

Where the jobs are

connexions

A Connexions guide to the job market for the
parents and carers of young people leaving
Year 11 in Summer 2010



The changing labour market

We hear much in the media about the decline of British manufacturing industry, however, much of what remains of manufacturing in this country is now highly productive and requires skilled workers. Around one in ten people in employment across Tyne and Wear still work in a manufacturing business. This is a higher proportion than those working in construction, financial services or catering and hospitality.

Retail continues to be a major employer providing over 10% of all jobs across Tyne and Wear. Major shopping centres such as the MetroCentre (Gateshead), Eldon Square (Newcastle) and the Bridges (Sunderland) have helped make Tyne and Wear a major centre for the retail industry, they attract shoppers from all over the region and from overseas as well.

Despite the Credit Crunch, financial services remain an important sector across Tyne and Wear. Tesco Bank have announced that they are to build a new customer contact centre in Newcastle in 2010, which will eventually create 1,000 new jobs.

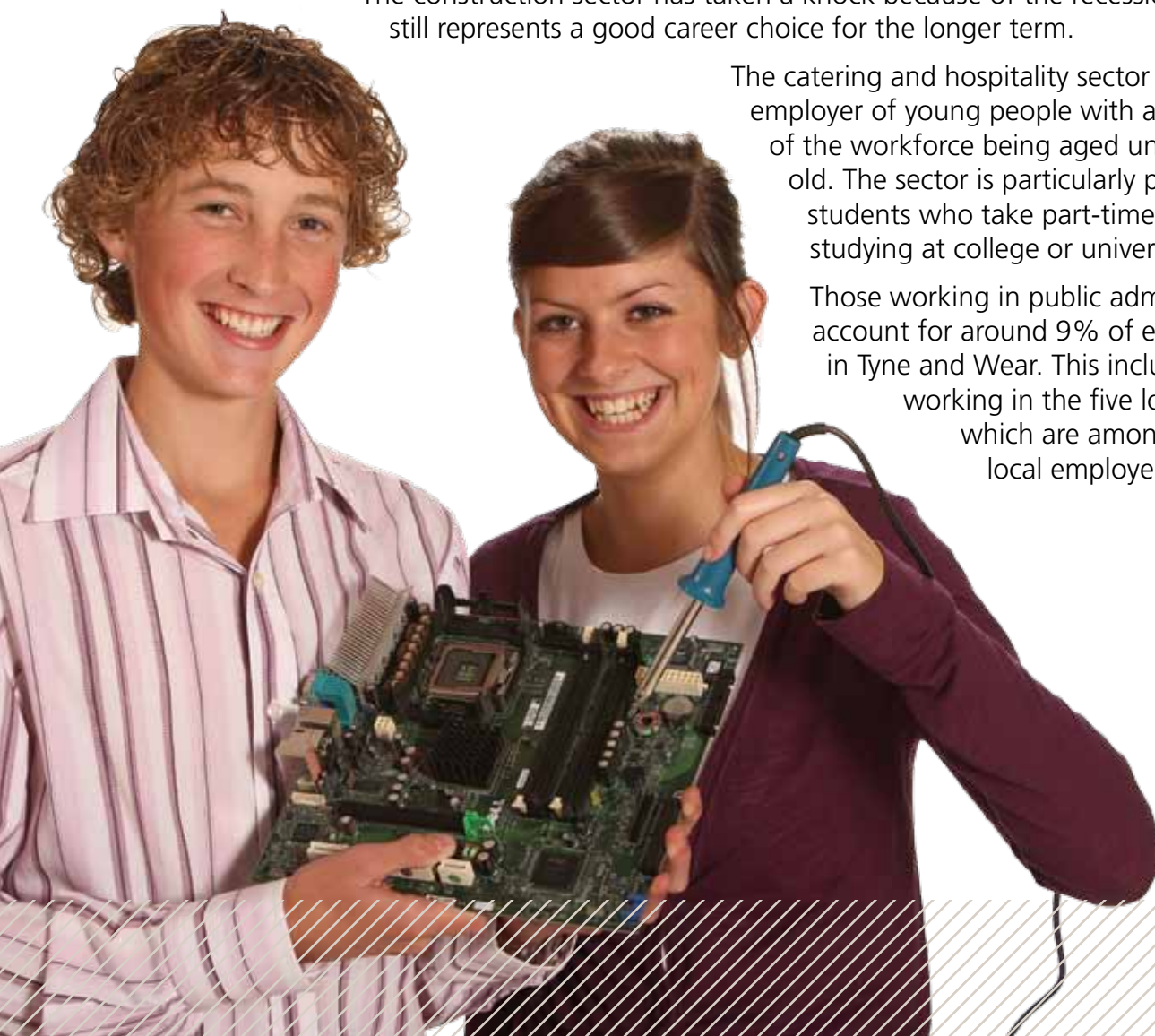
Creative and media industries represent one of the fastest growing sectors in the area. The following are just a few of the diverse range of job activities the sector employs: actors, musicians, journalists, graphic designers, photographers and computer game developers.

