

Qualifications levels and employment rates

Key points

- Londoners are relatively well qualified relative to those living in the rest of the UK; 29 per cent of Londoners are qualified to degree level or above compared with 18 per cent of those living in the rest of the UK.
- Employment rates are strongly associated with qualifications levels. In London, the employment rate ranges from 44 per cent for those with no qualifications up to 89 per cent for those with degree level qualifications.
- London has a low employment rate relative to the rest of the UK and differentials are widest for those with lower level or no qualifications. Those with degree level qualifications have the same employment rates in and outside London (89 per cent).

Source: Annual Population Survey 2006

Note: All employment rate data relate to the working age population excluding those in full-time education.

This Update presents the latest data from the 2006 Annual Population Survey (APS) on qualifications levels and employment, for those living in and outside London.

Qualifications levels

Table 1 compares the qualifications profile of those in London to those living in the rest of the UK. Of all working age Londoners, over one third (35 per cent) have higher level qualifications, defined here as NVQ level 4 and above¹. This group comprise those with degree level qualifications and those with other higher level qualifications (eg HND or nursing qualifications).

Table 1 Working age population by highest qualifications level, London & Rest of UK, 2006

	Persons working age			Persons working age, excluding full-time students		
	Greater London	UK (exc. London)	Difference London - Rest UK	Greater London	UK (exc. London)	Difference London - Rest UK
	% totals			% totals		
All levels	100	100		100	100	
NVQ Level 4 and above	35	26	8	37	28	9
- Degree or equivalent	29	18	11	30	19	12
- Other higher education	6	9	-2	7	9	-3
NVQ Level 3	12	16	-4	10	14	-4
Trade Apprenticeships	3	6	-3	3	6	-3
NVQ Level 2	12	17	-5	11	16	-5
Below NVQ Level 2	10	15	-5	10	15	-5
Other*	15	6	8	15	7	8
No qualifications	14	14	0	14	14	0

Source: Annual Population Survey 2006

* Other includes foreign qualifications not included elsewhere.

¹ See Appendix table A3 for a guide to the NVQ qualifications definitions used here.

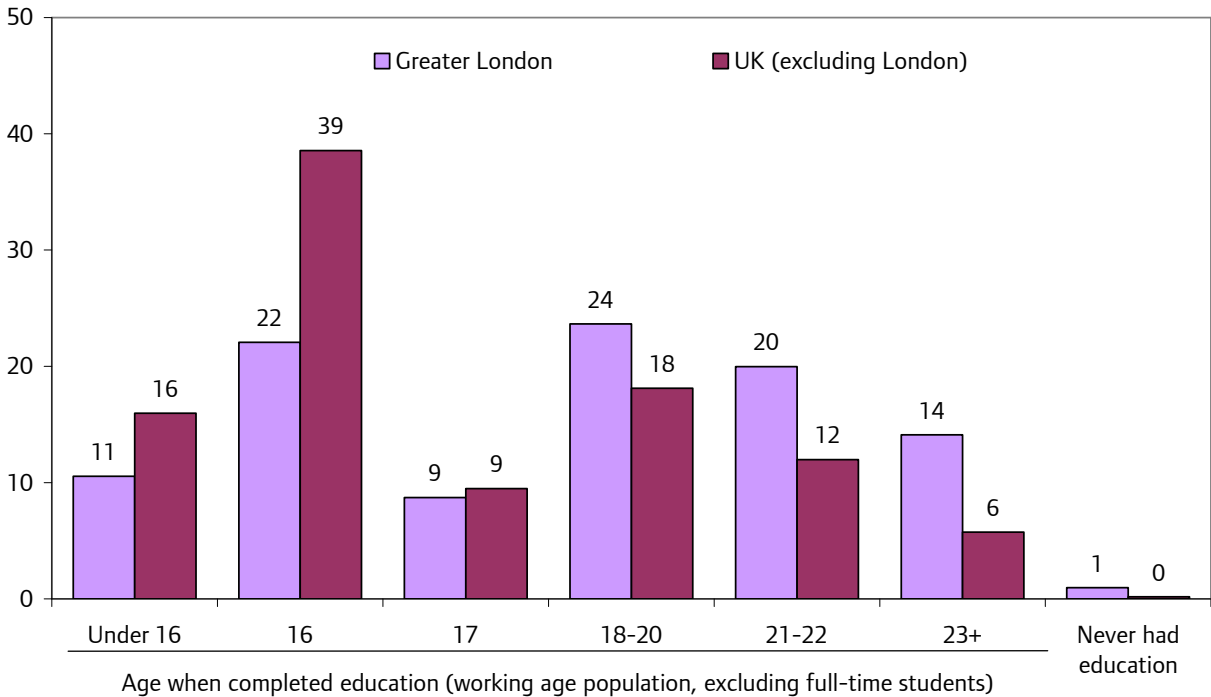
A further 37 per cent have qualifications at levels below NVQ level 4 and fourteen per cent of London’s working population have no qualifications. The remaining 15 per cent hold ‘Other’ qualifications. This latter group includes those with foreign qualifications, where the level is not known or where it was difficult to determine a UK equivalent. In the case of London, of all those with ‘Other’ qualifications, the majority (85 per cent) were born outside the UK.

