



The social mobility challenge
Collaborating to make a difference

April 2019

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Foreword

Social mobility is frequently in the news and has consistently been at the top of the policy agenda for nearly every single post-war UK government. Yet the country still ranks as one of the lowest performing for income mobility across the OECD.¹

Disadvantage often begins at a young age. There were 4.1 million children living in poverty in the UK in 2016-17 – that’s 30 per cent of children, or nine in a classroom of 30. While this alone should be a cause for concern, the evidence shows that this divide at an early stage in a child’s development has pervasive, long-lasting effects on their overall life outcomes. For instance, by GCSE level there is a 28 per cent attainment gap between children receiving free school meals and their peers, in terms of the number achieving at least 5 A*-C grades.²

To explore how social mobility in the UK can be improved through collaboration across sectors, Deloitte hosted a roundtable with senior leaders from a range of public, private and third sector organisations. The focus was on the current state and scale of the issue, and the way in which educators, employers, charities and government bodies could collectively tackle the challenge both within and outside their sphere of influence.

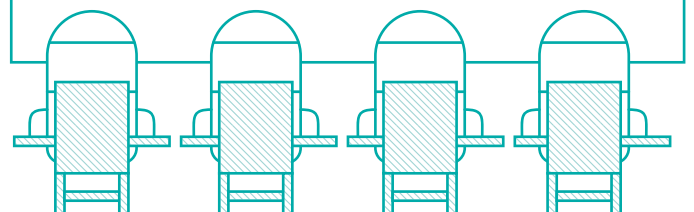
This report is the output of our discussion, which is intended to drive a wider conversation around the key lessons we have learned in the social mobility space. Finally, we would like to say a special thank you to Julie Mercer for driving this initiative forward, and also to all the participants at our roundtable.



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To explore how social mobility in the UK can be improved through collaboration across sectors, Deloitte hosted a roundtable with senior leaders from a range of public, private and third sector organisations.





The social mobility challenge

The UK is the fifth richest country in the world. However, it could take a child from a low-income family five generations to reach the national average income of approximately £27,000.⁴

This section outlines some of the key trends in social mobility, and also the systemic and organisational barriers to progress, as identified by our roundtable participants.



Key trends raised at our social mobility roundtable

Regional variation and the post code lottery

Despite past assumptions of a North-South divide, social mobility 'cold spots' persist all over the UK, indicating the existence of a stark post code lottery. London illustrates the potential for progress, accounting for nearly two-thirds of the country's social mobility 'hot spots'.⁵ Despite poor past performance, inner city areas that have been the subject of considerable public policy focus now enjoy increased access to post-16 education institutions, more teachers for specialist A-level subjects, more universities, more employers and more quality jobs.⁶ However, despite the positive results achieved in recent years, high costs of living combined with low-paid work threaten to undo these gains.

Meanwhile the Social Mobility Commission's *State of the Nation 2017* report also highlights that low performing areas persist in coastal, rural and former industrial areas, where individuals suffer a challenging combination of poor educational and wealth outcomes, weak labour markets and poor transport connectivity. Young people from low socioeconomic backgrounds in these areas can face higher barriers than their urban counterparts.

Lack of progress for those from low socioeconomic backgrounds

Irrespective of regional variations in social mobility, a large gap still remains, with children from low socioeconomic backgrounds less than half as likely to achieve passes in GCSE English and Maths. Whilst gaps may be small in earlier years, the knock on effects of 'playing catch up' only result in exacerbating the impact in middle to late years of the social mobility lifecycle. By the time a young person from a low socioeconomic background reaches university age, they are nearly ten times less likely to go to a top university.⁷

The discouraging trends in social mobility are a result of both systemic challenges at a national level, and organisational challenges at the level of individual households, communities, businesses and other organisations. A number of the key barriers preventing progress in social mobility have been identified overleaf.



Systemic barriers raised at our social mobility roundtable

The need for a holistic national level strategy

The Social Mobility Pledge, a national cross party campaign led by Rt Hon Justine Greening MP, was launched in 2018 to improve social mobility in the UK. The campaign encourages employers to work with local schools and colleges, offer apprenticeships and adopt open recruitment policies such as name-blind or contextual recruitment. To date, over 100 employers have signed up, representing over a million employees in total. Participants at our roundtable highlighted the need for a holistic national level strategy, given that social mobility is complex and multi-faceted. It is composed of multiple variables including social and cultural capital, employment opportunities, housing, education, labour market experience and healthcare. Therefore, a holistic strategy that builds on the Social Mobility Pledge, and accounts for all the determinants of social mobility, may be required to address the wide range of underlying factors that make up the existing challenge.

