

# ONE CITY TWO WORLDS

LONDON'S SOCIAL MOBILITY PUZZLE



**WE NEED TO BUILD AN  
ENVIRONMENT WHICH  
INSPIRES YOUNG PEOPLE TO  
ACHIEVE THEIR POTENTIAL  
BY CREATING A WORKFORCE  
THAT IS REPRESENTATIVE OF  
LONDON'S MIXED IDENTITY**

Tahira Bakhtiari,  
Youth Board Member, Mayor's Fund for London

# EXECUTIVE SUMMARY



Just **17%** of London's professional jobs are occupied by people from lower income backgrounds, compared to **30%** nationally.

On the surface, London provides a very positive environment for young people, due to its strong academic attainment and dynamic job market. But under the surface, young people in London experience two worlds in one city.

Despite academic success, those from London's most deprived neighbourhoods do relatively worse in employment compared to their peers in the rest of England. In fact, only 17% of London's professional jobs are occupied by people from lower income backgrounds compared to 30% nationally.

The GCSE attainment gap between low income students and their peers in London is 15%, which is significantly smaller than 28% across the rest of England. But clearly improving academic ability alone is not enough. Sufficient awareness of opportunities, strong aspiration to achieve and equal access to employment at the right stages of a young person's development are all essential.

Our research has revealed that there is no long-term strategy or agreed approach to addressing social mobility in London. Due to lack of coordination of support to young people as well as significant funding cuts over the years, interventions are often implemented in an inconsistent and ad hoc manner. Across London there is also a geographic mismatch, where many outer boroughs are under-served.

London needs a coherent, strategic approach to social mobility. One that addresses issues from an early age onwards and will take a long-term view of what young Londoners need in order to achieve their potential and live fulfilled lives.

In our view, the potential for immediate impact lies in the hands of London employers who have the power to open doors to different career paths. With the UK leaving the EU, there is an enhanced imperative for businesses to invest in their local, diverse talent pools. We recommend they focus on:

- Stronger cross-sectoral leadership that brings together decision-makers and drives development of positive interventions and partnerships across London
- Placing socio-economic background at the core of workforce strategies and making a senior leadership commitment to achieving this
- Increasing the availability of evidence-based interventions, such as mentorship schemes and the provision of role models. From as young as seven, 36% of children base their career aspirations on people they know, whereas fewer than 1% hear about the jobs they aspired to through people from the world of work coming to talk to them.

To support these actions, educators, employers, charities and statutory organisations must work together more closely. We believe the success of interventions can be accelerated through data sharing and better network coordination, whilst raising the profile of the issue across London.

Real change is required in the thinking and behaviour from all those who are concerned about the future of young people in London. We hope this report inspires meaningful discussion, debate, and ultimately drives the change required to make London a city that works for all young people.

# TABLE OF CONTENTS

**6**

**PROLOGUE**

**10**

**THE BROKEN PATH  
TO SOCIAL MOBILITY**

**16**

**THE DRIVERS OF  
SOCIAL MOBILITY**

**32**

**MATCHING NEEDS  
WITH SUPPORT**

**38**

**THE LONDON  
DOUGHNUT PROBLEM**

**44**

**A COLLECTIVE  
OPPORTUNITY**

**50**

**EPILOGUE**

# PROLOGUE

The social mobility narrative in London has long been problematic. The city tends to conjure up preconceived notions, either of streets paved with gold or inner-city deserts.

We live in a marvellous city, but how can we – in the 21st century – still allow so many young Londoners to fall between the cracks?

Increasingly the narrative has been set by the stark divide between London and the rest of England in terms of economic performance and educational attainment in schools. London is cast as an economic incubus, taking to itself talent and riches at the expense of other regions. As a result, policy attention has been increasingly shifting elsewhere, to the 'left behind' towns and potential of the Northern Powerhouse. In post-Brexit Britain it looks likely that this trend will accelerate. Our task, by partnering with Oliver Wyman on this report, was simple. It was to question the overarching view that, because the London economy performs well at macroeconomic level and our young people outperform the English average at school, social mobility isn't a problem. Our aim is not to pit London against other areas, but to highlight that a focus on regional statistics masks a far more nuanced picture, where many young people in London are not able to access the life chances they deserve.

