority of benefit claimants), roughly six-in-ten benefit learners were claiming Jobseeker's Allowance (JSA) at the start of their course, suggesting that most benefit learners were doing so as part of the efforts to find work. See: Department for Education and Department for Work and Pensions, Further Education for Benefit Claimants, England, 2017/18 Academic Year, June 2019.
19 During 2017/18, 3 per cent of all learners' aims included a 'Full Level 2', 3 per cent a 'Full Level 3' and just 2 per cent of courses were at Level 4 or an unassigned level. See: Department for Education and Department for Work and Pensions, Further Education for Benefit Claimants, England, 2017/18 Academic Year, June 2019.
20 While slightly more than one-in-five courses taken up by benefit claimants are focused on a specific academic aim, such as English, Maths, or English for Speakers of Other Languages (ESOL), the majority are unspecified in the figures from the DfE and DWP. These could range from general employability skills, to digital skills or skills that are relevant to particular industry, such as retail or customer service. See: Department for Education and Department for Work and Pensions, Further Education for Benefit Claimants, England, 2017/18 Academic Year, June 2019.

FIGURE 6: **Seven-in-ten courses taken by learners in receipt of benefits are at lower levels of study and last fewer than thirty days**

Proportion of all 19-64-year-old benefit learners with particular learning aims, by level of study and duration: England, 2017/18



NOTES: There were 739,900 learning aims taken up by 306,200 benefit claimants, meaning that some claimants will have begun more than one course. Figures include claimants in England on Universal Credit, Jobseeker's Allowance, Employment and Support Allowance and other benefits. All benefit learners are between the ages of 19 and 64.
SOURCE: RF analysis of Department for Education and Department for Work and Pensions, Further Education for Benefit Claimants, England, 2017/18 Academic Year, June 2019.

When it comes to helping adults back into work, training does have an independent effect upon returning to work after a workless spell

Education and training taken up by (non-retired) out-of-work adults who have previously left full-time education, including among the majority of benefit claimants who take up training, is in most cases intended to improve employability and therefore to help find work. But although that is often the *intention* attached to training for workless adults, particularly in times in economic downturn, there remain question marks around the *association* between education and training, and returning to work. These include:

1. The statistical significance of the association between training and job re-entry (holding constant a variety of personal and work-related factors);
2. The extent to which the association between training and job re-entry varies by training intensity (here measured by length, qualification and full-time study); and,
3. Whether the association between different forms of training and job re-entry differs for different groups of adults.

We use data on training, education and employment from Understanding Society in order to answer these questions. We test for the association between work re-entry and five different types of education and training:

1. **Any training or education (outside of full-time study):** a non-fulltime course or training programme, including "any part-time or evening courses, training provided by an employer, day release schemes, apprenticeships and government training schemes."
2. **Longer-than-median training**: a course or programme with a total duration exceeding the sample median, which is 24 hours.[21]
3. **Training that resulted in a qualification:** training resulting in a qualification, including those courses on which people are waiting for their results.
4. **Longer-than-median training with a qualification:** training programme meeting both of the two above criteria.
5. **Full-time education:** periods in full-time education since respondents' last interview.

This research uses logistic regressions to test for the effect that each of our five different types of education and training have upon the odds of a person returning to stable employment, after having a workless spell.[22] We control for a host of personal characteristics, such as age, gender, qualifications, the number of children a person has, and the region in which they live, as well as for a number of characteristics related to the type of work a respondent had been in before they moved into worklessness. These include: occupation, industry, and the number of weekly hours worked.

While we are unable to focus specifically on training with an intention to return to work, we remove instances where a person says the purpose of their training was health and safety or for hobbies, as in most cases these intentions are not relevant to attaining a job. In each regression, the comparison group is respondents who had a workless spell but did not receive any training, rather than respondents with a workless spell who had some training, but not the particular form in question.

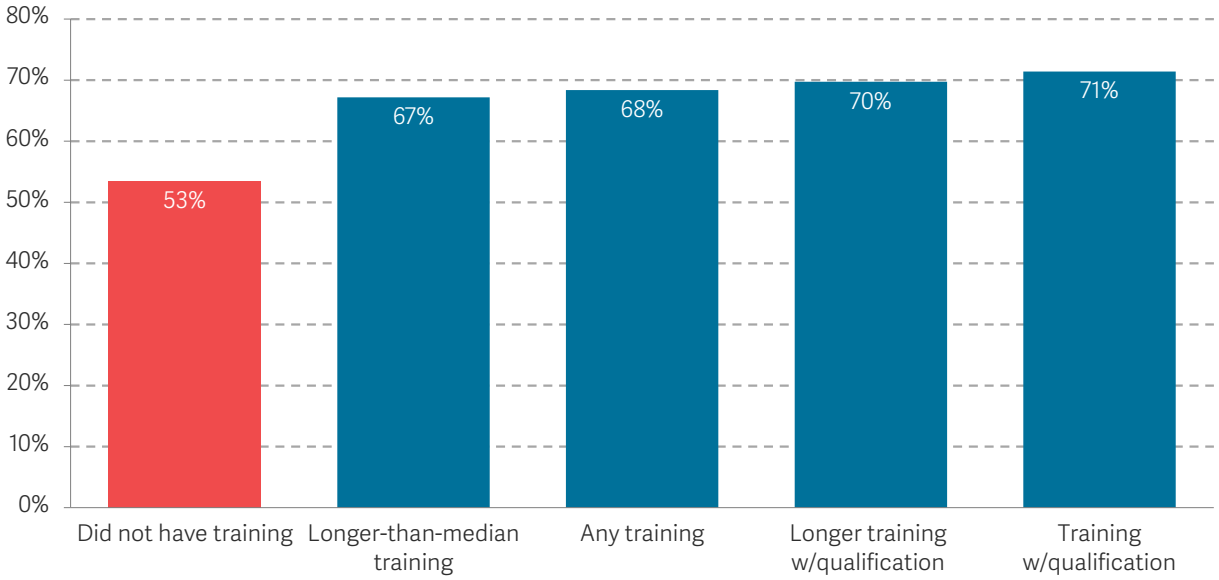
21 For respondents who reported having more than one training spell in a given year (since their last interview), the total number of hours spent on training was summed across all spells.

22 Specifically: the odds of a person who was in work three or four waves ago, and was workless over the previous one or two waves, being in work during the current wave and remaining in work for at least one of the three following waves. Respondents out of work for each of the previous four waves (i.e. long-term workless) are excluded. For all regressions in this section: time period is 2012-18; Controls are: sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago. Respondents classed as frequent trainers (those who reported any form of training or full-time education in the current wave, three previous waves and forward waves) are removed, as are those who said their training purpose was 'hobbies' or 'health and safety'.

We present statistically significant results in Figure 7 using predictive margins, which allow us to understand the likelihood of returning to work among similar groups of people who did and did not participate in training in the previous wave. Holding personal and work-related factors constant, the relationship between having had any training and returning to work is positive and significant: Figure 7 shows that we would expect 53 per cent of 25-59-year-olds who experienced a workless spell and *did not* have any training in the previous year to return to work within two waves, as compared to 68 per cent of those who did. More specifically, we would expect 71 per cent of adults who had experienced a workless spell and taking a form of training that resulted in a qualification to return to work within two years.

FIGURE 7: **Training has a positive and significant effect on the odds of a person returning to work**

Predictive proportion of 25-59-year-olds returning to stable work after having workless spell, by type of training: UK, 2012-18



NOTES: Training undertaken one year prior. Regression analysis tests for the likelihood of returning to work, and being in work for one of the following three waves conditioned on the type of training undertaken. Controls are: sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago. Respondents classed as frequent trainers (those who reported any form of training or full-time education in the current wave, three previous waves and also future waves) are removed, as are those who said their training purpose was 'hobbies' or 'health and safety.' The association between returning to work after a workless spell and having been in full-time education over the previous two years (after having been in work in the two years before that, i.e. three and four waves prior) was not statistically significant, and so is not shown here.
SOURCE: RF analysis of ISER, Understanding Society.