The issue of coding of foreign qualifications makes strict ‘like for like’ comparisons difficult, as Londoners are more than twice as likely to have ‘Other’ qualifications, than those living in the rest of the UK, and it is not known what level these qualifications are.

However, even taking this into consideration, Londoners do appear to be well qualified relative to their counterparts in the rest of the UK; 29 per cent of Londoners are qualified to degree level or above compared with 18 per cent of those living in the rest of the UK. The percentage of the working age population with no qualifications is the same in and outside London (14 per cent).

Table 1 also shows the same analysis but excluding those in full-time education. The overall picture that emerges is similar and within the non-student population, qualifications levels are higher in London.

Figure 1 Age when completed full-time education, persons working age (excluding those currently in education), London & Rest of UK, 2006



Source: Annual Population Survey 2006

The length of time spent in full-time education provides an alternative measure of likely qualifications levels, that overcomes the problem of assessing foreign qualifications levels. Figure 1 shows the age at which individuals completed their full-time education² in and outside London. This confirms the earlier analysis that Londoners are relatively well qualified relative to their counterparts in the rest of the UK. In London, one third of the (non-student) working age population completed

² Age when completed continuous full-time education

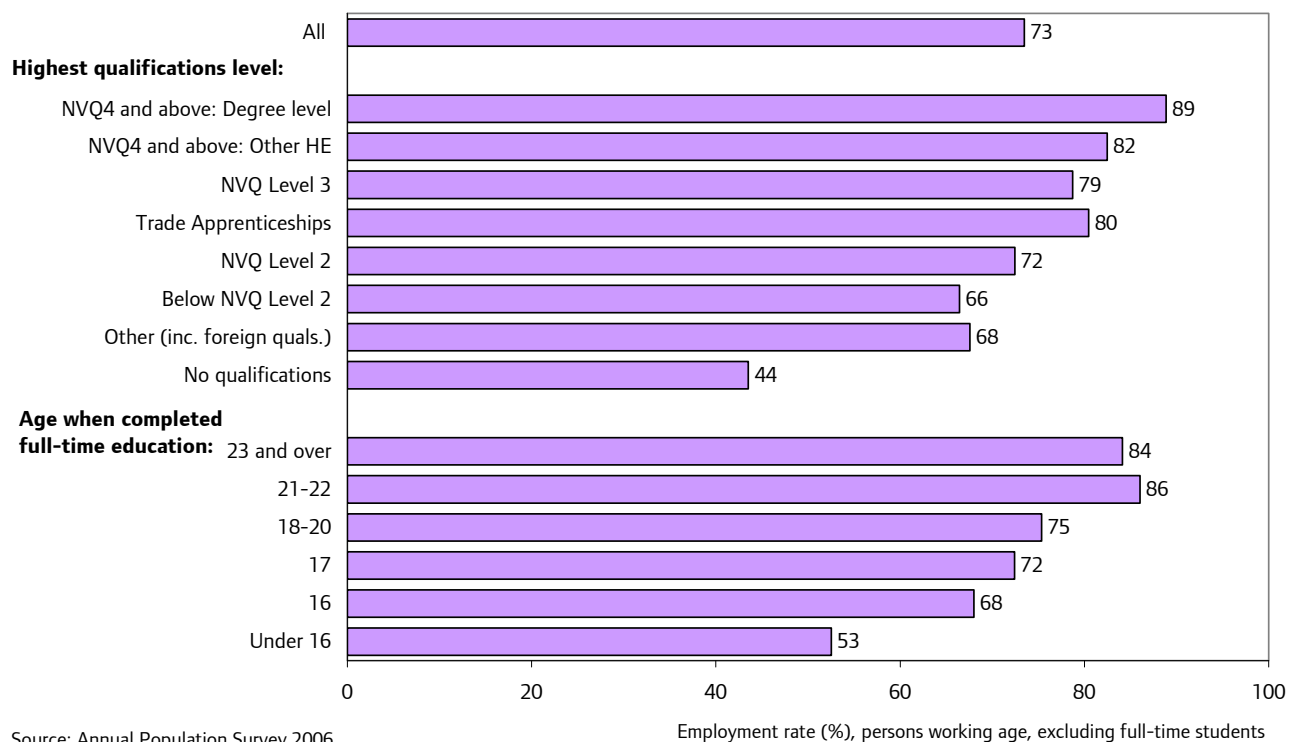
their education at 16 or younger relative to over half (55 per cent) of those living in the rest of the UK.