The Oliver Wyman team have done a sterling job. By using datasets never combined before, it has produced a far more useful picture of opportunities and outcomes for young people in the capital. The main takeaway for me is that despite educational attainment, young Londoners from low income backgrounds are less likely to move into managerial or professional jobs than in any other English region.

This echoes the experience of hundreds of educational establishments, charities and other providers working with young people across the capital. The London labour market is uniquely competitive; people move to London for work from all over England and beyond, while London's travel to work zone extends well into the Home Counties. Young people without networks and other social capital, are unable to get that first foot in the door.

The second major takeaway for me is the mismatch of supply and demand of employability provision. We know that the impacts of rising property prices and welfare reform have been moving the profile of socio-economic need and young people towards the outer

London boroughs, while many corporates, funders and charities have traditionally focused on the central London boroughs. If we are going to shift the dial on social mobility in London, we need to spread opportunity far broader than we have done before. But to achieve this we will need leadership, systems and data – a great opportunity for cross-sectoral leadership in London.

There are also implications about core business practices – how employers recruit beyond their normal talent pool, how they use their apprenticeship levy and how to stamp out hiring practices which, perhaps inadvertently, mean it is harder to recruit talented young Londoners. Many firms are increasingly aware of the need for diversity in their recruitment; however, few are comfortable or equipped to consider socio-economic background in their hiring decisions.

Finally, a word on the term social mobility itself – I know it is out of favour with some. To be clear: at the Mayor's Fund, we believe that every young Londoner, regardless of their starting place in life, should be able to access the knowledge, support and opportunities they require to live fulfilling lives.

We live in a marvellous city, but, still, in the 21st century, we are allowing many young Londoners to fall between the cracks. This sets us a challenge: either we live with the status quo, or we look at the wealth of resources London has at its disposal and develop a better evidenced and co-ordinated cradle to career network of support to allow all young Londoners to thrive.



KIRSTY MCHUGH  
Chief Executive,  
Mayor's Fund for London

# TWO WORLDS IN ONE CITY







# THE BROKEN PATH TO SOCIAL MOBILITY IN LONDON

**700k**

CHILDREN LIVING IN  
RELATIVE POVERTY<sup>4</sup>

**15k**

LOOKED-AFTER  
CHILDREN<sup>5</sup>

**1.6**  
IN

YOUNG LONDONERS  
ELIGIBLE FOR FREE  
SCHOOL MEALS<sup>6</sup>

**3/4**

OF YOUNG LONDONERS  
LIVE IN AREAS WHICH  
EXPERIENCE THE WORST  
40% OF NATIONAL CRIME<sup>7</sup>

**11**  
OUT OF TOP  
**25**

UK LOCAL AUTHORITIES  
BY CHILD POVERTY RATE  
ARE IN LONDON<sup>8</sup>

## POVERTY AND INEQUALITY IN LONDON

Positive social mobility is about ensuring young people are free to achieve their full potential, be able to access employment opportunities that realise this potential and which support them to live fulfilling lives. Crucially it is not about merely supporting those who appear the most academic or targeting interventions at those at risk of falling out of the system, but having in place systems that support all young people to have meaningful and high quality choices in life.

For many young people growing up in our capital, this is not a foregone conclusion. We know poverty is a significant factor in determining a child's future life chances. It presents barriers that become increasingly entrenched as they grow up.

Child poverty is one of the biggest issues blighting London today. It is estimated that 700,000 children live in relative poverty: 43 per cent of those live in inner London and 34 per cent are in outer boroughs<sup>1</sup>. Today, London can be viewed as hosting two worlds in one city: one of great wealth, and the other, where young people are locked out of opportunities and fulfilment due to circumstances such as background, income and locality.

The impact of inequality can be seen across social and economic variables. Problems such as school exclusion, low levels of education and inadequate wages remain higher for young people from low income backgrounds. They have been linked to a greater likelihood of crime<sup>2</sup>, and negative impacts on physical and mental health<sup>3</sup>. They drive social exclusion and affect the lives of children whose potential may never be fully realised. They also undermine the city's collective prosperity. The annual public cost of tackling the consequences of child poverty to society was estimated to be £12 billion in 2012<sup>5</sup> (ESRC, 2012).

Nevertheless, London has in recent years experienced notable academic success. Since the start of the century, young Londoners from low income households have outperformed their peers in the rest of England in terms of educational attainment.