It is important not to draw too much from the differences between types of training shown here. Though our results provide a good independent test of the association between training and job re-entry, the differences are relatively small, and are not in all cases statistically significantly different from one another.

Longer and qualification-bearing training is strongly associated with job re-entry among non-graduates

Figure 7 shows an independent effect of training upon work re-entry, controlling for a host of personal and work-related characteristics, but it tells us less about whether some groups are likely to benefit more than others. To that end, we ran a series of regressions to test the association between different forms of training and work re-entry, with our sample limited to different groups of people.

The predictive margins from these regressions that yielded statistically significant results are shown in Table 2. This shows that while four out of our five training types[23] are associated with returning to work among the wider 25-59-year-old population, the strength of association between training and returning to work is somewhat larger for more intensive types of training, and substantially larger still among non-graduates. For instance, absent training we would expect 39 per cent of younger non-graduate women to return to work; with qualification-bearing training we would expect 62 per cent to do so. Older non-graduate men have a higher return rate (we would expect 55 per cent to return absent training) but also appear to benefit from qualification-bearing training: which is associated with 85 per cent returning to work.

23 Results for full-time education were not statistically significant in any of the models shown in Table 2.

TABLE 2: **Among non-graduates, longer training and training that results in a qualification has a strong association with returning to stable work**

Selected predictive proportions of 25-59-year-olds returning to stable work, by type of training and subgroup: UK, 2012-18

	No training	Any training	Longer-than-median training	Training w/ qualification	Longer training w/ qualification
All	53%	68%	67%	71%	70%
High-level qualifications	68%	82%			
Mid-level qualifications	55%	74%	76%	78%	78%
Lower-level qualifications	47%	56%		65%	63%
25-44 women, non-graduate	39%	55%		62%	
45-59 men, non-graduate	55%			85%	85%
25-44 men, graduate	73%			96%	
25-44 women, graduate	52%	78%			
45-59 men, graduate	66%			97%	

NOTES: Blank cells indicate results that were not statistically significant; cells are shaded according to the percentage difference in the predicted proportions of returning to work without training and with that particular form of training. This table only presents subgroups with significant results. Training undertaken one year prior. Regression analysis tests for the likelihood of returning to work, and being in work for one of the following three waves conditioned on the type of training undertaken. Controls are: sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago. Respondents classed as frequent trainers (those who reported any form of training or full-time education in the current wave, three previous waves and also future waves) are removed, as are those who said their training purpose was 'hobbies' or 'health and safety'. 'High-level qualifications' include qualifications at degree-equivalent level or higher; 'mid-level qualifications' include A level-equivalent and sub-degree higher education qualifications; 'lower-level qualifications' include qualifications at GCSE-equivalent levels or below. Across all subgroups, there were no statistically significant results for full-time education or an increase in highest reported qualification level.
SOURCE: RF analysis of ISER, Understanding Society.

Policy makers should focus their attention on training to support work re-entry among those who stand to benefit most

The lack of significant results for other groups doesn't suggest that training will play no role in helping individuals from these groups to return to work. Instead, the strong results that we find for non-graduates, and in particular for younger non-graduate women and older non-graduate men, should provide policy makers with an insight into what types of training can help those most in need of it.

And there is indeed much room for improvement when it comes to these groups re-entering work after having a workless spell: over the 2012-18 period, fewer than half (45

per cent) of younger non-graduate women did, well below the 57 per cent of the overall 25-59-year-old population that returned.

But while our results show that workless non-graduates stand to benefit from training, they're less likely than average to receive it, both overall and when we focus on those who are out of work. The policy response is not necessarily zero-sum: barring workless graduates from taking up training is unlikely to help those workless adults in need of a return to work. However, it should provide insight into how careers advice and educational resources could be best be marshalled in order to encourage a return to employment, particularly in the context of the current crisis.

In the current crisis, policy makers will also of course be interested in helping workers move across sectors. The following section therefore discusses the role of training in helping adults change industry.

Section 3

Training to help change industry

Section 2 outlined the significant role that education and training can play in helping adults who have had a spell of worklessness return to work. However, in the current crisis, policy makers will also be concerned with helping workers to move across sectors.

This section considers the role that education and training have played in the recent past in terms of 1) helping adults to change the industry in which they work, and 2) helping adults make a 'positive' industry change – where they both change industry *and* receive a substantial rise (i.e. ten per cent or more) in monthly pay. Given that just 6 per cent of 25-59-year-olds change the industry in which they work from one year to the next, and only 2 per cent do so while attaining a substantial (10 per cent) monthly pay rise, it's unsurprising that we find somewhat weak relationships between most of our training categories and industry change.

Although most forms of *work-related training* have a relatively slight association with both industry changes and positive industry changes, *full-time education* has a substantially larger one. For instance, we would expect 6 per cent of 25-59-year-olds without any training to achieve a positive industry change over three years, whereas we would expect 16 per cent of those who had returned to full-time education to do so. In most cases, the effects are larger for groups who are less likely to receive work-related training: non-graduates, with younger non-graduate women again benefiting most.

Positive career changes are a rare phenomenon in the UK

While the previous section focused on the links between training and job re-entry, *retraining* has typically been thought of as a tool to help (mostly in-work) adults develop a new set of skills and knowledge in order to move into a new sector. Often, it is promoted as a means to help reallocate workers whose roles were displaced as a result of economic and/or technological change.

Although less prioritised in the UK's current adult education architecture, there is also a role for retraining in helping adults in lower-paid sectors to develop the skills and knowledge that would allow them to progress their pay by moving to a better-paying sector. For instance, we might think of an adult taking classes at a local college in order to shift out of retail and into IT – even if this represents more of an ideal than something commonly pursued. The two approaches to retraining (reallocation and progression) have often focused on quite different groups of people, with different pay histories, and different sets of skills and qualifications.

And yet the coronavirus crisis could potentially serve to dovetail the two. To the extent that the crisis generates a severe downturn in lower-paid and (previously) 'shutdown' sectors like hospitality, retail and entertainment, there may be cause to focus on reallocating a large proportion of previously lower-paid workers into better-paid and more productive roles.[24] To say that this is a large-scale challenge is to understate matters: over recent years, 19 per cent of the labour force (6.3 million people) worked in sectors shut down at the start of the crisis.[25] There appears a strong possibility that many of these sectors will contract over at least the medium term, while retail is likely to continue declining over the longer term.[26] But in the UK there is little recent experience to learn from, with few large-scale retraining and reallocation programmes having occurred in recent decades.

Figure 8 shows that during more stable conditions (2012-18), we could expect roughly 6 per cent of adults to change the industry in which they work during a given year. While there does not appear to be much qualification-based difference in this mobility (for instance 7 per cent of graduates versus 6 per cent of those with lower-level qualifications), younger people are perhaps unsurprisingly more likely to move industry than their older counterparts, regardless of qualification level.

