

Training participation by age amongst unemployed and inactive people

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This project examines the evidence relating to training by age amongst people who are currently unemployed or economically inactive. The focus is on all adults aged between 16 and the State Pension Age (SPA)¹, since encouraging training throughout life is important to ensuring the supply of skills required by the economy.

There are a number of programmes aimed at facilitating individuals' entry or return into work. All have a training element, although the emphasis on this varies for different groups. The New Deal 50 Plus, for example, makes provision for a training grant of up to £1,500 for individuals who take up employment. For voluntary programmes such as the New Deal for Disabled People, and the New Deal for Lone Parents, training does not form a significant part of provision.

This summary presents the findings of three strands of research: a review of the current evaluation and academic literatures; analyses of the Labour Force Survey (LFS) 2004, and National Adult Learning Survey (NALS) 2002; and 22 interviews with individuals from 16 organisations with in-depth knowledge that qualifies them to comment on relevant issues. These included government departments, regional agencies, and voluntary sector organisations such as the Third Age Employment Network, the National Institute of Adult Continuing Education and Help the Aged.

Findings from the literature

The UK is facing a major demographic shift. Commentators predict that over the next twenty years, older people will form an increasingly large

proportion of the working population. While the number of those aged between 25 and 39 is predicted to fall by around five per cent, the number of people aged between 50 and 65 is expected to increase by some 20 per cent (Hirsch, 2003; Urwin, 2004). The growing number of older workers and diminishing supply of young people is likely to challenge concepts of older workers' redundancy and retirement at or before SPA. The retention of older people in the labour market may also create greater job competition for young people with low-level skills, few/no qualifications and little work experience (Hasluck, 1998).

At present, around thirty per cent² of those aged between 50 and SPA who could work, are economically inactive or unemployed, and a significant proportion of these claim state benefits. Large numbers are found in former industrialised areas such as Northern England, Wales and Scotland, where unemployment is high (Beatty and Fothergill, 2002). Across the UK however, the negative trend in the employment of older men, noted between 1975 and 1985, has slowed, and current figures indicate that the employment rate for older males is now higher than at any point since the mid-1980s (Taylor and Walker, 1997; Hotopp, 2005).

Other analysis³ shows that people with low qualifications are more likely to be without work than those possessing higher qualifications. Analysis of LFS data shows that people with low qualifications are also less likely to be engaged with training.

¹ Currently 60 for women and 65 for men, rising to 65 for both between 2010 and 2020.

² DWP (2004), *Older workers: Statistical Information Booklet*, Spring.

³ p238, Labour Market Trends, May 2003.

Further, the LFS analysis indicates that less than one-third of unemployed people are likely to have participated in training in the past 13 weeks. Far fewer—around 10 per cent—of inactive individuals have taken part in any training in the same period. These differences are likely to reflect the fact that inactive individuals are not subject to the same mandatory training requirements as those in receipt of Jobseeker's Allowance benefits are.

It is clear in the evidence that, broadly, the same range of barriers to training (and work) affect each group in the unemployed and inactive community; however, the strength and impact of these varies between groups. These barriers can be categorised as follows:

- human capital (*basic skills, qualifications, skills, job readiness and concept of self*)
- work-related (*time unemployed, work history, employer attitudes and regional economic factors*)
- resource-related (*health, care and care responsibilities, and structural barriers*).

The evidence relating to human capital barriers suggests that those with low or no qualifications face the highest risks of unemployment and inactivity, and within this group those with basic skill deficits are most at risk. However, one of the greatest barriers is individuals' own concept of their skills and abilities. Older adults may feel threatened by the thought of trying to attain basic skills that they have survived without (Winterbotham *et al.*, 2002). The social stigma attached to the lack of basic skills can render people too embarrassed to admit they need such training.

There is evidence that some older people who are unemployed, particularly in areas of high employment, feel that they are employers' 'last choice' (Beatty and Fothergill, 2002). Young adults may have a sense of failure due to poor experiences in the education system particularly if they did not gain qualifications. If employers use qualifications as a proxy for skills in young recruits, this group similarly may feel they are viewed unfavourably by employers.

Employers seek a range of work-specific skills and qualifications, which vary in level with the type of job. However, some generic skills, such as communication, problem-solving and motivation are required for the majority of positions and thus have become a key area for training and support. A third report, to be published in Autumn 2005,

explores in greater depth the skills employers seek during recruitment. Such work-specific skills are sometimes seen as an indicator of job-readiness. However, their measurement is not an exact process: evidence suggests that training providers, Jobcentre staff and employers, disagree regarding the level of individuals' job-readiness which can lead to poor outcomes for participants, both in terms of their training experience and ability to cope with employment (Winterbotham *et al.*, 2002).

The barriers categorised as work-related tend to focus on employer perceptions and local labour market conditions. The length of time someone has been without work may be viewed by employers as an indicator of the individual's 'distance' from the labour market (Moss and Arrowsmith, 2003). An individual's concept of their skills may also be a factor: they may not fully understand the skills now required and have little idea of how their skills need to change to meet employers' needs. Work trials and placements help in overcoming such barriers, providing recent work experience as well as enabling the participant to develop a better understanding of the modern workplace.