Traditionally, educational attainment has been viewed as a key determinant of lifetime earnings, poverty risk and social mobility. But despite closing the academic attainment gap, social mobility in England's labour market remains unchanged. The challenges within London's job market appearing especially acute. Only 17% of London's professional jobs are occupied by people from lower income backgrounds compared to 30% nationally (Social Mobility Commission 2019). In addition, recent research by The Sutton Trust includes a counterintuitive finding that 'the average person currently living in London is actually much less likely to have experienced upward mobility than someone situated elsewhere in the country.'

London is an educational success story. Prior to 2000, the capital's state schools consistently produced some of England's worst GCSE and A-level results. This situation has been turned around over the past two decades. Today, London hosts some of the leading state schools in Britain (Greater London Authority 2017).

The capital's educational success story is also an inclusive one. The attainment gap (the proportion of A-C grades) between free school meal (FSM) and non-FSM eligible pupils at GCSE has narrowed from 22 percentage points in 2006 to 15 in 2015, as illustrated by Figure 1<sup>10</sup>.

London is renowned for its strong job market. Many of England's most sought-after jobs are in the capital. However, having a successful job market is not in itself enough to ensure social mobility. To do so, it needs to generate opportunities that translate young people's academic successes into appropriate careers.

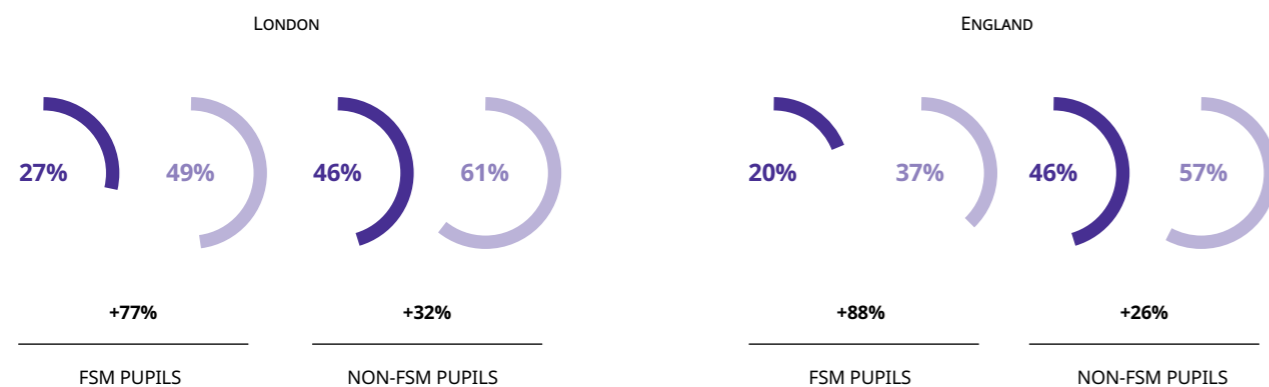
The evidence suggests that this is not happening in sufficient numbers. Every year, the Social Mobility Commission (SMC) produces a Social Mobility Index which compares the life chances of children from low income backgrounds in each of England's 324 local authorities to education, job opportunities and the housing market<sup>11</sup>. The Index looks like good news, placing 28 of London's 32 boroughs in the top 50 English local authorities for overall social mobility. The Commission concludes that "London and its commuter belt is pulling away from the rest of the country when it comes to the chances of youngsters getting into good schools and good jobs". However, looking beneath the surface reveals variable performance in London across age groups and geographies.

When comparing how young people in London's boroughs perform at different life stages compared to other English local authorities, the story is clear. Most notably, while young Londoners perform well at secondary school age, by adulthood, outcomes in London are much worse than the average. The true impact of this is obscured somewhat at the aggregate level because there is significant variation in outcomes across boroughs. Just three boroughs feature in the top 50, with most placed towards the lower end of the list, across all London boroughs<sup>12</sup>.

Strong academic outcomes do not appear to correlate with indicators of a good quality life in adulthood. Excellent academic progress does not necessarily grant social mobility.

