

## The Recent Evolution of Apprenticeships in the UK

### New Research from LSE

- A new [report](#) from LSE's Centre for Vocational Education Research (CVER) and Centre for Economic Performance (CEP) explores trends in **apprenticeship take-up from 2015 to 2020** and the demographics of those who take on apprenticeships.
- Previous research has shown that apprenticeships offer good economic payoffs for school leavers and workers, especially in the earlier stages of their careers.
- However, the new analysis from Prof Sandra McNally, Dr Chiara Cavaglia, and Guglielmo Ventura reveals that **the number of overall apprenticeships starts declined dramatically between 2015 and 2020**.
- Furthermore, **drop-out rates are a major cause for concern, and young people from low-income backgrounds are under-represented in higher and degree level apprenticeships**.
- Even though the number of apprenticeships has **decreased**, policy changes have improved **their quality**, though even more can be done to refine the policy, and options are explored below.
- With a widening skills gap and companies struggling to fill roles due to a lack of technical knowledge, apprenticeships have a key role to play in engraining these much-needed skills in the current and future workforce.
- Top line findings from the research include:
  - The **number and composition** of apprenticeships has **changed considerably since 2017, falling by almost a quarter** between 2017 and 2018, and **by a further 18% during the pandemic**.
  - There was a **dramatic decline in numbers between 2017 and 2018**, after the introduction of the Apprenticeship Levy, and new regulations on the quality of apprenticeships.
  - Despite decreasing numbers, the **composition** of apprenticeships was **strongly influenced by changes in government policy** with new rules aimed at **improving the quality of training** - including a minimum threshold for off-the-job training and a more rigorous final assessment. In line with these efforts, there has been a **marked increase in the planned duration of apprenticeships**.

- **Drop-out rates are a cause for concern.** Between 11 and 26 per cent of individuals drop out within one year (depending on their age and the level of the apprenticeship). The overall **achievement rate varies between 60 and 70 per cent**, which is lowest for older individuals (25+) on higher apprenticeships and highest for younger people on Level 3 apprenticeships.
- Unlike many other countries **apprenticeships in England do not predominantly facilitate the transition from school to work.** Instead, individuals over 25 years of age account for **40 per cent** of all apprentices and are more strongly represented among those starting higher or degree apprenticeships.
- **Young people from low-income backgrounds are under-represented in higher and degree level apprenticeships.** The research finds that the proportion of degree apprentices from low-income backgrounds (at level 6) is **lower than for undergraduates** (5% vs 6.7%).
- This suggests that **these apprenticeships are not currently a more accessible pathway** than the university route for those from low-income backgrounds. More needs to be done to make apprenticeships a viable route for young people from low-income backgrounds.
- While the gap in representation is most noticeable in the highest-level apprenticeships, between 2015 and 2020 there was a **decline of up to two percentage points** in the representation of individuals from poorer backgrounds **within each level of apprenticeship.**

### Policy Questions

- Apprenticeships have been proven to be an effective route into work for school leavers. Evidence suggests they can also work as a vehicle for upskilling those already in work and supporting career change, notably among younger workers. With further amendment and improvement, the policy can do more to expand their availability and accessibility to deliver social justice and economic growth.
- If focusing apprenticeship opportunities on young people remains a priority, then policy should consider **whether there ought to be more explicit targeting of towards young people through firm-level incentives or regulation.**
- We need a clearer understanding of **why so many apprentices are dropping out of their apprenticeships early**, and what additional support may be needed to ensure they completely their opportunities.
- And if apprenticeships are to truly drive social justice, policymakers must better consider **how opportunities can be made more widely available, and visible, for those from disadvantaged backgrounds.**