In recent years the health and care sector has expanded and now provides jobs for almost 14% of all workers across Tyne and Wear. The NHS remains the country's largest employer with around 1.4 million employees across the country and around 30,000 in Tyne and Wear.

The construction sector has taken a knock because of the recession, however, it still represents a good career choice for the longer term.

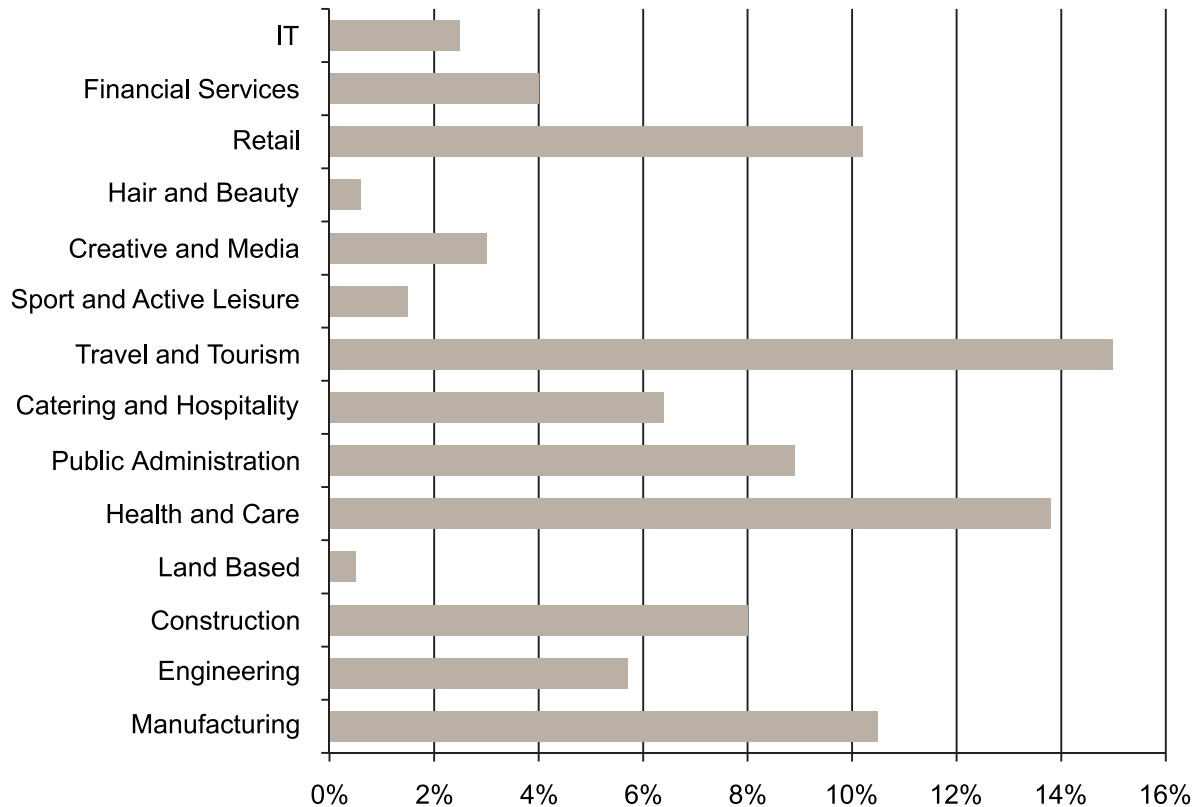
The catering and hospitality sector is a major employer of young people with almost 40% of the workforce being aged under 25 years old. The sector is particularly popular with students who take part-time jobs whilst studying at college or university.

Those working in public administration account for around 9% of employment in Tyne and Wear. This includes those working in the five local authorities, which are amongst the largest local employers.