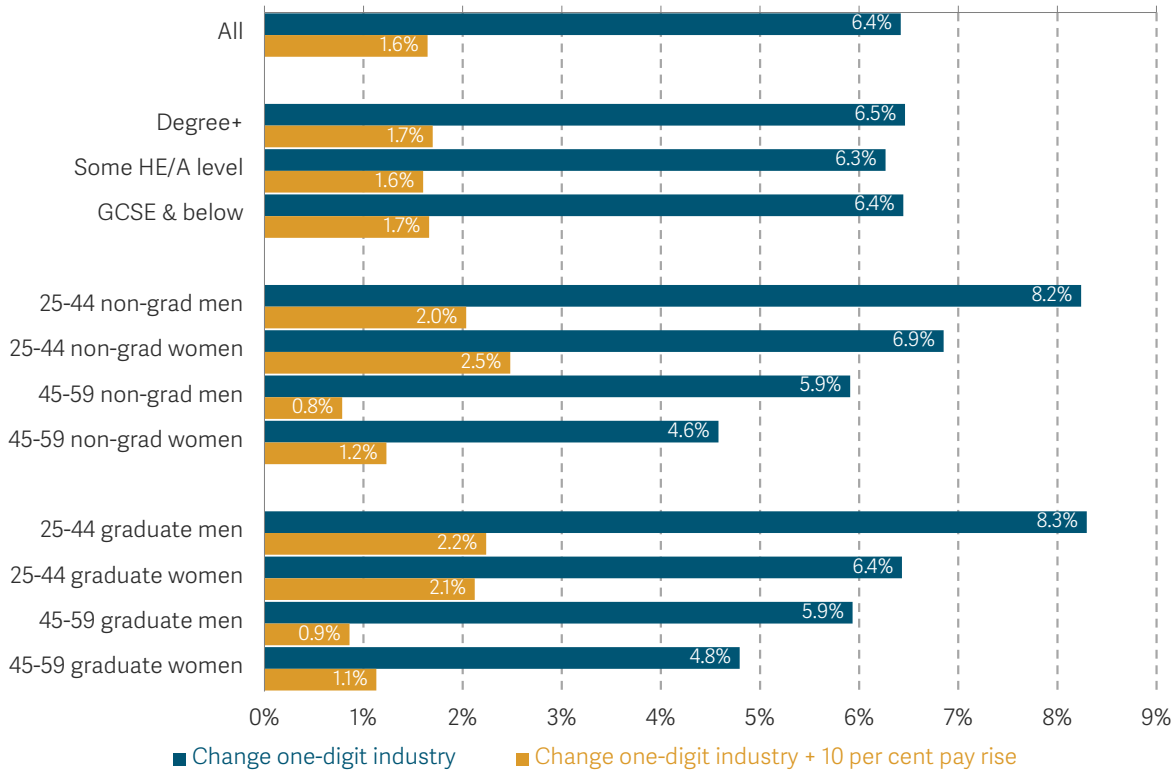
Changing industry does not always imply a positive pay outcome: some of the industry changes shown here could reflect churn between lower-paying sectors,[27] or even occupational downgrading: where a person moves into a lower-paying role. In fact, much

24 For instance, recent research published by the hiring website, Indeed, found that while job postings across all sectors were, as of 24th July, 57 per cent lower than they had been in the previous year, postings for lower- and mid-paid jobs had dropped off to a larger extent than postings for higher-paid jobs. They also found that workers in hardest-hit sectors, including food preparation and service, beauty, wellness and hospitality recorded the largest increases in clicking on job advertisements outside of their current sector. See: P Adrjan & J Kennedy, From locked down to locked out: getting people back to work, Indeed Hiring Lab, August 2020.
25 M Gustafsson & C McCurdy, Risky business: Economic impacts of the coronavirus crisis on different groups of workers, Resolution Foundation, April 2020.
26 See: L Gardiner et. al., Easing does it: Economic policy beyond the lockdown, Resolution Foundation, July 2020; L Gardiner & D Tomlinson, Sorry, we're closed: Understanding the impact of retail's decline on people and places, Resolution Foundation, February 2019.
27 For instance, moving between lower-paid jobs in retail and hospitality. See: C D'Arcy & A Hurrell, Escape Plan: Understanding who progresses from low pay and who gets stuck, Resolution Foundation, November 2014.

of the historical evidence on workers who become displaced from skilled manual roles, including in manufacturing and mining, suggests it is difficult for them to replace their previous level of earnings.[28]

FIGURE 8: **Although industry changes are few and far between, young men achieve them most frequently**

Proportion of 25-59-year-old workers changing one-digit industry between waves and proportion both changing one-digit industry and experiencing a 10 per cent monthly pay rise: UK, 2012-18



SOURCE: RF analysis of ISER, Understanding Society.

Therefore, Figure 8 also depicts *positive industry changes*, defined here as an adult who both changed industry and experienced a 10 per cent monthly pay rise. The proportion

28 There are a number of academic papers that find displaced workers in the US struggle to attain previous levels of pay once in a new job. Research suggests that some of these pay disparities could be down to their working fewer hours in their new role (which could in fact play into some of the findings presented above, given we measure changes in monthly pay). There are also indications that some pay disparities could be down to differences in average levels of pay between the sector that displaced tend to move from (such as manufacturing, which tends to have a higher-than-average level of unionisation) and the sector they are move to (e.g. a lower-paid service sector). These differences in part are affected by the length and intensity of retraining that a displaced worker has access to. See for instance: F Andersson et al., Does Federally-Funded Job Training Work? Nonexperimental Estimates of WIA Training Impacts Using Longitudinal Data on Workers and Firms, IZA Discussion Paper, September 2013; L Jacobson, R LaLonde & D Sullivan, Is retraining displaced workers a good investment?, Federal Reserve Bank of Chicago, June 2005. For a UK-based discussion of the challenges retraining schemes face, including the limitations of learning on short courses and the dearth of roles that paid a similar rate to many manual jobs, see: D Thursfield & R Henderson, Participation in lifelong learning: reality or myth? issues arising from a United Kingdom coalfield closure, Journal of Vocational Education and Training 56(1), 2004; E Keep & K Mayhew, Evaluating the Assumptions that Underlie Training Policy, in J Ahier & G Esland, Education, Training and the Future of Work 1: social, political and economic contexts of policy development. London: Routledge & Open University, 1999.

of adults that achieved this is quite small: while we can expect 6 per cent of 25-59-year-olds to change industry in a given year, only one-third of them (fewer than 2 per cent of the total) both changed industry and attained a significant monthly pay rise. And once again, the proportion achieving these *positive* sector changes differs more so by age than qualification: roughly 2 per cent of both graduate and non-graduate young men and women achieved this outcome, as compared to 1 per cent of their older counterparts.

Apart from full-time education, the relationship between most forms of training and moving industry appears weak

We first test for the effect that education and training have upon the odds of a person changing sector – saying nothing of whether that sector change yielded a pay rise.

Because both completing training and education spells, and finding a new job, can take time, we test for the association between *training that a person took two years prior* upon the odds of that person *working in a different industry from the industry they worked in three years prior.*[29] As with the regression analyses in Section 2, we control for host of personal and work-related characteristics and in each case, the comparator group is people who had no training. We also removed participants who we class as 'frequent trainers' as well as those who indicated that the purpose of their training was a hobby or a health and safety requirement.