Data were also standardised for differences in the age structure of the population in and outside London, but this made little difference to the size of the differentials observed in Table 1 and Figure 1, which remained similar even when age profiles were accounted for.

Employment rates and qualifications levels

Figure 2 shows employment rates of working age Londoners according to their qualifications levels. Employment rates are a measure of labour market participation and express the number employed as a percentage of the population. Here, all rates relate to the working age population excluding those in full-time education, ie those who are still in the process of obtaining their qualifications.

Figure 2. Employment rates by qualifications and age when completed full-time education, persons working age (excluding full-time students), Greater London, 2006



Londoners who are qualified to degree level have much higher employment rates than those with lower level, or no, qualifications. Eighty nine per cent of Londoners with degree level qualifications are in work compared with only 44 per cent of those with no qualifications. The employment rate is also below average for those with lower level qualifications below NVQ level 2 (66 per cent) and for those with 'other' qualifications (68 per cent).

A similar picture emerges when employment rates are analysed according to the age at which people completed their full-time education. In general, those who spent longer in education, had higher employment rates.

Table 2 compares employment rates in London to those in the rest of the UK. Overall, the employment rate in London is around 5 percentage points lower than the rate outside London. Within London, the employment rate is lower in Inner London than Outer London.

The analysis shows that the employment rate differentials between areas are most pronounced for those who are less well qualified. The employment rate for those with higher level qualifications, above NVQ 4 and above, remains consistently high across all areas (87-88 per cent). In contrast, for those with lower level or no qualifications, employment rates are far lower in London than outside London.

Of all groups, the employment rate is lowest for those with no qualifications, who live in Inner London. Just over one third (36 per cent) of this group are in work relative to 50 per cent in Outer London, where rates are close to the Rest of UK average (52 per cent).

Analysis by age when completed education shows a similar picture with area differentials being widest for those who completed their education at aged 16 or earlier.

Table 2 Employment rates by qualifications and age when completed education, persons working age (excluding full-time students), London & Rest of UK, 2006

	Inner London	Outer London	Greater London	UK excluding London	Difference in rates (London-Rest UK)	
					Inner- Outer London	London- Rest UK
Persons working age, excluding full-time students	69	76	73	78	-7	-5
By highest qualifications level:						
NVQ Level 4 and above	87	88	88	88	-1	0
Degree or equivalent	88	89	89	89	-1	0
Other higher education	80	84	82	87	-4	-4
NVQ Level 3	73	82	79	85	-9	-6
Trade Apprenticeships	(70)	84	80	82	(-14)	-1
NVQ Level 2	67	75	72	80	-8	-8
Below NVQ Level 2	58	70	66	75	-12	-8
Other (inc. foreign quals.)	64	70	68	77	-5	-9
No qualifications	36	50	44	52	-14	-8
Age when completed full-time education:						
Under 16	42	59	53	64	-17	-11
16	58	73	68	77	-15	-9
17	67	76	72	82	-8	-9
18-20	72	78	75	84	-6	-9
21-22	87	86	86	88	1	-2
23 and over	82	86	84	87	-4	-3

Source: Annual Population Survey 2006

Note: Figures based on relatively small samples are shown in brackets to emphasise the higher level of sampling variability attached to these estimates.

Appendix Tables

A1 Qualifications levels, persons working age, Greater London, 2006

	Persons working age		Persons working age, excluding full-time students	
	All	% total	All	% total
All	4,823,000	100	4,330,000	100
NVQ Level 4 and above	1,682,000	35	1,601,000	37
- Degree or equivalent	1,379,000	29	1,316,000	30
- Other higher education	303,000	6	285,000	7
NVQ Level 3	585,000	12	437,000	10
Trade Apprenticeships	127,000	3	125,000	3
NVQ Level 2	570,000	12	463,000	11
Below NVQ Level 2	480,000	10	434,000	10
Other (inc. foreign quals.)	703,000	15	647,000	15
No qualifications	677,000	14	623,000	14

Source: Annual Population Survey 2006

Notes: Table excludes those with missing data on qualifications.

A2 Employment rates by qualifications levels, Greater London, 2006

	Persons working age		Persons working age, excluding full-time students	
	In employment	Employment rate (%)	In employment	Employment rate (%)
All	3,327,000	69	3,181,000	73
NVQ Level 4 and above	1,443,000	86	1,405,000	88
- Degree or equivalent	1,197,000	87	1,169,000	89
- Other higher education	246,000	81	235,000	82
NVQ Level 3	393,000	67	344,000	79
Trade Apprenticeships	101,000	80	101,000	80
NVQ Level 2	358,000	63	336,000	72
Below NVQ Level 2	295,000	62	289,000	66
Other (inc. foreign quals.)	459,000	65	437,000	68
No qualifications	276,000	41	271,000	44

Source: Annual Population Survey 2006

Notes: Table excludes those with missing data on qualifications.

A3 A guide to qualifications categories used in this Update

The qualifications groupings used in this update are based on the standard NVQ qualifications categorisation used in the APS but with one modification: the addition of a sub-category within the 'NVQ level 4 and above' group, to distinguish between those with degree level qualifications and those with other higher level qualifications.

NVQ Level 4 and above

Degree or equivalent:

Higher degree

NVQ level 5

First/Foundation degree

Other degree

Other higher level qualifications:

NVQ level 4

Diploma in higher education

HNC, HND, BTEC etc higher

Teaching, further education

Teaching, secondary education

Teaching, primary education

Teaching foundation stage

Teaching, level not stated

Nursing etc

RSA higher diploma

Other higher educ below degree

NVQ Level 3

NVQ level 3

International Baccalaureate

GNVQ/GSVQ advanced

RSA advanced diploma

OND, ONC, BTEC etc, national

City & Guilds advanced craft/part 1

A level or equivalent*

SCE Higher or equivalent*

A,S level or equivalent*

Trade apprenticeship

Trade apprenticeship

NVQ Level 2

NVQ level 2 or equivalent

GNVQ/GSVQ intermediate

RSA diploma

City & Guilds craft/part 2

BTEC, SCOTVEC first/general diploma etc

A level or equivalent*

SCE Higher or equivalent*

A,S level or equivalent*

O level, GCSE grade A-C or equivalent*

Below NVQ level 2

NVQ level 1 or equivalent

GNVQ, GSVQ foundation level

CSE below grade 1, GCSE below grade c

BTEC, SCOTVEC first/general certificate

Key Skills & Basic Skills Qualifications

Entry Level qualifications

Other qualifications

O level, GCSE grade A-C or equivalent*

YT, YTP certificate

City & Guilds Foundation/Part 1

Other qualifications

Other qualifications**

Scottish CSYS

No qualifications

No qualifications

* Respondents with these qualifications can appear under more than one NVQ equivalent (it depends on the detail of their particular qualifications).

** Includes foreign qualifications not included elsewhere.

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