## EDUCATIONAL SUCCESS, YET LOW PROSPERITY

● FIGURE 1: London's education attainment growth  
Regional growth in % A-C grades at GCSE by FSM and non-FSM pupils<sup>5</sup> (2006-2015) ■ 2006 ■ 2015

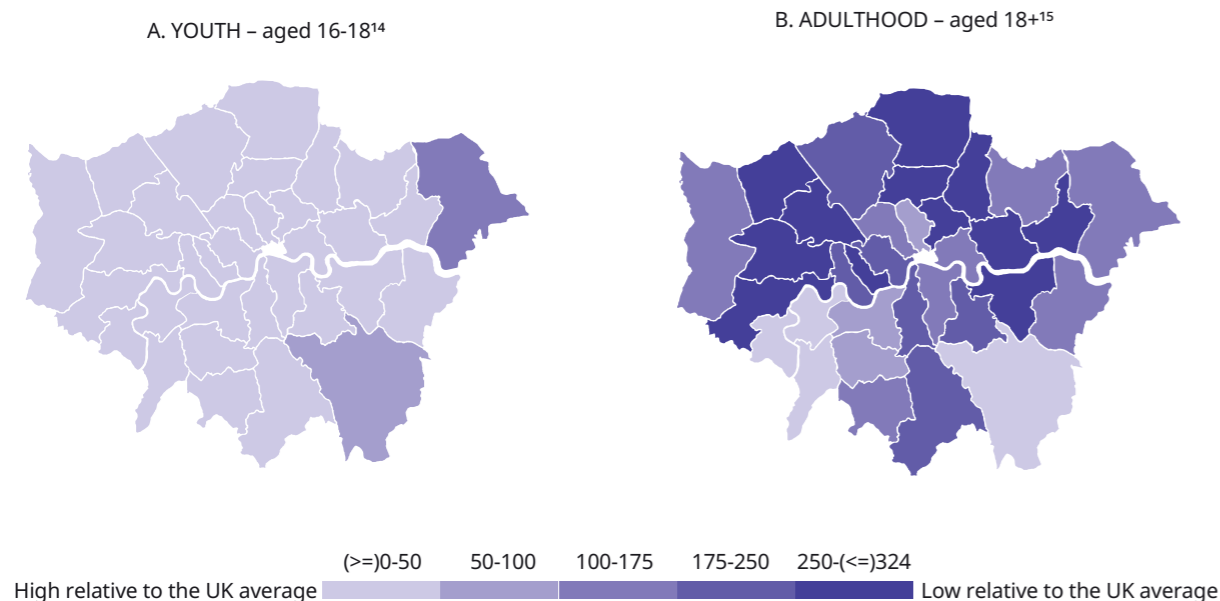


Source: Blanden et al. (2015), Centre for London 2016, Oliver Wyman Analysis





● FIGURE 2: Social Mobility Index<sup>13</sup>



Source: Social Mobility Commission 2016, Oliver Wyman Analysis

## A JOB MARKET THAT FAVOURS THE PRIVILEGED?

What gives rise to the broken link between education and employment? This is not an easy question to answer. Whilst the SMC metrics show academic and economic success at a relatively granular level, the highly transitory nature of London's population makes it very difficult to join the dots between the two figures. People frequently do not live and work in the same borough where they grew up. In the absence of data that follows individual progress, what happens to those who succeed academically remains relatively obscure<sup>16</sup>.

The data is clearer at national level, where the Labour Force Survey (LFS) tracks people from lower income backgrounds in employment. The figures from the survey suggest that, despite continued growth in the number of jobs in professional occupations, the proportion of people from lower income backgrounds in professional occupations<sup>17</sup> remains largely unchanged since 2014 (32% in 2014 and 34% in 2018<sup>18</sup>).

Analysis at the regional level suggests that the glass ceiling remains especially hard for Londoners to crack. Despite academic success, those from London's most deprived neighbourhoods do relatively worse in employment compared to their peers in the rest of England<sup>19</sup>, both in terms of jobs and pay.

The figures are striking: only 17% of those from low income backgrounds find their way into managerial or professional jobs. London's job market appears to favour those whose parents are in professional occupations – who occupy 54% of the capital's highest-skilled jobs. This picture is not one dimensional, however.

There also appears to be an underlying polarisation taking place in job creation in London. High rents and high costs of business mean that jobs are created most readily at the top or bottom of the jobs ladder, rather than the middle, leaving a bigger gap than elsewhere.

