



Social Mobility
Commission

Understanding multi-generational disadvantage: The long shadow of deprivation - differences in opportunities across England

Erin Hawkins, Social Mobility Commission

Report authored for the SMC by: Lindsey Macmillan, Pedro Carneiro, Sarah Cattan, Lorraine Dearden, Laura van der Erve, and Sonya Krutikova

Today's talk



Our findings on differences in social mobility across the UK

The importance of education, alongside moving beyond education to understanding intergenerational disadvantage

The characteristics of places for better – and poorer – social mobility

Where next?



Understanding differences in social mobility across England

- Social mobility is the extent to which opportunities are equal for everyone, across big cities and small towns, whether your parents are rich or poor

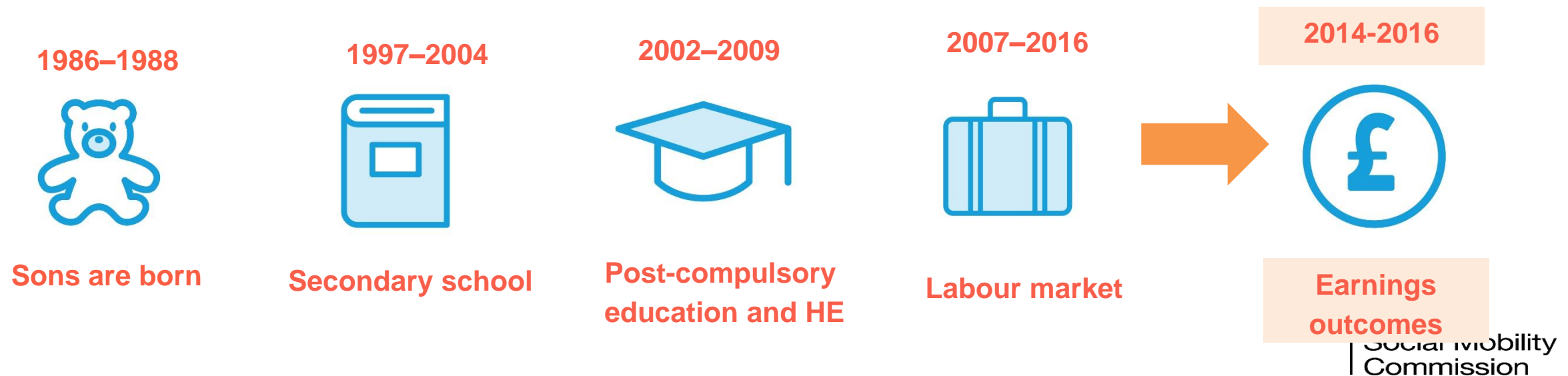
1. We show *how* social mobility varies across small local areas (local authorities) in England **for the first time**

2. We explore *why* differences in opportunities across place exist: considering the role of both education and the labour market



What data did we use to look at social mobility across England?

- We used the **Longitudinal Education Outcomes (LEO) dataset**. This links school records, university records, and earnings and employment
- Our sample was 820,000 state-educated sons born 1986-1988
- We looked at their **family circumstance age 16**, and their **earnings age 28**
- Differences in earning outcomes across 320 lower-tier local authorities in England