We would ultimately expect a stronger association between training and industry changes (and in particular, training and *positive* industry changes) in the event that a person took on a course or training spell with the specific intention of developing the skills and knowledge that would allow them to move into a new sector. The Understanding Society question that asks respondents about the purpose of their training spell does include the option: "to prepare you for a job you might do in the future". However, sample size prevents us from limiting our regression analyses only to respondents who selected this particular option. Moreover, respondents who participated in full-time education are not asked a similar 'purpose' question.[30]

Putting to one side these more detailed concerns around intentionality, Figure 9 shows that the relationship between industry change and most forms of training appears somewhat weak (even though the figures here are all statistically significant at the 95 per cent confidence level or higher). We would expect 15 per cent of adults who had not had

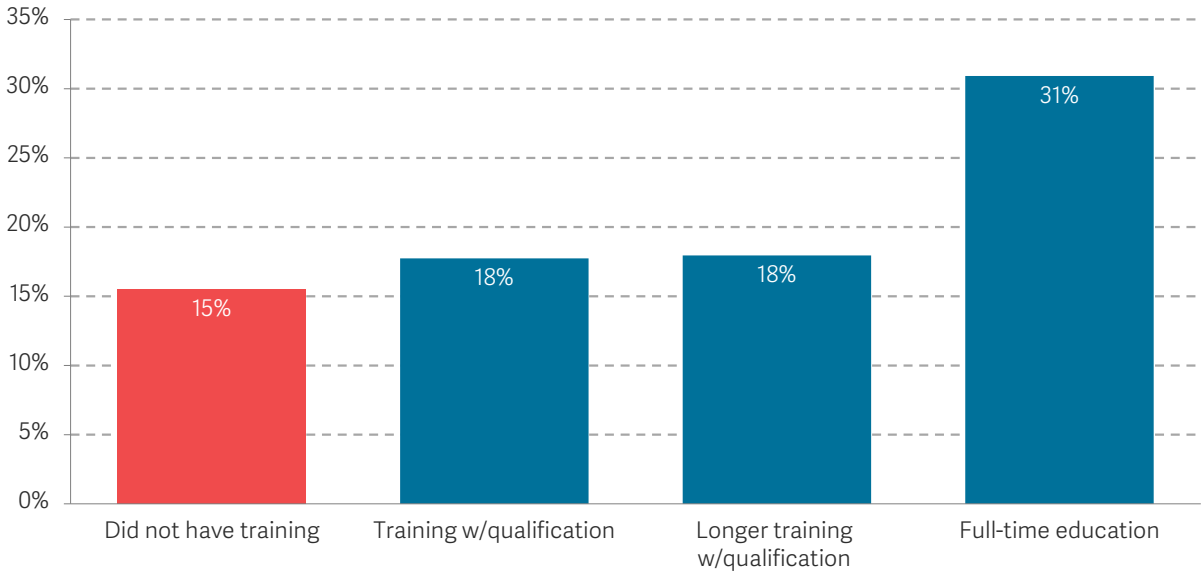
29 We ran a number of regression models that tested different training and job change timelines, for instance, lagging training by one wave and assessing job changes between two waves. The models presented in this report consistently yielded the greatest number of significant associations between training and industry change/positive industry change. This is perhaps unsurprising given that there could be lag between a person finishing education/training and finding a new job.

30 Given the cost and effort of returning to full-time education, we might expect that adults who returned did so intending to change career, though we cannot be certain. Moreover, it is difficult to disentangle the relationship between industry change and taking time out for full-time education, and the relationship between industry change and a person being so driven to change industry that they returned to full-time study.

any training or education two years ago to be working in a different industry from three years ago; a figure that rises to 18 per cent for those who had longer or qualification-bearing forms of training. The clear exception here is full-time education: a person who was in full-time education two years ago had a 31 per cent chance of changing industry.

FIGURE 9: **Most forms of training appear to play a very small role in helping adults change industry – with full-time education an exception**

Predictive proportions of 25-59-year-olds working in a different industry compared to three years ago, by type of training: UK, 2012-18



NOTES: Training undertaken two years prior. Controls are: sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago. Respondents classed as frequent trainers (those who reported any form of training or full-time education in the current wave, three previous waves and also future waves) are removed, as are those who said their training purpose was 'hobbies' or 'health and safety'.
SOURCE: RF analysis of ISER, Understanding Society.

Of course, the effects of training will vary both by training type and across different groups of adults. Table 3 shows these results across subgroups, demonstrating the greatest effects of full-time education are for non-graduate men and women.

For instance, we would expect 13 per cent of older non-graduate who did not have any education or training two years ago to report working in a different industry but 48 per cent of older non-graduate women who had full-time education two years ago to be a in a different industry – a 35 percentage point difference.

TABLE 3: **Full-time education appears most strongly correlated with moving industry, especially among younger non-graduates**

Selected predictive proportions of 25-59-year-olds working in a different industry now compared to three years ago, by type of training and subgroup: UK, 2012-18

	No training	Any training	Longer-than-median training	Training w/ qualification	Longer training w/ qualification	Full-time education
All	15%			18%	18%	31%
High-level qualifications	17%					29%
Mid-level qualifications	17%		19%			26%
Lower-level qualifications	15%			18%		
22-44 men, non-graduates	18%					34%
22-44 women, non-graduates	18%	21%				31%
45-59 men, non-graduates	12%			18%		
45-59 women, non-graduates	13%					48%
22-44 men, graduates	19%					37%
22-44 women, graduates	18%					32%

NOTES: Training undertaken two years prior. Blank cells indicate results that were not statistically significant; cells are shaded according to the percentage difference in the predicted proportions of returning to work without training and with that particular form of training. This table only presents subgroups with significant results. Controls are: sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago. Respondents classed as frequent trainers (those who reported any form of training or full-time education in the current wave, three previous waves and also future waves) are removed, as are those who said their training purpose was 'hobbies' or 'health and safety'. 'High-level qualifications' include qualifications at degree-equivalent level or higher; 'mid-level qualifications' include A level-equivalent and sub-degree higher education qualifications; 'lower-level qualifications' include qualifications at GCSE-equivalent levels or below.
SOURCE: RF analysis of ISER, Understanding Society.

It is important to note that the smaller scale, and in some cases seeming absence, of a statistically significant association between training and changing industry does not mean training can't be effective for helping people change their careers. It could instead reflect other factors that constrain people's ability to move jobs – for instance, region, security or caring responsibilities. And of course, it could reflect the fact that the training being undertaken will in many cases not be well targeted at this outcome. Some training may be targeted at the broader goal of obtaining a pay rise within one's current job. While such progression is less the focus of this study, we explore the effects of training on pay rises in Box 1.

BOX 1: More intensive forms of training are associated with pay growth for younger non-graduates

While this section focuses on the role of training in helping adults to change the industry that they work in, training is also thought of as a tool to help someone progress in their current job. To that end, we also ran a series of regressions that tested for the effects of different types of training on monthly pay.

When focusing on 25-59-year-olds as a whole, we found that compared to having no training, training of any form that was taken two years prior is associated, on average, with monthly pay that was 4 per cent higher than it otherwise would have been (i.e. without training). The size of the effect varies by the type of training a person takes – ranging from 1.5 per cent for training that results in a qualification, to 5 per cent for longer-than-median training programmes.[31] Non-graduates, and especially younger non-graduate women, appear to yield the biggest pay rewards from training.

Encouraging though these findings are, it is important to recall that, as we outlined in Section 1, younger non-graduates are far less likely to receive any work-related training – including these more intensive forms of it – than their graduate counterparts. In other words, when it comes to training as a means for career progression, those who would appear to benefit most from work-related training are among those less likely to be offered it. These regressions results are shown in Figure 13 and Table 5 in the annex.