Employment in Tyne and Wear

The chart below shows what percentage of people in Tyne and Wear work in each sector. The sectors in the chart have been matched to the subject areas (or best fit) available in the new Diploma qualifications which young people can choose to study:



Sources: Annual Business Inquiry (2008), Labour Force Survey (2009) and Agricultural and Horticultural Survey (2008) (Crown Copyright©)

The chart provides a comparison of how much each of the 14 key sectors contributes to the overall employment in Tyne and Wear. However, caution must be exercised in using this information. This is because:

- (i) There is some overlap between some of the sector areas (for example, Travel and Tourism double counts all of those jobs listed in Catering and Hospitality and some other jobs in other sectors too. Manufacturing also includes engineering, so in effect engineering jobs are listed twice, once under manufacturing and again under engineering)
- (ii) Some sectors are not represented at all such as transport and logistics, utilities and many areas of business services
- (iii) Some of the sector areas are, strictly speaking, not really sectors at all. In particular business, administration and finance represents a set of skills and knowledge requirements across many sectors and occupations. So in the chart above we have instead simply used financial services, which is a sector in its own right
- (iv) In addition, whilst some sector definitions readily match up to the way official employment data is defined and measured, some of the Diploma areas do not readily match up with these definitions. For example, Society, Health and Development and Public Services. In these cases we have used a 'best fit' sector. For example Society, Health and Development is represented by Health and Care and Public Services is represented by Public Administration

The global recession

The recent financial crisis which led to the 'credit crunch' and triggered a global recession brought an end to 16 years of uninterrupted economic growth in the UK. Whilst there is room for optimism for the future, the reality of the situation for the moment means that the job market has changed and things are more difficult for many people than they were, for example, five years ago.

In some respects we can draw similarities to what is happening now and what happened in previous recessions of 1980s and early 1990s. Employers are being forced to make some staff redundant and as a consequence unemployment levels have increased. In addition, youth unemployment has reached very high levels, with the official unemployment rate for young people in the 16-24 year-old group across Tyne and Wear being over 20%. This is close to levels seen in the 1980s.

Parents of those young people leaving school in 2010 may remember similarities to the 1980s when:

- There was a prolonged recession which led to great uncertainty in the labour market
- Young people leaving school in the 1980s were entering a world where it was extremely difficult to find a job
- Working patterns were changing with more people expected to work part-time or flexible hours

But it's not all doom and gloom! The good news is that recessions do not last forever and even during recessions most people manage to remain in employment. In addition, there are arguably more and better options available for young people leaving school now than there were in the 1980s.