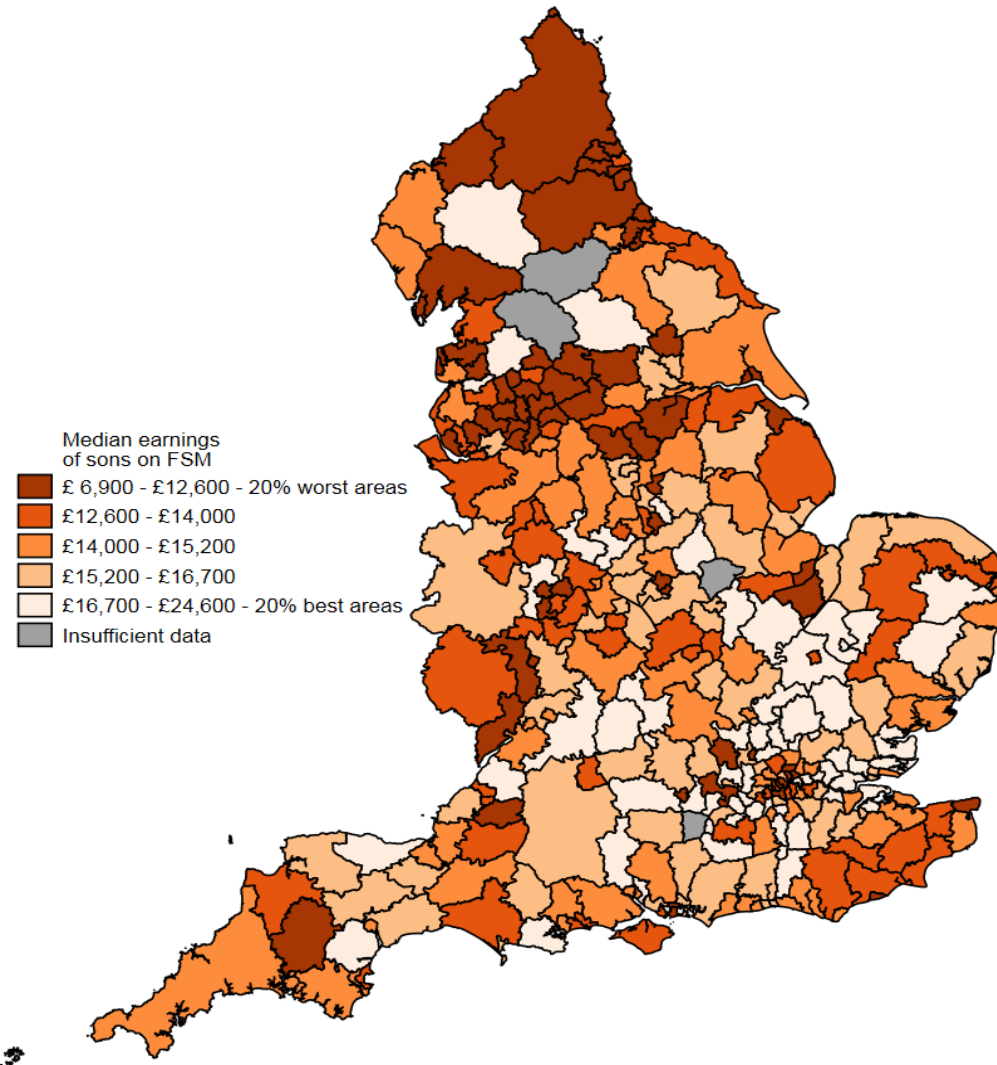
Main findings

- 1. Where you grow up matters:** social mobility varies widely across local authorities (LAs) in England. There are large differences across LAs both in **pay for disadvantaged sons and the earnings gap between sons from disadvantaged and affluent families**
- 2. In the least mobile areas, non-education factors play a larger role:** In the least mobile areas, more of the pay gap (up to 33%) between sons from rich and poor families is driven by non-education factors of the **labour market and family background**.

This means that across all areas, education is a key driver of opportunities – but *differences across areas* are explained by factors outside education.
- 3. In order to ‘level up’ across areas, we need a combined approach of education policy *and* labour market initiatives** to translate qualifications into good life outcomes.