Most forms of training also appear to have a small, although significant, effect on the likelihood of both changing industry and receiving a pay rise, with full-time education again being a clear exception

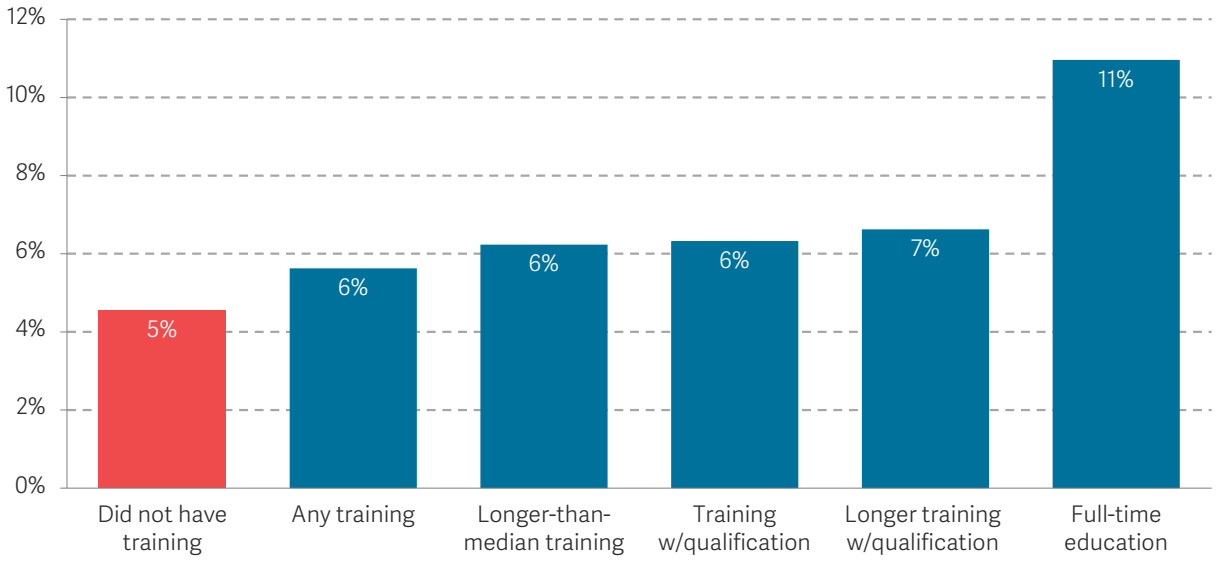
Changing industry on its own can be a sign of a positive career move: for instance, doing so can allow a person whose industry has shrunk, or whose occupation has become redundant, to remain in work. Doing so may also offer a better-quality job or more satisfying career. It does not, of course, guarantee a boost to income. With that in mind, we also ran a series of regressions that allow us to zero in on the relationship between training and achieving a positive industry change, i.e. one that yields a pay raise.

31 Training undertaken two years prior. Controls are: monthly pay three waves ago, sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago.

Specifically, we test for the effects of training taken two years ago upon the odds of working in a different industry from three years and having monthly pay that is at least 10 per cent larger in real terms than it was three years ago. Figure 10 presents the results for different types of training among 25-59-year-olds. Even though the results presented here are statistically significant at least at the 95 per cent confidence level, they are somewhat small, with full-time education again being a clear exception.

FIGURE 10: **In most cases, the marginal effects of training on changing industry and getting a substantial pay rise are small**

Predictive proportion of 25-59-year-olds working in a different industry and being paid at least 10 per cent more compared to three years ago, by type of training: UK, 2012-18



NOTES: Training undertaken two years prior. Controls are: sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago. Respondents classed as frequent trainers (those who reported any form of training or full-time education in the current wave, three previous waves and future waves) are removed as are those who said their training purpose was 'hobbies' or 'health and safety'.
SOURCE: RF analysis of ISER, Understanding Society.

For instance, we would expect 5 per cent of 25-59-year-olds who did not receive any training or education two years ago to be in a different industry and paid substantially more than they were three years ago, as compared against 6 per cent of those who had longer-than-median training, and 11 per cent of those who participated in full-time education.

Again, the association between training and positive industry changes will vary by sub-group, in addition to training type. Table 4 sets out statistically significant results.

While full-time education is again associated with the largest boost, the effects of more intensive forms of training tend to be slightly larger, particularly for non-graduates, and again with a particularly large effect for older non-graduate men and women.

TABLE 4: **More intensive forms of training are associated with positive career changes for non-graduates**

Selected predictive proportions of 25-59-year-olds working in a different industry and being paid at least 10 per cent more compared to three years ago, by type of training and subgroup: UK, 2012-18

	No training	Any training	Longer-than-median training	Training w/ qualification	Longer training w/ qualification	Full-time education
All 25-59	5%	6%	6%	6%	7%	11%
High-level qualifications	6%	7%	7%	8%	8%	10%
Mid-level qualifications	6%	7%	8%	8%	9%	
Lower-level qualifications	5%	6%	6%	7%		
25-44 women, non-graduate	7%	10%		10%	12%	
45-59 men, non-graduate	2%					18%
45-59 women, non-graduate	4%					34%
25-44 men, graduate	7%				12%	24%
25-44 women, graduate	7%	10%	11%			
45-59 men, graduate	3%			7%		

NOTES: Blank cells indicate results that were not statistically significant; cells are shaded according to the percentage difference in the predicted proportions of returning to work without training and with that particular form of training. This table only presents subgroups with significant results. Training undertaken two years prior. Controls are: sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago. Respondents classed as frequent trainers (those who reported any form of training or full-time education in the current wave, three previous waves and also future waves) are removed, as are those who said their training purpose was 'hobbies' or 'health and safety'. 'High-level qualifications' include qualifications at degree-equivalent level or higher; 'mid-level qualifications' include A level-equivalent and sub-degree higher education qualifications; 'lower-level qualifications' include qualifications at GCSE-equivalent levels or below.
SOURCE: RF analysis of ISER, Understanding Society.

These results reflect the fact that few people make these sector changes, or take on intensive training to do so, to begin

Impressive though these results are, it's important to put some of the more discouraging findings (i.e. where there is only a small statistically significant association between training and making a positive career change) into context.

First, only a small number of adults (one per cent of 25-59-year-olds) take on the intensive full-time study that we have found most likely to foster a career change (see Figure 12 in the annex). Within that, an even smaller number of lower-qualified adults (who would stand to benefit most from making a positive career change) do so. Second, and perhaps relatedly, only a small proportion of people (fewer than 2 per cent of adults in our sample) make a positive career change in any given year.

In other words, the UK does not have a large amount of population-wide evidence on either career changes or the training likely to support them, let alone evidence on the link between the two. Part of the challenge here is that while our analyses remove individuals who said that their training was not intended to advance their career (i.e. it was classed as a hobby or as a health and safety), we cannot say that the training we do assess was specifically intended to help them change career. Practically, this is because we're unable to identify such instances in the data. But more substantively, our inability to test this stems from the fact that there has been no large-scale retraining programme in recent years in the UK. Without large-scale instructive lessons to draw on, policy makers aiming to develop a sizeable national retraining programme that would help lower-qualified adults make a positive career change in the wake of the coronavirus crisis are faced with a difficult task.

One the one hand, the prospect of placing hundreds of thousands of displaced workers from lower-skilled and lower-paid jobs into full-time education seems unrealistic. This is not only because the costs involved in providing education and living costs support to learners will be high, but also because employment outcomes will be uncertain (i.e. we do not have a system that allows for matching between training and jobs at a large scale). And workers themselves may be unwilling or unable to bear the risks involved in exiting the jobs market and returning to full-time study for a prolonged period of time.

On the other hand, simply conceding that displaced workers will flounder without a chance to develop the skills required for a new role seems untenable too. Over time, their skills will depreciate along with their incomes. The following section discusses this dilemma, setting out the challenges and opportunities for education and training policy's role in fostering better employment outcomes in the wake of the current crisis.

Section 4

Conclusions and reflections for policy

This section concludes by placing our findings in the context of the current economic crisis and the challenges facing policy makers. We argue that policy makers should avoid retraining policies that are centred on specific pre-crisis challenges, or narrow groups of workers, and instead focus their current efforts on tackling the high unemployment precipitated by the coronavirus crisis. This should include the swift provision of training that has proven effective in helping adults re-enter work from worklessness, and efforts to link retraining to achievable (and desirable) job creation initiatives.