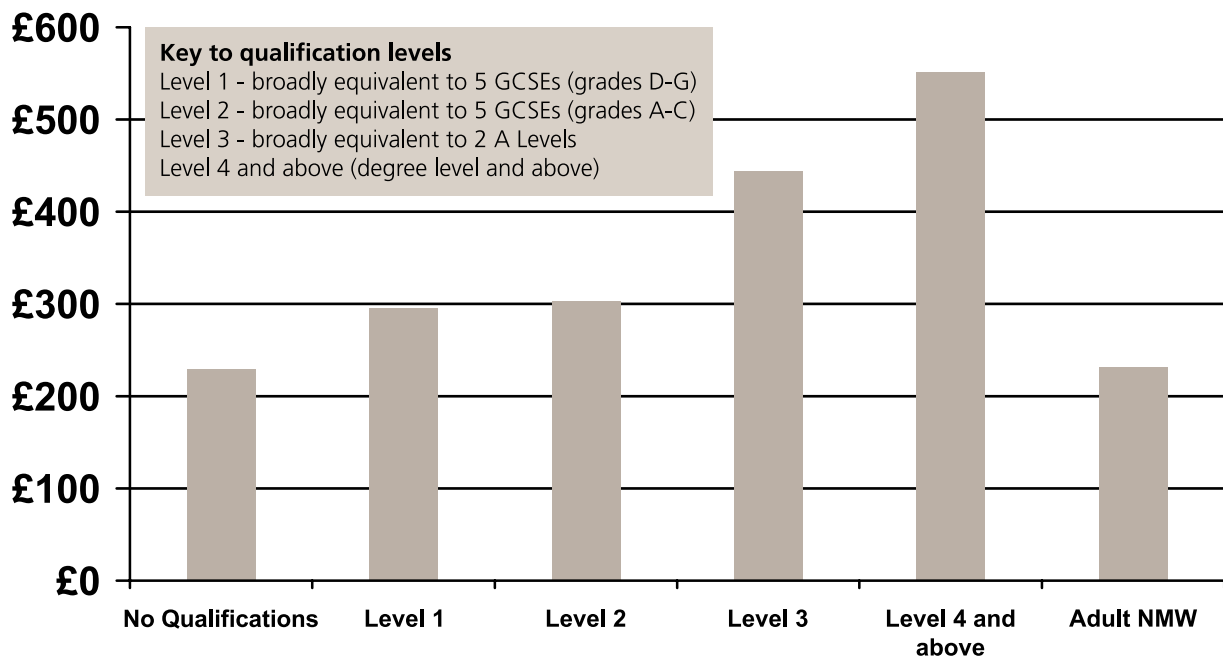


Learn more to earn more

Higher qualifications = higher wages

- Qualifications are increasingly important as we move towards a higher-skilled and knowledge-based economy. There are now few jobs around that require no qualifications and even fewer expected in the future. By 2020, the Government expects that 40% of all jobs will require a degree.
- The evidence shows that there is a positive correlation between higher qualifications and higher earnings. In other words, on average people with higher qualifications can expect to earn more than those with lower levels of qualifications or those with no qualifications at all.
- Someone earning the Adult National Minimum Wage (NMW) will be paid around £12,000 a year (for a 40 hour week). The difference in earning power over a working lifetime of 40 years could be as high as half a million to three quarters of a million pounds. Looked at this way, the extra earning potential which qualifications and skills provide is like a win on the National Lottery.

Average Weekly Wage by Highest Qualification



Source: Annual Population Survey (2008 data). © Copyright@ons.gov.uk

Note: Data is based on North East Government Office Region geography

Data relates to gross (before any tax and other deductions) mean average wage for main job

The average weekly wage for people in Tyne and Wear working full-time is £430* a week. However, someone with a Level 4 qualification or higher (degree or post-graduate qualification) can earn an average around £550 a week.

Young people are entitled to the National Minimum Wage but at a lower rate than the 'adult' rate of £5.80[†] an hour. For 16 and 17 year olds the hourly rate is £3.57[†] and for 18-21 year-old the hourly rate is £4.83[†]. Different rules apply to those on Apprenticeships who are entitled to the National Minimum Wage when they are aged 19 or over and have completed the first year of their Apprenticeship.

*Source: Annual Survey of Hours and Earnings 2009 dataset Crown Copyright©

[†]Current rates from 1st October 2009

Modern working practices

The traditional full-time nine-to-five, five days a week job is no longer as dominant as it used to be, as flexible working practices have become more common. There are now more jobs available offering part-time hours or temporary contracts. Many employees are also expected to work shift patterns or during the evenings and weekends. Self-employment and freelance work is also more common than it used to be.

Many people will have a variety of different jobs throughout working life. Once more, even those who stay in the same type of job can expect to see the way they carry out their work change due to the application of new technology and working practices.

Across Tyne and Wear, 40% of females in employment and around 11% of males work on a part-time basis. Many people choose to work part-time including students who want to combine part-time working with their studies.

The concept of *Portfolio Workers* has been coined to highlight how people in the modern jobs market have developed portable skills which they can use by moving from job to job or contract to contract in a more fluid and changing jobs market.

In the modern Labour Market, you need to have flexibility, adaptability and mobility if you want to maximise your employability

Flexibility

Many jobs require workers to be flexible. For example, some jobs require shift work or require employees to work evenings or weekends. Others take work on short-term, temporary contracts. These are all examples of workforce flexibility.

Adaptability

The jobs which are available and how we do them are constantly changing. Workers need to be able to adapt to this change by being ready to accept new working methods, learn new skills and, when necessary, move on to different jobs.

Mobility

You may have to move away or increase your travel to work time to get the job you want or to take advantage of promotion and career development opportunities. This could mean moving to another town or city in this country or even moving abroad. For example, an estimated 100,000 British citizens work in Dubai in the Middle East.



What do employers want?

A wide range of research has shown that there are common skills and qualities which employers want from their workers. These skills and qualities include a need to have good literacy, numeracy and IT skills, but what employers want also has a great deal to do with the attitude and motivation of job applicants. These qualities are often referred to as *soft skills*.

Employers want the people they employ to:

1. Have good written and verbal communication skills
2. Be honest and have integrity
3. Have good team-working skills
4. Have good inter-personal skills
5. Be highly motivated and show initiative
6. Have a strong work ethic
7. Have good analytical skills
8. Be flexible and adaptable in work
9. Have good IT skills
10. Have good organisational skills

Source: Compiled by Focus LMI

We don't want to give the impression that qualifications are not important to employers. Indeed, qualifications are increasingly required in the modern labour market and many job vacancies do require particular qualifications before you can even apply. But employers are looking for much more than qualifications. Those young people who can demonstrate that they have the skills and qualities which employers want will be more successful in their efforts to find a suitable job.