Key finding 1: Where you grow up matters – earnings of disadvantaged sons



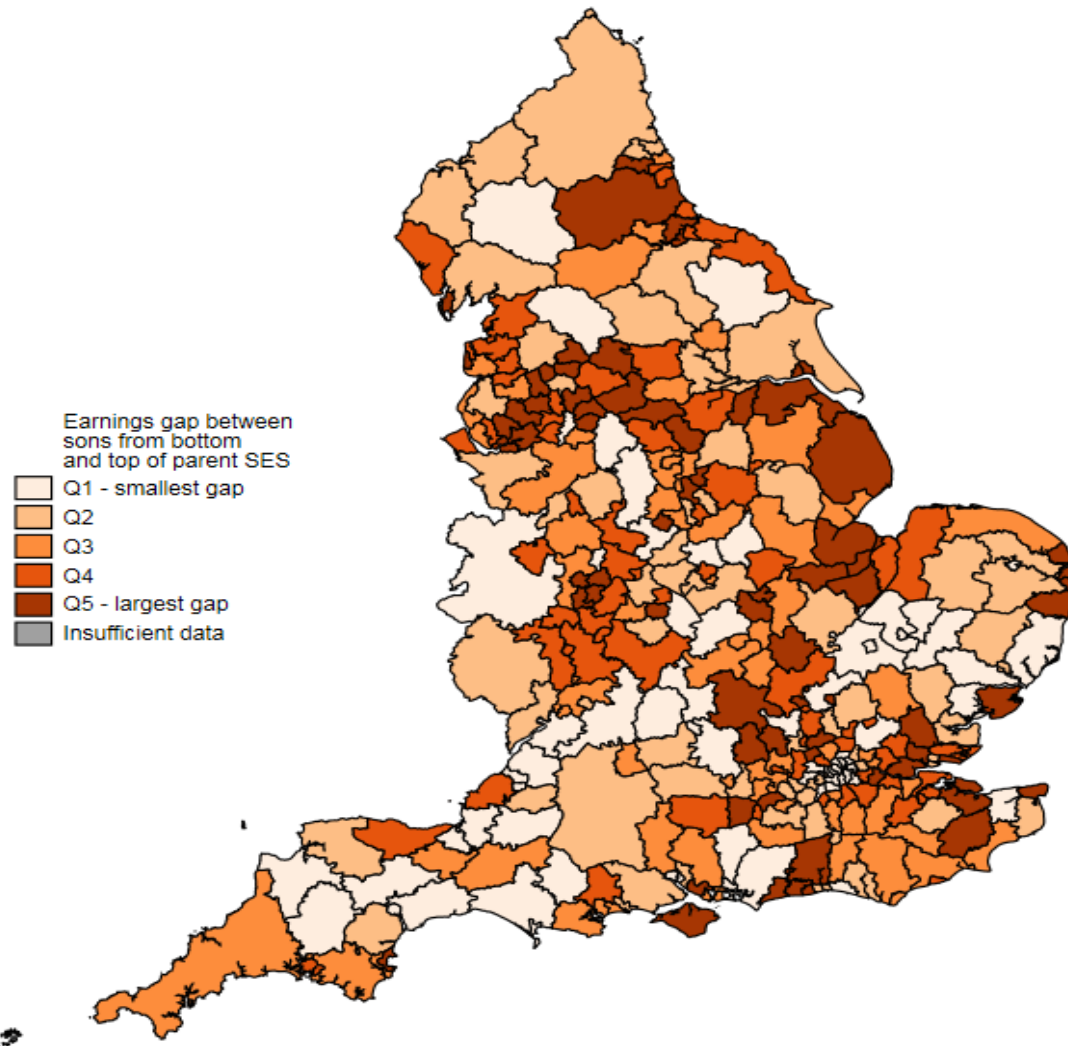
Areas with the highest earnings for disadvantaged sons have pay that is twice as high as areas with the lowest earnings for disadvantaged sons - over £20,000 compared to under £10,000



This is not a North vs South story, or urban vs. rural. Local authorities with some of the worst outcomes include cities like Sheffield and Bradford – and we see areas with poor outcomes beside more affluent ones.



Key finding 1: Where you grow up matters – pay gap between rich and poor sons



Pay gaps between sons from the richest and poorest families are 2.5 times larger for those who grew up in the least mobile areas than in the most mobile areas