Policy makers should prioritise policies that would help fend off a forthcoming employment crisis

Although the narrative around retraining policy in the UK has tended to centre on the needs of workers moving out of declining sectors like manufacturing, this report has shown that – even before the coronavirus crisis – there were an even larger number of workers moving out of lower-paid sectors like retail and hospitality into unemployment.

In the early stages of the crisis, it became clear that lower-paid workers in in-person services like retail, entertainment and hospitality were bearing the brunt of the labour market downturn. There are concerns that these sectors will continue to struggle for some time,[32] with retail likely to experience a continued downturn over the longer term.[33] As such, policy makers should focus on tackling the unemployment crisis that is likely to intensify in future months. This will require them to move beyond calls for retraining schemes focused on a narrow group of workers.

32 For instance, four-in-ten hospitality and leisure workers and more than one-in-ten non-essential retail workers remain furloughed on the JRS, with fears that a substantial portion will lose their jobs once the furlough scheme begins to wind down from August and ends in October. See: D Tomlinson, The Government is not paying nine million people's wages, Resolution Foundation, August 2020; L Gardiner et. al., Easing does it: Economic policy beyond the lockdown, Resolution Foundation, July 2020.

33 L Gardiner & D Tomlinson, Sorry, we're closed: Understanding the impact of retail's decline on people and places, Resolution Foundation, February 2019.

In some cases, this will involve training and education that help adults re-enter work. In others, it will require efforts to help adults change the sector that they work in. Improving the education and training offer so that lower-qualified adults in lower-paid roles could transition into better-paid and broadly speaking, higher-quality, jobs has long been needed – and this includes reforms to the adult education system in England (see Box 2). Unfortunately, the recent past, covered in this report, does not leave policy makers with a clear roadmap to help get them there.

There are no ready-made answers for policy makers looking to design a large-scale retraining system at pace

As we've just set out, the good news is that the evidence shows that training can help adults bounce back into the labour market. The less good news is that doing so may prove far more difficult in the current crisis, with few job vacancies in labour-intensive sectors with low barriers to entry (such as hospitality, leisure and retail). More challenging still will be efforts to help transition workers out of these struggling sectors and into new roles: of the forms of education and training that we were able to test for, only full-time education had a large and significant association with a person changing industry.

This is not necessarily proof that part-time or indeed shorter but qualification-bearing courses do little to facilitate career changes. Rather, it in all likelihood reflects the fact that only a small portion of UK adults make such career changes, and an even smaller portion (fewer than 2 per cent) still make big career changes that have a positive effect on their income. While there are likely to be a number of reasons as to why so few adults make career changes, we suspect that barriers to education and training play a key role. In particular, barriers that prevent adults from taking up the types of education and training that are intensive enough to facilitate a career change (see Box 2). In other words, without reform, the system we currently have is unlikely to facilitate retraining linked to sectoral reallocation on the timescales we are looking at.

BOX 2: **In England, many adults struggle to take up study of their own accord**

The current crisis and the difficulty faced by such a large number of (previously employed) adults should add emphasis to long-needed adult education and retraining reforms. On the one hand, government should ramp up the scale and quality of careers advice for adults (not just benefit claimants), while making education and retraining more accessible to, and less risky for, adults who have already left full-time education. In fact, many of policy changes that could achieve this were recommendations in the

government-commissioned Review of Post-18 Education and Funding (the 'Augar Review') published in 2019.[34]

For instance, the Augar Review recommended restoring funding for lower-qualified adults studying for their first full Level 2 and 3 qualifications; allowing adults to access finance for other levels of courses on a modular basis and build up credits over time; removing 'equivalent or lower qualification' restrictions (which bar students from studying a course that is at the same or lower-level qualification, even if it in an entirely different subject). Previously Resolution Foundation research has also called on the Government to consider offering maintenance (living costs) support for adults studying at any level.[35]

These policy changes would not only make learning more affordable and accessible to adults, they would also reduce the risk of returning to study: a finance system that allows adults to take a smaller number of credits at a time (rather than committing to studying at a higher intensity) would make it easier to combine earning and learning, and reduce the risk of stopping work and losing income. The availability of maintenance support would give learners who are out of work, or are committed to studying at a higher intensity, the ability to do so while supporting themselves – much like university students.

While looking to the past for lessons on how to facilitate career change brings with it challenges, so too does looking abroad. International experiences with retraining, discussed briefly in Box 3, could leave policy makers with two very different approaches – both of which bring substantial levels of difficulty and risk in a UK context.

For instance, the tripartite model of coordination that has underpinned large-scale retraining and job matching for decades if not longer in many northern European countries has historically been fragile if not absent in the UK, particularly with regard to the sectors affected by the current crisis.[36] By contrast, the less coordinated approaches taken up in recent years in the US have placed a substantial amount of risk onto individuals. In other words, importing retraining systems from abroad is, in most cases, neither likely to be possible nor desirable.

34 Department for Education, Post-18 review of education and funding: independent panel report, May 2019.
35 K Henehan, Class of 2020: Education leavers in the current crisis, Resolution Foundation, May 2020.
36 The comparative institutional origins of firm coordination and firm/employee cooperation are particularly well outlined in academic research focused on comparative political economy. See for instance, T Iversen & D Soskice, Distribution and redistribution: The shadow of the nineteenth century, World Politics 61(3), July 2009; P Hall & D Soskice, Varieties of Capitalism, Harvard University Press, 2001; G Esping-Andersen, The Three Worlds of Welfare Capitalism, Princeton University Press, 1990.

BOX 3: Dislocation and retraining: divergent examples from abroad

Denmark is often referenced as a country that has managed to develop and sustain a largely successful adult education and retraining system. While the particular offer will vary according to a person's circumstances, individuals are unlikely to pay any fees: collective bargaining agreements ensure that workers have a right to paid leave for training, and unemployed adults have free access to over 250 vocational programmes.[37]

However, what particularly sets Denmark apart from other countries is the coordinated approach to workforce planning, careers advice and education: employers, unions and government come together to identify skills needs, driving national adult education policy such that learners who take time out of the labour market to retrain find a well-paid role at the end of the course. In fact, most adult education and training policy – including on issues related to content, access and finance – is developed through tripartite agreement between the Government, employer organisations and labour unions.[38] [39]

In other words, the risk of retraining is shared: employers, unions, government and individuals all have a stake in ensuring that a person finds a job at the end of it. Desirable as this may seem, the tripartite coordination required to make successful retraining and labour reallocation programmes work took decades, if not longer, to form. Moreover, union membership in Denmark is higher, and encompasses more sectors than both the UK and many other European countries, with unions representing a larger proportion of lower-qualified service workers in addition to traditional manufacturing roles.[40]

Policies stemming from the Workforce Investment Act (WIA), which prevailed in the US between 1998 and 2014 also provide an instructive, although very different, example. The WIA included a host of provisions for workforce training, retraining and job search assistance, with states having flexibility in terms of programme development, funding and eligibility. One example of a WIA programme that received substantial attention was the careers advice and retraining policy featured in the 2017 book by Amy Goldstein, 'Janesville,' which detailed the effects

37 The Economist, Retraining low-skilled workers: Systems for continuous reskilling threaten to buttress inequality, January 2017.
38 C Jørgensen, Denmark: Social partners welcome new tripartite agreement on adult and continuing education, Eurofound, March 2018.
39 This includes the 2018 launch of a 'Disruption Council', chaired by the Prime Minister and including several ministers, unions, employer organisations and researchers, which is tasked with identifying stable, growing and redundant roles and the training and labour market policies that should be developed in response to them. See: T Poules, 5 ways Denmark is preparing for the future of work, World Economic Forum, November 2019.
40 K Thelen, Varieties of liberalization and the new politics of social solidarity, Cambridge University Press, 2014.

of auto plant closures in a midwestern American city. [41]

Laid-off workers were offered careers advice and substantial subsidies to retrain, typically on a full-time basis and for roles that were deemed up-and-coming, or at least stable over the longer term. But Goldstein's book featured few examples of adults who were able to retrain for roles that either lasted, were satisfying or better paying than the ones they had lost. And her more detailed follow-up research found that, on average, those adults who took substantial time out to retrain were not paid any more than their counterparts who didn't. While this may not on the face of it seem surprising – manufacturing roles, which tended to be unionised, paid substantially more than other jobs in the local area – Goldstein also found that workers who retrained were no more likely to be employed than their counterparts who did not.