Employers are prepared to pay higher wages to people who have the qualifications and skills that they want. For example, an electrician that requires qualifications up to Level 3 can earn a national average of around £28,700* a year and a nurse requiring Level 4 qualifications (equivalent to degree level) earns a national average of around £30,000* a year.

*Source: Annual Survey of Hours and Earnings 2009 dataset, Crown Copyright©



Gimme, Gimme, Gimme!

Managing the expectations of an 'I want it and I want it now!' generation

We live in a consumer culture and it often seems that teenagers want everything - now! Sometimes this attitude can spill over into other areas of life.

In addition, 'Reality TV' is often blamed for the desire amongst many young people to become celebrities. Whilst this is perhaps a harmless phase of teenage life, there is a danger that celebrity culture could affect the attitudes and ambitions of some young people, which could foster an unrealistic view of the world.

In a recent YouGov poll of 800 British teenagers, almost 10 per cent said that they would abandon education for the chance to appear on television.

The Association of Teachers and Lecturers found that 60% of teachers said that their pupils most aspired to be like David Beckham - and that 32% said their pupils modelled themselves on heiress Paris Hilton. (2008).

Be ambitious - but be realistic

Ambition can be an important factor in motivating young people to work hard towards achieving their chosen career goal. However, it is also important that young people are realistic as well. Not everyone can make a living from being a TV celebrity or Premier League footballer.

Parents can help by passing the message on to their sons and daughters that they need to plan for their futures and remind them that they have to work hard now in order to achieve their goals in the future. Like any investment, you can never guarantee a return. However, investing in qualifications and skills does significantly increase the chances of getting a well paid job in the future.

Did you know..?

There are fewer than 500 UK born professional footballers in the squads of the 20 English Premier League clubs. That's around one person for every 60,000 people in work across the country.

However, well over half a million people work in the sports and leisure sector in the UK and they are employed in jobs such as sports coaches, gym instructors and sports centre managers. Perhaps these are more realistic career goals for the majority of young people who aspire to work in the field of sport.



Encouraging enterprise

Self-employment and entrepreneurship

- People who are self-employed earn their living from their own business, trade or profession rather than earning a salary or wage directly from an employer. Around 8.5% of those in work in Tyne and Wear are self-employed or work on a freelance basis. This equates to over 40,000 people, or roughly one in every twelve workers.
- People often choose to become self-employed after they have built up skills, qualifications and experience working as an employee for another firm. To this extent self-employment may be more realistic as a longer term goal for most young people.
- Self-employment is more common in some occupations such as in the building trade, accountancy, legal services or in the media industry where freelance work is common.
- Being self-employed can have a number of attractive features such as allowing people more choice as to how, when and where they work. However, many self-employed people work longer hours than employees and have to be responsible for all aspects of running a business including marketing, finance and planning. Evidence from the HM Revenue and Customs shows that around a third of people who set up their own business and become self-employed fail within the first three years. So becoming self-employed can be a risky strategy and is not suitable for everyone.



Tomorrow's labour market

Where will the jobs of the future be?

We cannot know for certain where the new jobs in the future will be, however many people who study the jobs market believe that science-based sectors will emerge as key industries in the future. These include bio-sciences, environmental technologies and renewable energy production.

STEM stands for science, technology, engineering and mathematics. These STEM subjects underpin many of the emerging sectors such as bio-technology and environmental industries.

Newcastle is one of just six designated *Science Cities* across the UK. This will see Newcastle emerge as a leading centre for science related jobs, as millions of pounds will be invested into science-based industries and organisations such as the NHS, The Centre for Life and the Universities of Newcastle and Northumbria.

The environmental challenges which we face mean that there is pressure to find solutions. Efforts to move towards a low-carbon economy mean that there will be increased demand for workers with skills and knowledge to help design, develop and manufacture products such as:

- Hybrid and low-emissions cars
- Low energy use consumer goods
- New fuels, such as bio-fuels
- Environmentally friendly ways of generating power including wind farms and solar power
- The next generation of nuclear power stations

Whilst new types of industries will be important for future jobs growth, existing sectors of employment including public administration, health and care and manufacturing will continue to offer many job opportunities for the foreseeable future.

Over the last twenty years or so customer contact centres have become a major source of employment in the local area. Across the whole region over 50,000 people work in customer contact centres, with over half of these based in the Tyne and Wear area.

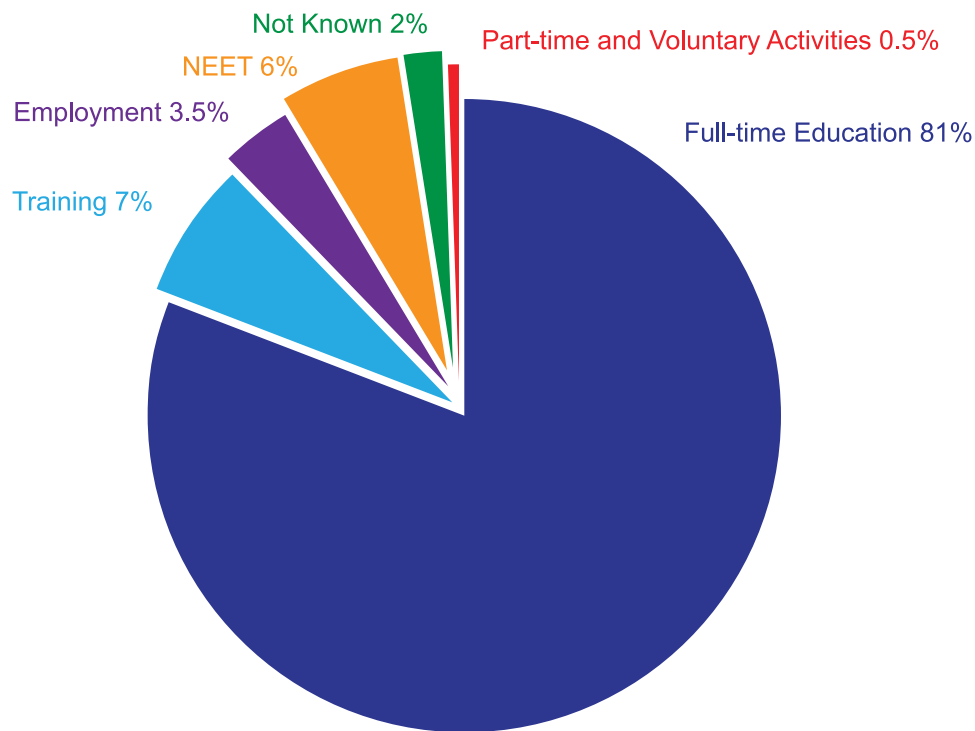
Did you know..?

Nissan at Sunderland is the largest manufacturing employer in Tyne and Wear with well over 4,000 workers. In addition, Nissan supports thousands more jobs in local companies on its supply chain who provide goods and services to Nissan.



Where do school leavers go?

Destinations of School Leavers in Tyne and Wear 2009



Source: Connexions Hub Services in Tyne and Wear (2010)

Note: Data has been rounded to nearest half percentage point

NEET stands for Not in Employment, Education or Training

- In 2009 the vast majority of young people leaving compulsory schooling across Tyne and Wear continued in full-time education (81%). Comparatively few young people now go straight into employment upon leaving school (3.5%). Finding a suitable job is not easy in the current climate and young people may find themselves at a disadvantage when competing for jobs against older and more experienced candidates.
- In this context it makes sense that a high proportion of young people are choosing to stay on in education or enter training (including Apprenticeships) in order to improve their skills and qualifications before entering the labour market.
- There are now a wide range of options for young people to consider after they leave compulsory schooling. These include traditional A Levels, the new Diplomas and a wide range of vocational related courses. Apprenticeships are also a popular option and they offer the opportunity to learn skills and gain valuable qualifications in a wide range of occupational areas.

Research has shown that young people get their ideas and views on the jobs market from a wide range of influences including their peer group, family and friends and the media. Parents and carers play a vital role in influencing the decisions which their sons and daughters make about their futures.

You will know through your own experience that the career path we choose has a huge impact on many aspects of our lives, including how much money we can earn and how satisfied we are with our working lives. These factors, in turn, will determine what kind of overall quality of life we can have.

We all want our children to grow up to be happy and successful and to be able to make a positive contribution to society. Parents can play a key role in helping their sons and daughters make more informed choices about their futures.

Where the jobs are has been prepared to help parents and carers think about what they can do to help. The guide also provides some information on the jobs market in Tyne and Wear.

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