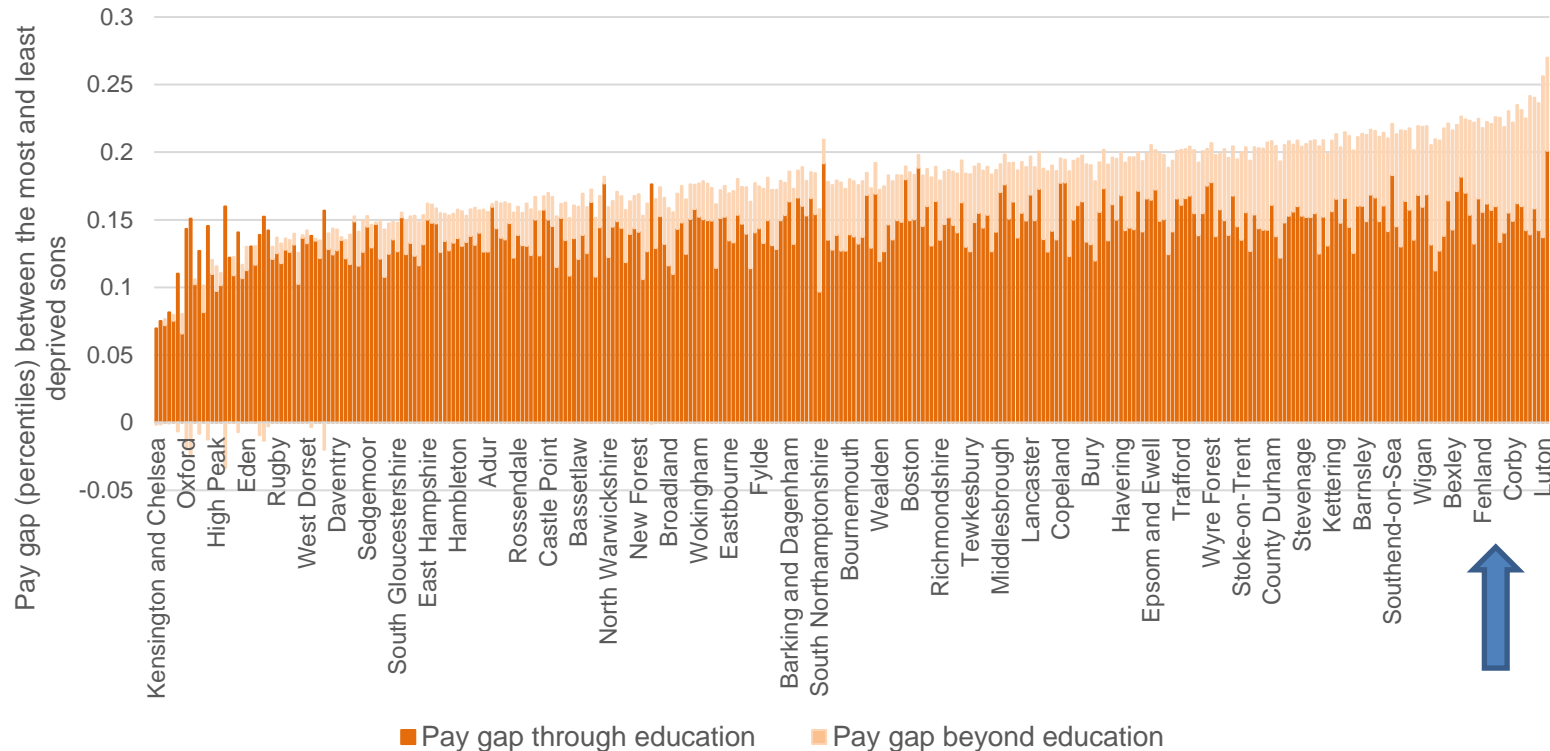
We identified 50 LAs with *both* very low pay for disadvantaged sons *and* very high pay gaps – this has identified real 'left behind places' that need to be prioritised



Key finding 2: Education is a key driver of opportunities – but non-education factors play a larger role in the least mobile areas

Most mobile areas – smallest pay gap

Relative contribution of education and wider labour market factors to differences in pay gaps across England



Least mobile areas – largest pay gap

What does this mean?

- Education gaps explains most of the pay gap in the most mobile areas
- But in the least mobile areas, around one-third of the pay gap is explained by non-education factors