The resource-related category includes barriers relating to the flexibility (or lack of it) that can be provided in the work environment. The extent to which tasks and the workplace itself can be adjusted are factors that impact on the opportunities for individuals, particularly those with health problems, to (re-)enter work. Those with care responsibilities also require greater flexibility in working hours and patterns. For these groups, there is evidence to suggest that training is often provided flexibly; it is on transition to the workplace that the individual may encounter barriers, with some employers reluctant to make adjustments to working time arrangements, particularly time to complete training (Lakey *et al.*, 2002).

Amongst people with disabilities, there is some evidence that the types of training provided do not focus sufficiently on the impairment, *ie* how to manage the condition and the support or adjustment available to facilitate access to work. This is unfortunate given that often it is their health condition that constitutes their greatest barrier to work. Evidence suggests that people with disabilities have skills and are job-ready so, rather than needing help to address some skills deficit, would be able to work if support was available to negotiate adjustments with employers (JRF, 1998).

There are funding, and perceived financial disincentives, to accessing training for many groups. Young people for instance, have particular concerns regarding the potential impact of training on their eligibility for state benefits (Lakey *et al.*, 2001). However, guidance from a personal adviser helps to overcome such apprehensions. If, however, the individual wishes to progress in training beyond Jobcentre provision, obtaining funding can be problematic, particularly for older adults. Evidence suggests that funding for intermediate and higher skills remains restricted based on age for older, unemployed people eg Adult Learning Grants are available to fund training to gain a level 3 qualification, but only for those who can study full-time and who are under 30.

While various groups face common barriers, nonetheless there is considerable individual variation within each group, and for this reason individualised approaches are successful and valued by participants. All groups in the unemployed and inactive community favoured the assistance of a personal adviser to help guide them through the training and employment process, and specifically to help them deal with real and perceived barriers. The importance of the adviser's knowledge of the local job economy was stressed. The transition to work was also likely to be more successfully accomplished if support continued into the early stages of employment.

Trends in Training

Analysis of the LFS demonstrated that the involvement of unemployed and inactive people in training is low: on average, fewer than one in ten reported receiving training in the past 13 weeks (LFS Spring 2004). Training participation also declines with age: four in ten young workless people had received training compared to one-fifth of those aged over 45.

Beyond age, there are few clear trends. Over the age of 25, women are more likely to have engaged with training than men are; however the converse is demonstrated in the youngest age group.

Over the age of 25, people from ethnic minority and black backgrounds are 20 per cent more likely to report training, although again in the youngest age group, those from white backgrounds are slightly more likely to report training.

People with health problems that affect the amount of work they can do are more likely to report

training beyond the age of 25 than their counterparts whose health impairment does not pose limitations.

To help clarify the situation, we explored the factors that significantly impacted on likelihood of training, while controlling for other factors. This revealed the influence of age: the likelihood of someone aged over 55 participating in training is 50 per cent less than for an adult aged 35 to 44.

Amongst ethnic groups, those from black, black British and mixed backgrounds are 16 per cent more likely to be involved in training than other groups, although there is no discernable difference between white and Asian groups.

People with higher qualifications are more likely to engage with training: someone who has no qualifications is 75 per cent less likely than someone with a degree, to have recently received training.

Recent learning is a predictor of training particularly in the younger age groups: those who attained their highest qualification in the past two years, were two and a half times more likely to have received training than someone whose qualification was achieved more than two years ago.

Finally, analysis of NALS showed that the older a person is, the less likely they think it is they will be involved in training (or other learning) in the next three years. This reflects findings in the literature about over- or low confidence acting as a barrier for older people in accessing work and training.

Expert views about training

The interviews identified many barriers to participation in training programmes by people who are inactive or unemployed. These included a lack of access to information about what is available and the wider opportunities for training. Respondents discussed how the image of formal training negatively affected training motivation. While this affected all age groups, apprehension grew more entrenched with age.

Workless people were felt to have attitudinal barriers such as lack of confidence in their ability to learn, and an increasing lack of training motivation with age. Ill-health, and disability, also factored: a person unable to work due to ill-health can lose confidence.

The qualifying period for eligibility for training was seen as problematic as confidence and motivation are likely to decline as the period of worklessness increases. Flexibility of provision was an important factor affecting access. Also, other barriers to access that were important were transport infrastructure, and in rural areas, a reluctance to travel outside the local area for either work or training.

A variety of issues were raised about the suitability of current training provision, including the difficulty of measuring client satisfaction since provision can be mandatory. Some respondents were critical of the priority given to basic skills training as this limited the opportunities for higher level skills development.

Others noted the difficulty in motivating clients to train in basic skills, and suggested a greater integration with technical skills development might help. The relative value of different qualification levels was discussed and it was felt, by some, that intermediate qualifications were more likely to lead to increased financial remuneration; however that lower level qualifications helped people to retain employment for longer periods of time.

There was greater consensus regarding the types of training employers value. Training that involved work experience was considered to be most attractive. Training providers who engage with employers and adapt their training to meet the changing needs of the local labour market were seen as effective.

The majority of respondents agreed that the age-segmented government training programmes would no longer be viable in light of the forthcoming age discrimination legislation. However, there was a strong view that new programmes should be aware of the needs of different age groups.

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