This polarisation is reflected in the heavy concentration towards knowledge-based industries, such as law, management consulting and finance, along with medicine and life sciences. Such professions employ the highest proportion of workers from high income backgrounds nationally<sup>20</sup>.

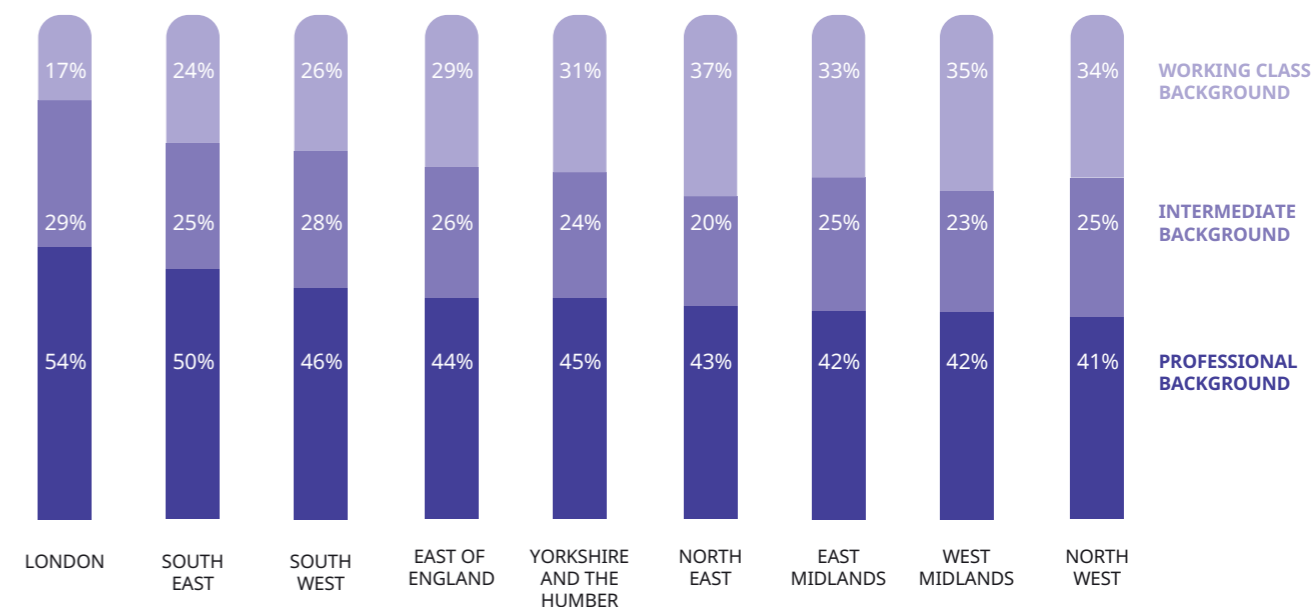
Even when those from lower income backgrounds succeed in entering professional employment, challenges remain. One study finds that in central London, "Those in high-status occupations who are from working class backgrounds earn, on average, £10,660 less per year than those whose parents were in higher professional and managerial employment". Others suggest this pay gap is as wide as £13,700<sup>21</sup>. This compares to a gap of £6,800 nationally<sup>22</sup>.

Despite academic success, young Londoners from low income backgrounds remain locked out of successful careers. Professional occupations in London continue to employ a disproportionate number of workers from high income backgrounds, and a polarised job market presents limited opportunity for jobs in the middle of the career ladder.

Clearly, the path between educational achievement and meaningful job outcomes is broken.

## A NEED FOR CHANGE

● FIGURE 3: Proportion of individuals from different socio-economic backgrounds in a professional occupation, by region worked in 2017

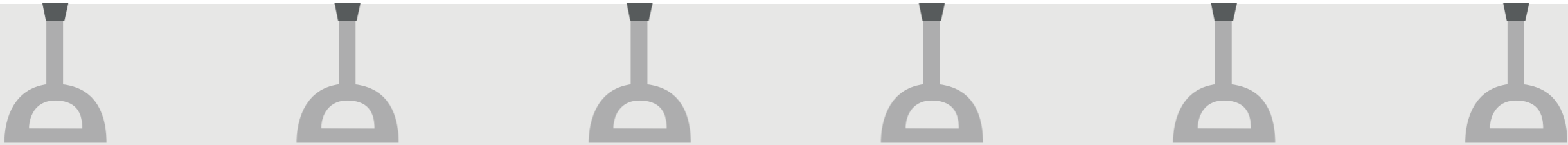


Source: Trust for London (2019); Social Mobility Commission (2019), Labour Force Survey (2017), Population Estimates Unit (2017), Oliver Wyman Analysis