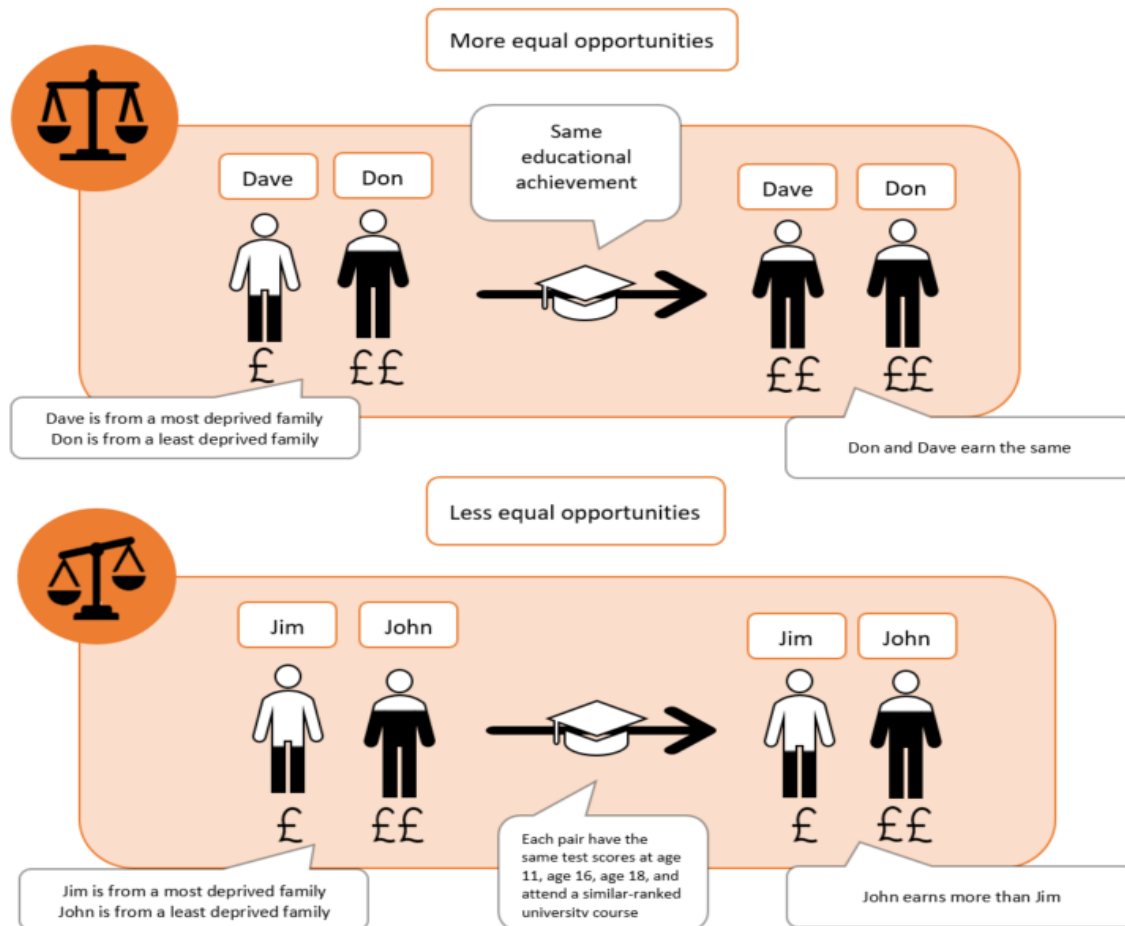
An example: Fenland & East Cambridgeshire

Local authority (number on map)	Median annual earnings (£)	Quintile pay gap	Quintile education gap	Number of sons in sample	Number of FSM sons in sample
Cambridge (9)	13500	1	3	1095	102
East Cambridgeshire (15)	17900	1	3	1118	54
Fenland (18)	12500	5	3	1370	122
Huntingdonshire (23)	17700	2	2	2765	157
Peterborough (32)	13700	5	3	2857	385
South Cambridgeshire (34)	17200	1	2	2147	55

Fenland – median earnings for disadvantaged sons of £12,500 per year. It is in the group with the largest pay gap between the most and least deprived sons.