Institutional bias and the educational attainment gap

Unequal access to education and opportunities for those from low socioeconomic and minority backgrounds represents a further barrier to upward mobility, with middle class families having access to a wider range of networks and educational opportunities. Network effects, alongside entrenched social biases, result in persistent challenges throughout a lifetime. A pupil from a low socioeconomic background will be over eight months behind their peer in reading, writing and maths by age 11. Even if that same student is able to then overcome this early gap, attend the same university, and study the same degree as their wealthier peers, they will *still* earn 10 per cent less per year upon entering the workforce.¹²

The need to make progress towards diversity

Despite a more concerted focus in recent years on gender diversity, the mean gender pay gap still stands at 17.4 per cent. One of the many contributors to this gap is the failure of businesses to sufficiently enable women to successfully rejoin the workforce after having children (often referred to as the maternity penalty). When it comes to the shape of the workforce overall, 81 per cent of part-time workers in 2014/15 were women, with half of these having children. Furthermore, a lack of Black, Asian and Minority Ethnic (BAME) individuals at the senior levels in UK companies serves to highlight the challenges ahead for the BAME school students who account for a third of those at primary school age, and will be entering the workforce in the next 15 years.⁸ Additionally, many employers have yet to fully focus on tackling social mobility with only one in five monitoring progression of employees from lower socioeconomic backgrounds.⁹ Lastly, as the ability to report on these issues relies on the disclosure of data, employers and their employees can become trapped in a vicious cycle, with employees being reluctant to disclose key information unless they trust that their employer is serious about tackling diversity.

These systemic barriers require substantial rethinking, as long-term structural reform will be critical in overcoming them. However, these barriers often also manifest themselves as organisational barriers, at the level of educators and employers. These organisational barriers outlined on the next page present an opportunity for more immediate change, which has the potential to then build momentum in achieving long-term and sustainable progress towards enabling social mobility.



Organisational barriers raised at our social mobility roundtable

Universities – widening participation versus rankings

Universities face conflicting incentives between widening participation by issuing contextualised offers that take into account the educational, socioeconomic and circumstantial data of a student, and promoting high tariffs to boost university rankings. However, there is a real need for contextualised offers, as the most advantaged 20 per cent of young people are over six times more likely to attend a selective institution than the most disadvantaged 40 per cent.¹³ Selective institutions have shown limited progress in increasing access for students from low socioeconomic backgrounds, thus indicating potential failure to admit those students who have high potential and outperformed their norm, but achieved lower academic grades than their peers from higher socioeconomic backgrounds.

Recruitment and retention of teachers in social mobility cold spots

The UK is currently facing a teacher supply crisis, as record numbers of teachers are leaving the profession while recruitment targets have been missed for five consecutive years.¹⁵ This is particularly an issue for schools in social mobility cold spots, as outlined in the SMC's *State of the Nation 2017* report. Schools in affluent areas have greater stability in the teacher workforce, with higher levels of teacher supply and lower turnover rates. Given the critical importance of teachers in improving educational and life outcomes for students, this disparity creates a significant barrier for social mobility.

Limited access to opportunities for skills development

Students from low socioeconomic backgrounds often fall behind in attainment and progression, due to limited access to development support both outside school and within school (e.g. in the form of extracurricular activities). Schools in low socioeconomic areas typically provide fewer opportunities for their students to build key life skills such as communication, resilience and commercial awareness. For example, schools with lower proportions of students on free school meals are twice as likely to offer debating clubs. Furthermore, students from low socioeconomic backgrounds are less likely to receive career advice, mentoring and work experience, with these students being three times less likely to take work experience compared to pupils educated at independent schools.¹⁴

Barriers in access to career opportunities

Individuals from low socioeconomic backgrounds face further barriers to economic opportunities, as a result of unpaid and informal internships. The internships that act as a common pathway into high paid, leading professions can often be inaccessible for others. With the minimum cost of working in an unpaid internship in London estimated at £1,019 per month,¹⁶ it is no wonder that students from poorer backgrounds will be put off from applying. Furthermore, many internships (both formal and informal) are often gained through employers offering opportunities within their network to friends and family, thereby cutting off access for others. During entry to the workforce, jargon filled job descriptions can portray firms as elitist institutions, prompting fewer applications from those from low socioeconomic backgrounds and thus perpetuating the cycle of social immobility.



Is there cause for hope?