These discouraging findings correspond to other academic research showing some positive employments and earnings effects linked WIA-sponsored training for adults more generally, but no positive effects for WIA-sponsored training targeted at dislocated workers. To some extent, these findings could be driven by local labour markets, limits to geographical labour mobility, and are highly likely to have been affected by variable quality in job search and careers advice. Regardless of the cause, however, the overall conclusion from the US evidence is that workers who took time out of the job search process to retrain were, on average, unable to boost their lifetime incomes above those of their counterparts who did not.[42]

Facilitating both re-entry to work and career changes will always be more difficult during a recession, but could prove an even more formidable challenge this time around. Job re-entry will be hard if vacancies in labour-intensive sectors with low barriers to entry remain thin on the ground. Career changes will be rare if new roles are not forthcoming in the face of business uncertainty in the tricky opening-up phase our economy is now entering (with social distancing-driven supply constraints a very real barrier in some sectors, and the threat of second waves a more generalised concern).

41 A Goldstein, Janesville: An American Story, Simon & Schuster, 2017.
42 F Andersson et al., Does Federally-Funded Job Training Work? Nonexperimental Estimates of WIA Training Impacts Using Longitudinal Data on Workers and Firms, IZA Discussion Paper, September 2013.

In the short-to-medium term, government should focus training on lower-qualified unemployed people seeking to return to work, and develop sector-focused job creation initiatives

The Chancellor's Plan for Jobs, announced last month, featured a number of proposals to support employment and training among young people (such as a temporary jobs scheme and a boost to the small number of existing traineeships), as well as support for unemployed people more generally (for example, doubling the number of work coaches at DWP Jobcentres and offering additional support to those unemployed for longer than three months).[43]

Alongside these initiatives, policy makers should look to training specifically as one way to tackle the high levels of unemployment that we are likely to be facing. They should recognise the positive role that training, particularly when linked to a qualification, can play in helping lower-qualified workers re-enter a job after a spell of worklessness, particularly non-graduates (and younger women and older men within them). In doing so, they should also consider how pre-existing recommendations on reforms to the post-18 education further education system (as set out by the Augar Review in 2019) can help increase access to training opportunities while reducing the financial risks that adults often face when returning to education.

Turning from support to re-enter work to the broader question of sectoral reallocation, given little existing UK architecture or experience of success around retraining, the Government should focus on linking it directly to job creation that aligns with longer-term policy goals. A recent Resolution Foundation report called for investment in social care and 'green jobs' – specifically, retrofitting houses to become more energy efficient – as necessary for avoiding lasting high unemployment in the years to come. [44]

These roles have relatively low barriers to entry for the types of workers most at risk of losing their jobs during this crisis, meaning training would be both specific and shorter in nature, requiring weeks rather than months or years of study. Moreover, these roles have the benefit of being geographically dispersed. And crucially, the availability of a job in a new sector at the end of training would be baked in as part of a government-led job creation initiative, as compared to more diffuse retraining investments. To some degree, government playing a role in job creation could help overcome the lack of tripartite

43 These include an 'apprenticeships bonus' offering firms an additional £2,000 for taking on new starters age 16-24 as an apprentice and £1,500 if the new starter is over 25, £101 million to fund 18-19-year-olds to take 'high-value' further education courses at Levels 2 and 3 "when there are not employment opportunities available to them"; £17 million for sector-based work academy placements, which offer vocational training in a specific field as a well as a job interview; and a doubling of the number of work coaches in Jobcentres. See: HM Treasury, A plan for jobs, July 2020.

44 N Cominetti, L Gardiner & H Slaughter, The Full Monty: Facing up to the challenge of the coronavirus labour market crisis, Resolution Foundation, June 2020.

coordination that prevails in the UK and currently hinders efforts to develop retraining schemes akin to those in countries like Denmark.

To the extent that these initiatives will take time to get up and running, and are unlikely to provide a sufficient number of jobs for out-of-work adults, government should redouble efforts to support employment in the sectors worst affected by this crisis. This could include a recent Resolution Foundation proposal for a 'Job Protection Scheme,' which would effectively offer a temporary wage subsidy to jobs in the hardest-hit sectors.[45]

The unemployment effects of the coronavirus crisis have a cast a harsh light on pre-existing challenges around training to support job re-entry and career changes, challenges that have long prevailed in the UK. Helping adults through the current crisis will therefore depend on addressing these longstanding challenges while also ensuring a sufficient supply of jobs on the ground. This must include providing the training that this report has shown can be effective in helping adults re-enter work, and linking retraining to achievable (and desirable) job creation initiatives.

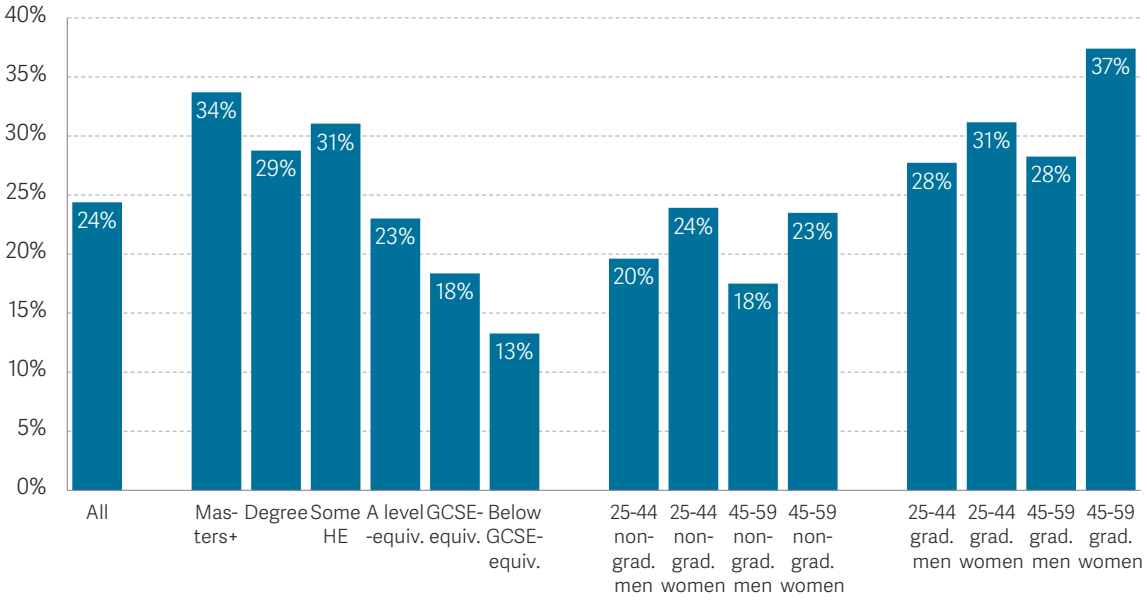
45 This would include all of the hospitality and recreation sectors, plus the parts of the retail sector most affected by the lockdown. See: N Cominetti, L Gardiner & H Slaughter, The Full Monty: Facing up to the challenge of the coronavirus labour market crisis, Resolution Foundation, June 2020.