**THE DRIVERS  
OF SOCIAL  
MOBILITY  
IN LONDON**

# SOCIAL MOBILITY IS MULTI-DIMENSIONAL



### ABILITY

*"I DEVELOP THE SKILLS I NEED TO ENTER THE WORKFORCE AND REACH MY DREAMS"*

Development of hard and soft skills required to access fulfilling jobs and adapting to changing labour markets to ensure sustainability of careers.

### ASPIRATION

*"I DREAM OF REACHING THE STARS"*

Ambition and self-confidence to pursue risks and take advantage of opportunities that will help an individual fulfil their potential.

### AWARENESS

*"I AM AWARE OF THE OPPORTUNITIES AROUND ME AND UNDERSTAND MY INTERESTS"*

Mindfulness of different educational, work and extra-curricular opportunities and understanding how best to take advantage of them.

### ACCESS

*"I ACCESS OPPORTUNITIES THAT MATCH MY INTERESTS"*

Fair and equal admittance to further education institutions and London's job market.



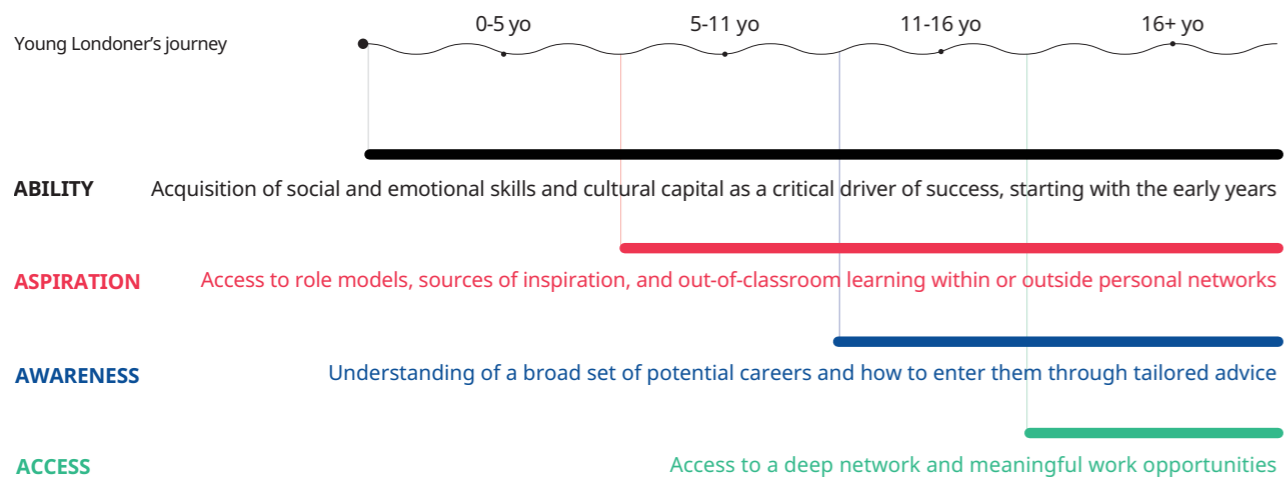
## THE 4 AS IN LONDON TODAY

Articulating how different factors and experiences influence a young person's path to achieving a fulfilled life is complex. The Mayor's Fund for London uses a 4 As framework; a set of attributes that help drive improved life chances for young people.

Ideally, a young person's journey into adulthood should be influenced and supported by the 4 As at various points throughout their life. Through education, they should acquire abilities and skills, and as they grow older, information and role models should drive and develop their aspirations. As a young person moves into secondary education, these aspirations should evolve into a set of potential career routes based on their interests, aptitudes, advice and support from those around them. Following school, a young person's chances of fulfilling their potential are then dependent on the access routes they have and the connections they can build.

The 4 As have been rigorously tested through our research and stakeholder interviews and have helped us to understand the stories that young people in London have shared with us about their life journeys.

● FIGURE 4: The 4 As - