News Release

YOUNG PEOPLE SET FOR £2,000 GCSE BOUNTY

GCSEs improve weekly earnings and will soon be essential for employment

As young people discover their GCSE results today, the Learning and Skills Council (LSC) reveals the actual benefit of each qualification.

To prove the importance of gaining essential qualifications – such as five A*-C GCSEs or the vocational equivalent – the LSC has calculated the added value of each GCSE to someone’s starting salary, to help demonstrate the link between higher qualifications and a higher starting salary.

Employer research shows recruiters will pay an extra £2,261 per year to new staff with the minimum set of qualifications (Level 2 diploma or five A*-C GCSEs) compared to someone with no qualifications – an average of more than £450 per GCSE.

<table>
<thead>
<tr>
<th>Number of GCSEs</th>
<th>Added Value (£)</th>
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</thead>
<tbody>
<tr>
<td>One</td>
<td>11,142</td>
</tr>
<tr>
<td>Two</td>
<td>11,624</td>
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<tr>
<td>Three</td>
<td>12,052</td>
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<tr>
<td>Four</td>
<td>12,553</td>
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<tr>
<td>Five</td>
<td>13,016</td>
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And the results also echo new ONS (Office of National Statistics) data released today – which shows that people without the minimum set of qualifications earn on average £55 a week less than those with these essential qualifications – and this earnings gap has increased by 5.1 per cent since 2003\(^\text{ii}\) – showing that the situation is getting worse for job-seekers without qualifications at this level.

And while the research shows that the more GCSEs you have, the greater the starting wage – it also confirms the risk of being under-qualified and unemployable.

Currently one in five (22 per cent) employers would not recruit someone with less than five GCSEs and by 2010, predictions show that three out of every five people without five good GCSEs or the vocational equivalent will be unemployed\(^\text{iii}\).

Julia Dowd, Director of Young People’s Learning at the LSC, said, “Today’s research shows that the implications of not having the minimum set of qualifications, five GCSEs grades A*-C or the vocational equivalents such as a Level 2 diploma, are becoming more serious. It is therefore imperative that all young people take their future in their own hands and remain in or return to learning to gain these essential qualifications.

“We congratulate those who have got their Level 2 qualifications and to those who haven’t, the message is that by staying on in learning young people can significantly improve their employability. Financial support is available in the form of EMA so I would urge all young people to ensure they gain the minimum set of qualifications needed to get on in life or risk seriously damaging their earnings potential.”

News released on 24 August 2007 embargoed until 00.01 on 24 August 2007
Notes to editors:
This press release applies to England only.

Research was conducted online between 19th and 23rd July 2007 by YouGov Plc who interviewed a sample of 271 recruiting managers. YouGov is a member of the British Polling Council.

Learning and Skills Council:

The LSC exists to make England better skilled and more competitive. We are responsible for ensuring the availability of high-quality education and training for everyone. We have a single goal: to improve the skills of England’s young people and adults to world class standards. Our vision is that young people and adults in England have knowledge and skills matching the best in the world and are part of a truly competitive workforce. We work nationally, regionally and locally to deliver this ambition on behalf of learners and employers.

Visit www.lsc.gov.uk/inourhands or call 0800 011 30 30 for more information.

Apprenticeships

- There are currently 250,000 apprentices working in over 130,000 organisations in England alone. They can choose from over 200 career paths in 80 different sectors of industry and commerce.
- Anyone aged 16 and above is eligible to complete an Apprenticeship.
- Apprenticeships provide individuals with a mixture of on and off-the-job training whilst being paid. For employers, Apprenticeships offer the opportunity to improve their businesses bottom line through the tailored, relevant training of highly motivated individuals.
- There are two levels of Apprenticeships:
  - ‘Apprenticeships’, equivalent to GCSE level, incorporate a National Vocational Qualification to Level 2; key skills and in some cases a technical certificate
  - ‘Advanced Apprenticeships’, equivalent to A-levels, incorporate a National Vocational Qualification to Level 3, key skills and a technical certificate

Education Maintenance Allowance (EMA)
All 16-year-olds in England from a household with an annual income of up to £30,810 who stay on at college or school are eligible for the EMA. The scheme allows payments of £10, £20 or £30 a week in return for a commitment to study. Additional benefits of up to £500 over two years are also available for meeting certain targets.

For advice and information on how to apply for the EMA call 080 810 16219 or visit the web-site www.direct.gov.uk/ema for application packs. For people with speech and hearing difficulties who use textphone, please call 0800 056 5344.

Separate EMA and Apprenticeship schemes are operated by the administrations for Scotland, Wales and Northern Ireland.

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¹ Employers will pay an extra £2,261 to a young person with five GCSEs, \( \frac{2,261}{5} = £452 \) per GCSE.

² Source: ONS, Employment rate and gross weekly earnings. In 2003, those with GCSEs A-C or equivalent earned £52.34 more a week than those with no qualifications. In 2006, those with GCSEs A-C or equivalent earned £55 more per week.