Annex

Additional figures and tables

FIGURE 11: **Higher-qualified adults are more likely to receive work-related training than their lower-qualified counterparts**

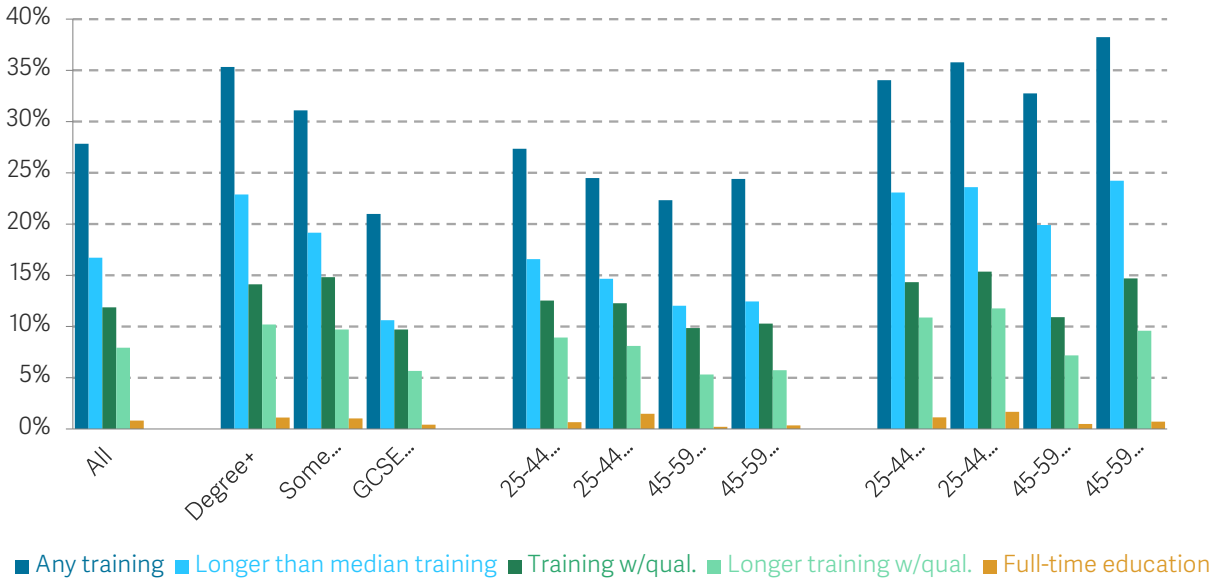
Proportion of in-work 25-59-year-olds receiving work-related training over the previous 13 weeks, by subgroup: UK, 2017-19



SOURCE: RF analysis of ONS, Labour Force Survey.

FIGURE 12: **Higher-qualified adults are more likely to receive a range of different types of training than their lower-qualified counterparts**

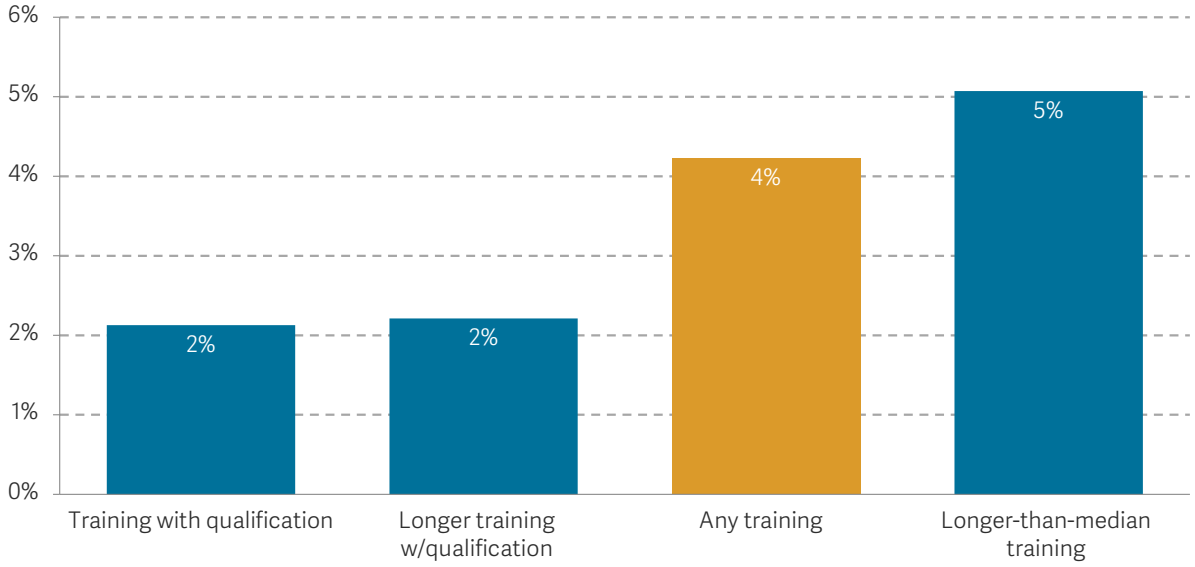
Proportion of 25-59-year-olds receiving different forms of education and training, by subgroup: UK, 2012-18



SOURCE: RF analysis of ISER, Understanding Society.

FIGURE 13: **The average effect of training is associated with a pay boost of 4 per cent**

Average boost in real monthly pay associated with each type of training, 25-59-year-olds: UK, 2012-18



NOTES: Training undertaken two years prior. Controls are: monthly pay three waves ago, sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago.
SOURCE: RF analysis of ISER, Understanding Society.

TABLE 5: **Training boost pay for those with mid and lower-level qualifications most**

Average boost in real monthly pay associated with each type of training, 25-59-year-olds, by subgroup: UK, 2012-18

	Any training	Longer-than-median training	Training w/ qualification	Longer training w/ qualification
All	4.3%	5.1%	1.5%	2.2%
High-level qualifications	3.3%	3.5%		
Mid-level qualifications	5.4%	6.4%	2.9%	3.6%
Lower-level qualifications	5.8%	7.0%		
25-44 men, non-graduate	3.6%			
25-44 women, non-graduate	7.9%	10.6%	5.0%	6.2%
45-59 men, non-graduate	3.8%	5.8%		
45-59 women, non-graduate	4.5%	6.4%		
25-44 men, graduate		5.0%		
25-44 women, graduate	4.3%			
45-59 men, graduate	3.8%			
45-59 women, graduate				

NOTES: Blank cells indicate results that were not statistically significant; cells are shaded according to the percentage difference in the predicted proportions of returning to work without training and with that particular form of training. This table only presents subgroups with significant results. Across all subgroups, there were no statistically significant results for full-time education. Training undertaken two years prior. Controls are: monthly pay three waves ago, sex, age, age squared, number of children, highest qualification (current), highest qualification (three waves ago), region interacted with whether area is classed as urban or rural, two-digit occupation three waves ago (including if missing), one-digit industry three waves ago (including if missing), weekly job hours three waves ago. Respondents classed as frequent trainers (those who reported any form of training or full-time education in the current wave, three previous waves and also future waves) are removed, as are those who said their training purpose was 'hobbies' or 'health and safety'. 'High-level qualifications' include qualifications at degree-equivalent level or higher; 'mid-level qualifications' include A level-equivalent and sub-degree higher education qualifications; 'lower-level qualifications' include qualifications at GCSE-equivalent levels or below.
SOURCE: RF analysis of ISER, Understanding Society.

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