Shifting the dial towards greater social mobility is a major national challenge. However, there is cause for hope. The below case studies provide examples of some of the great work being carried out across the UK to combat barriers to social mobility.

The examples below are not just the exceptions which deliver meaningful impact at a local level, but they also provide key lessons which could be scaled up. The case studies selected showcase initiatives at three key stages of the social mobility lifecycle: schools, Higher Education and employment.

The Cost of the School Day – Child Poverty Action Group (CPAG)

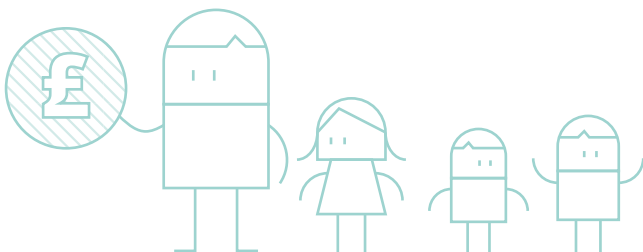
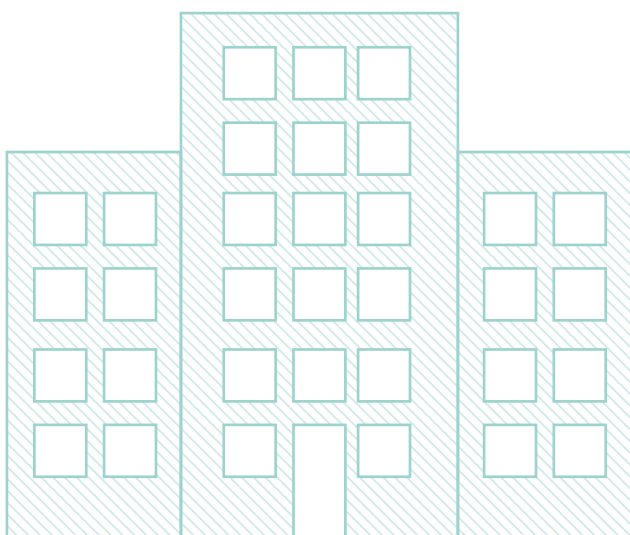
The Cost of the School day, delivered by CPAG in Scotland in partnership with Glasgow City Council Education Services was a project carried out across eight Glasgow primary and secondary schools in various areas of deprivation, across a total of 339 children. The aim was to identify potential problems in school policies and practice, their subsequent impact on children's participation, and which existing policies and practices added value.

Following analysis of a typical school day, the project identified a set of pressure points that impacted family budgets and participation of students. The project was then able to determine a number of tangible changes with the potential to have a high impact:

- **Improving communication:** Better communication between families and schools to improve awareness of what support is available and where to find it, for example ensuring completion of an annual postal declaration to continue receiving free school meals.
- **Minimising costs and reducing pressure on family budgets:** Providing support in the form of clothing grants and Education Maintenance Allowances, alongside subsidising and providing sibling discounts.
- **Providing equal access to development opportunities:** Ensuring extracurricular activities such as supported study and clubs maximise participation, and are not affected by a student's ability to travel.
- **Reducing and challenging stigma:** Putting systems in place to minimise stigma against those requesting financial aid, ensuring reward systems are not affected by finances at home, and having clear anti-bullying policies.

How can this be scaled?

- **Review of charging families** for school based activities to enable full participation.
- **Conduct poverty impact assessments** during the allocation of resources within education services and policymaking.



Widening Access – London School of Economics

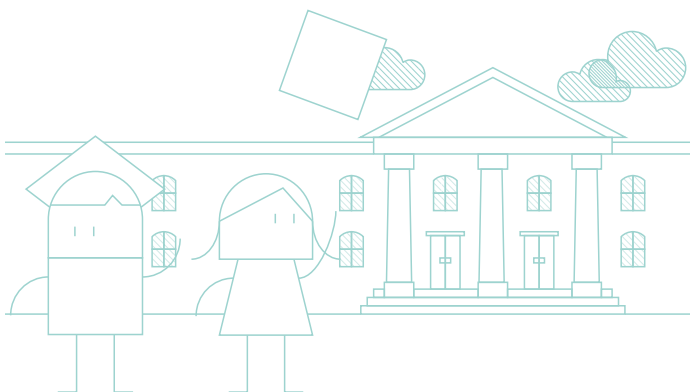
The London School of Economics (LSE) has been recognised for its work on widening participation at the 2018 Times Higher Education Leadership and Management Awards, and was identified by the think tank Reform as the leading UK university for acceptance of disadvantaged students.

