



Apprentices hit worse than Graduates by Covid

Summary research on the impact covid
on Graduates and Apprentices

April 2021

Whilst the long term impact of the covid crisis is uncertain, there are clear immediate affects for young people and education.

The spread of COVID-19 has sent shockwaves across the globe.

Global economic activity is expected to fall by at least 6% in 2020.



Apprentices



Apprenticeship starts halved due to impact of Covid-19.

As Universities become increasingly expensive to attend, and the job market particularly competitive in the current climate, prospective students have been considering other career paths, such as an apprenticeship.


However access to apprenticeships isn't as easy as was 18 months ago.

The number of apprenticeship starts between March and May in 2020 dropped by **50% (39,761)** compared to the same period last year.

The Sutton Trust survey found that

- only 40% of apprenticeships were continuing as normal;
- 36% of apprentices employed by the respondents were furloughed;
- and 8% were made redundant.





More than half of firms (53%) shelving future plans to take on young workers as they adapt to the challenges presented by the virus.

29% of employers (potentially up to one in two of those who had to furlough apprentices) claimed that their apprentices could not be moved to other desirable roles because of lack of skills.

40% of respondents in the Sutton Trust survey reported that their apprentices could not continue learning as a result of the training provider closing or interrupting provision.

60% of providers have lost employer partners and revenue streams leading to doubts over whether they can continue to support their apprentices when they return.

Overall Reduced economic activity is discouraging firms from hiring new apprentices and so will uncertainty about the length of the crisis.

Worst affected industries:

- Health and social care was the worst-hit industry, with 11,000 (46%) fewer starts.
- Other sectors badly affected by the pandemic included
 - administration (10,000 fewer),
 - business management (7,000),
 - hospitality and catering (5,000) and
 - child development & wellbeing (5,000).

Rank	Sector	Starts March-July 2019	Starts March-July 2020	Covid fall in starts	% point decrease
1	Health and social care	24,058	12,995	11,063	46%
2	Administration	15,888	6,105	9,783	62%
3	Business management	17,785	10,754	7,031	40%
4	Hospitality and catering	7,760	2,349	5,411	70%
5	Child development and wellbeing	9,667	4,406	5,261	54%
6	Manufacturing technologies	5,993	2,557	3,436	57%
7	Retail and wholesaling	4,930	1,526	3,404	69%
8	Service enterprises	4,300	1,046	3,254	76%
9	Accounting and finance	5,769	2,736	3,033	53%
10	ICT practitioners	6,518	4,037	2,481	38%

Source: Small Business Prices



**Apprenticeship are innovating -
shifting to online delivery which
lowers costs and expands future
reach.**

**Students now perceive them as
equal to getting a degree.**

**Learning Whilst Earning is
the biggest draw (50%)
for young people
choosing between
learning on the job and
attending university.**





Apprentices are still predicted to reap higher earnings in their early years in the labour market than other vocational students qualified at the same level.

Graduates






Volume of graduate vacancies is currently running at 65% of 2019 volumes.

The most damaged industries largely do not employ graduates. However, the retail, hospitality and entertainment sectors are all important for student employment.

Where recruiting is stable, it has depended on the sector's ability to move employees to working from home and transition to a new, more virtual working environment. Graduates, for in the most part – will be able to take advantage of this increase in homeworking whilst manual workers and those in the service industry will not.

Surveys conducted by the Chambers of Commerce and Totaljobs found a 4% increase in firms attempting to recruit in the last quarter of 2020 and, looking ahead, 19% of firms expect an increase in size and recruitment.

Public sector employers have reported a record number of entry-level vacancies for university leavers.



Lower-income students are 55% more likely than their higher-income peers to have delayed graduation due to COVID-19.

Overall 40% of university students have lost a job, internship, or job offer, and 29% expect to earn less at age 35.

International student numbers are predicted to fall which may significantly affect the funding model of some universities.

Many firms who previously offered internships or work experience placements have cancelled them due to the economic hardship caused by Covid-19.

61% of employers surveyed are going to cancel some or all of their placements, only 33% will continue either in person or online.

48% of employers think there will be less opportunities in their business for internships and other placements.

49% of small and medium sized businesses have cancelled internships or work experience, whilst 29% of larger firms have.



Geographical barriers removed as home working means students are applying for roles that are based further afield.

However there is a risk that geographical barriers may be replaced by barriers of access to technology.



Inequality

Covid-19 will have “considerable and lasting consequences for social mobility” with a widening of existing inequalities and the increase in the number of children growing up in poverty.

In the aftermath of the pandemic, 29% of employers expect to prioritise social mobility and socio-economic diversity, while 11% said it would be less of a priority because of the impacts of the pandemic on their business.





There is a large attainment gap for disadvantaged pupils, which seems to have grown, as a result of disparities in access to technology and levels of parental support.

Students from privileged backgrounds, supported by their parents and eager and able to learn, found their way past closed school doors to alternative learning opportunities.

Those from disadvantaged backgrounds often remained shut out when their schools shut down.



Mental Health

Students are following guidance and were more twice as likely not to have left their home seven days than the general public and report lower levels of happiness and higher levels of anxiety.





74% of teachers and school staff agreed that schools being closed to most students over the period of lockdown has had a negative impact on the mental health of young people.

Thank you

For more information or help with your early careers strategy, contact

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