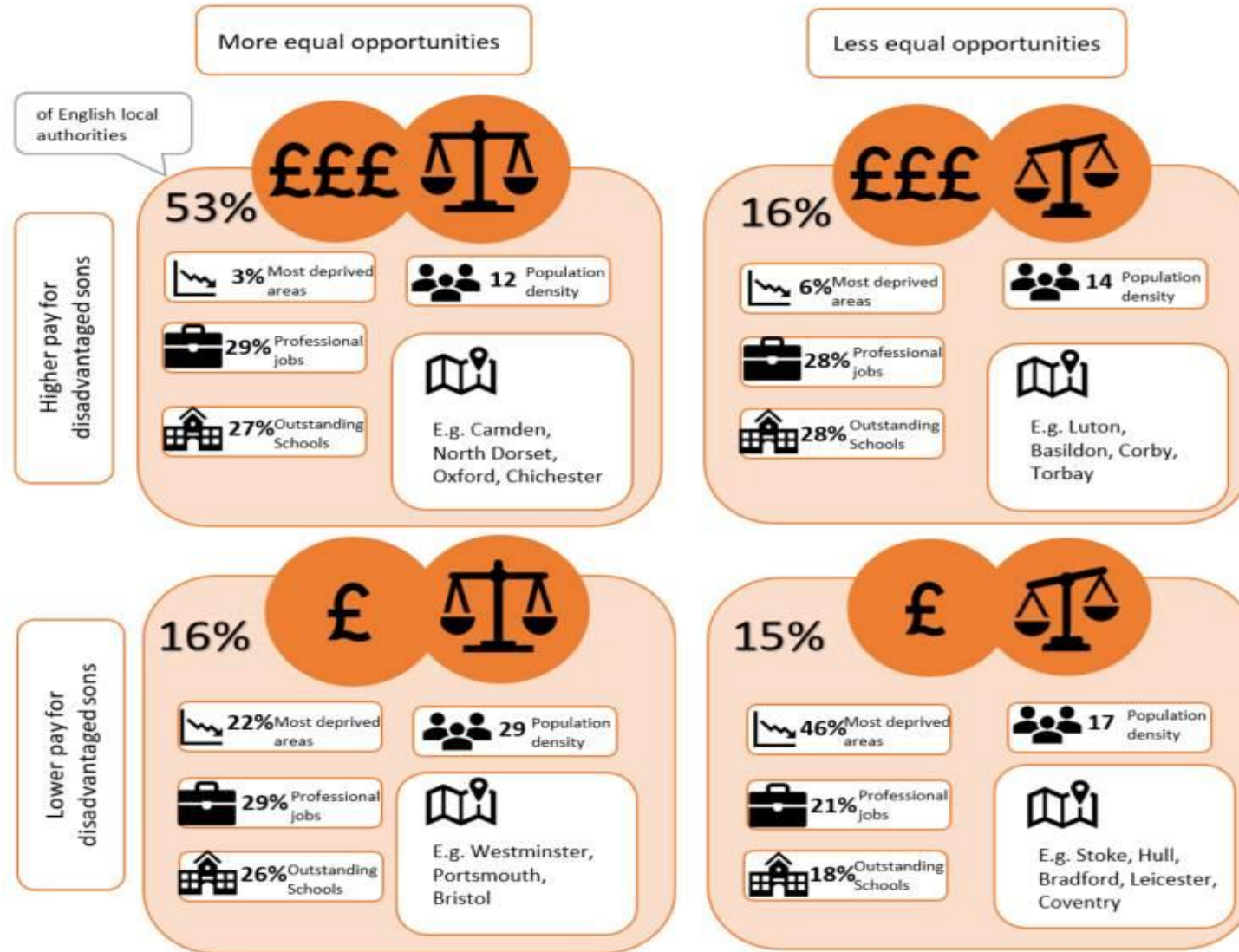
East Cambridgeshire – median earnings for disadvantaged sons of £17,900 per year. It is in the group with the smallest pay gap between the most and least deprived sons.

Key finding 3: In order to 'level up' across areas, we need a coordinated approach of education *and* labour market initiatives, particularly in the most disadvantaged areas



- **Opportunity Areas:** 9 of the 12 'Opportunity Areas' fall into our low social mobility localities
- Those that don't are Norwich, Ipswich and West Somerset - have poor education outcomes for disadvantaged sons, but relatively good earnings outcomes
- But several of the areas with the poorest opportunity for disadvantaged sons are *not* currently covered, such as Bolton and Thanet.
- Our findings support a broader approach that extends beyond education opportunities – drawing together policy levers across the lifecycle.

What are the characteristics of areas with relatively good – and poor – social mobility?



What do these findings mean, and where next?

- We find that **where you grow up matters**: there is significant variation in both earnings for disadvantaged sons and pay gaps across England
- We find that **education** explains an equal amount of the pay gap between sons across all areas.... But in **areas with the largest pay gap (the least mobile areas), labour market and family background play a larger role**

Our next steps

1. **Place-based programme** – disseminating to, and listening to, local leaders
2. **Cross-Whitehall engagement on place interventions and what it means to “level up”** – feeding in evidence to thinking on the extent and type of place-based interventions
3. **Better data and measurement** – social mobility for daughters; and a signal of intent