Contextualised admissions

Through the introduction of contextualised admissions which account for a broad range of social metrics including geodemographic data and individual circumstances, the university was able to assess an applicant's academic performance within a much wider context than simply grades. Furthermore, admissions staff were trained in unconscious bias, whilst applicants from disadvantaged backgrounds fulfilling specific criteria were automatically invited to later stages of selection, providing them with greater opportunities to demonstrate their potential.

How can this be scaled?

- **Accelerate contextualised admissions:** Universities can create a spectrum of contextualised admissions to identify their location within it. Reform suggests that if the LSE model is replicated successfully, an additional 3,500 disadvantaged students could be admitted to the most selective universities per year.¹⁷
- **Publishing key metrics to promote transparency:** Establish and manage a public database of different institutions' approaches towards contextualised admissions, and publish their findings on a regular basis to provide greater visibility on effective measures and progress in widening participation.



Improving access to leading professions – Deloitte

Deloitte's approach to social mobility has seen us coming fifth in the annual Social Mobility Employer Index over the past two consecutive years and being awarded Champion status by the Department for Business, Energy and Industrial Strategy. Our social mobility actions have included adapting our recruitment processes to widen participation; we have also focused on work experience and school leavers programmes, which are robustly designed around the principle of inclusivity. Specific actions that have been implemented include:

- **Contextualising academic achievements:** We utilise technology enabling the contextualisation of applicants' academic achievements, allowing recruiters to better account for the context in which academic achievements have been gained.
- **Blind recruitment:** Through the introduction of school and university blind recruitment, we have removed the potential for recruiter bias, and helped to ensure offers are made on the basis of present potential as opposed to past personal circumstance.
- **ASPIRE scheme:** Our annual, week long work experience programme for Year 12 & 13 students from low socioeconomic backgrounds enables students to take part in business games and immersive case studies, as well as sessions to develop skills that will help with their future.

How can this be scaled?

- **Wider introduction of contextualised applications and blind recruitment:** To ensure applicants' achievements are assessed against the context of their individual circumstances.
- **Wider introduction and expansion of work experience programmes aimed at students from low socioeconomic backgrounds:** To enable a wider range of opportunities for individuals who may otherwise not gain access to insights into the workplace, and effective careers advice and support.



Positive actions: ideas for educators

There is clear consensus on the critical role of schools, colleges and universities in shifting the dial on social mobility. Educators across the country, including Teach First, place social mobility as a key focal point within their strategy. However, despite this focus, there continues to be a negative correlation between years of education and social mobility, as demonstrated by the persistent attainment gap between students from low socioeconomic backgrounds and their peers.

To address this gap and make strides towards levelling the playing field for all students, we have developed the ideas below based on the roundtable discussion.



Ideas for schools and Further Education colleges

- Engage with local businesses, small and medium-sized enterprises (SMEs) and large corporations, to provide additional work-related opportunities for students. Examples of potential opportunities include mentoring with an employee, insight days and enterprise competitions.
- Where possible, create additional training and Continuing Professional Development (CPD) opportunities for teachers, to help them in supporting every child to reach their potential, irrespective of their background. Examples of training courses include: leadership development, workload management and pastoral care.
- Provide students (and parents) with advice and guidance beyond education, to better equip them for life after school/college. This can include guidance on the wide range of possible pathways including Higher and Degree Apprenticeships, entrepreneurship and employment.
- Increase collaboration with other schools and colleges, particularly those in more isolated areas, through the use of technology. For example this can include the sharing of: lesson plans, learning resources and best practices for school improvement.



Ideas for universities

- Utilise contextualised offers, particularly for courses with higher entry tariffs, to holistically consider an applicant's background when making admissions decisions.
- Increase accessibility for university applicants across all regions of the country by providing virtual open days, and expanding the regions targeted by student recruitment and outreach teams.
- Identify and internally communicate the benefits of improving social mobility from a university perspective, to further incentivise key decision-makers within the university. Benefits for universities include increased size of recruitment pool, and improved retention and progression rates for students from low socioeconomic backgrounds.
- Establish long-term partnerships with employers to provide inputs into curriculum design, to develop courses based on the evolving needs of employers.

A number of these ideas will require educators to work closely with businesses and other organisations to effectively provide a wide range of applicable learning and career opportunities for students. This is also reflected in the 'ideas for employers' to encourage the necessary level of engagement from all organisations.



Positive actions: ideas for employers

Employers, including private and public sector organisations, as well as schools and universities, are critical to social mobility. Employers are becoming increasingly aware of the benefits of social mobility, and are beginning to see it as an enabler for tapping into a wider range of talent, reaping the benefits of diversity in the workplace and improving employee retention. However, there is more that needs to be done to unlock the positive impact that employers can have on social mobility, as outlined in the ideas below.



Ideas for recruitment

- Ensure work experience opportunities are open to all students, regardless of background. If informal or “friends and family” work experience programmes exist, review the demographics of students accessing these opportunities and take steps to redress any imbalances.
- Consider offering specific work experience programmes to support students from lower socioeconomic backgrounds to gain valuable work experiences and access to professions where they otherwise may not have any connections through their family or friends.
- Contextualise academic achievements when considering entry level candidates, to level the playing field across applicants.
- Make job advertisements more accessible by removing jargon and providing clear detail around location and the work and skills required. This will enable applicants to better understand the requirements of different vacancies, even if they do not have access to networks within the professions that they are applying for.
- Transition away from competency based models which focus on the ability of candidates to demonstrate particular skills which often arise from having access to additional extra-curricular or employment opportunities. As an alternative, move towards strength based models, utilising interviews and scenario testing to account for an individual's ability and potential.
- Offer additional opportunities for work outside of major cities to alleviate pressure on candidates to move location, or provide financial support to make moving location possible for those from less advantaged backgrounds. Examples include: shifting focus to regional offices, encouraging remote working, and offering loans/subsidies for accommodation in major cities.

- Inspire potential applicants by sending those who have succeeded in the business into specific schools/regions/areas to help with the raising of aspirations. Examples of this include: facilitating employees' interactions with schools or allowing employees a number of voluntary hours a year to enable them to partake in such engagement.



Ideas for the workplace

- Develop a coherent business case for why social mobility is important and why it matters, to shift the focus and incentive away from limited case-study type interventions, and towards interventions aimed at achieving long-term change.
- Collect and share data to understand recruitment and progression patterns, to analyse the current state of social mobility in particular industries. This data should be used to set and measure objectives, to then be held as targets for senior management. Moreover this data can be used to establish accountability and set benchmarks across the sector.
- Focus on fostering an inclusive culture in the workplace that allows employees to bring their ‘whole selves’ to work. This includes understanding and catering to the needs of employees both inside and outside the workplace.
- Empower employees from low socioeconomic backgrounds through the provision of mentoring and online peer-to-peer platforms, so that they are better placed for career progression. Such interventions should be provided as soon as an employee joins the organisation and should continue as they progress.



So what's next?

Given the complex and multi-faceted nature of Britain's social mobility challenge, urgent action from employers and educators, along with structural reforms at a national level, are essential to achieve lasting and meaningful change. We believe this is only possible through close collaboration between private, public and third sector organisations to build a collective movement working towards a common goal.

Within the education space, cross-sector collaboration is being driven at a governmental level by the Department for Education. The Department has identified 12 Opportunity Areas where partnerships between businesses, schools, colleges and universities are key to addressing existing inequalities, and providing the best possible opportunities for students. Also at a national level, the Fair Education Alliance works with over 100 different organisations to lead a coalition for change in education. Each member of the Alliance has signed up to achieving the five Fair Education Impact Goals.

These goals encompass five transformational changes which, if achieved in the next ten years, will substantially reduce educational inequality by ensuring that more children get a fair chance in education, regardless of their background. We encourage all organisations interested in working together to end the persistent achievement gap, to connect with the Fair Education Alliance as they continue to build a collective movement around solving the social mobility challenge. We also encourage employers and educators to implement the proposed ideas outlined in this report, to take tangible steps towards greater social mobility.

Ultimately at a policy level, the UK needs a holistic strategy for social mobility, incorporating the complex range of key determinants which influence individual life outcomes. In the meantime, civil society cannot afford to wait. Either organisations from all sectors get together behind this common goal, or we continue to fail generation after generation as we leave those from the poorest backgrounds the furthest behind.





Endnotes

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Our impact



342,000

futures supported by **our One Million Futures initiative** in FY18



61

society partnerships supported through **One Million Futures** in FY18



Over 1,000

school leavers hired via our **apprenticeship scheme**, BrightStart, since its introduction in 2015



12,375

futures impacted in FY18 by our **One Million Futures** schools programme, which aims to raise aspirations, improve skills and develop leaders



260

school students over the last year took part in our **work experience programme**, Deloitte ASPIRE



173

new joiners have been hired since 2015 as a result of **contextualised recruitment**

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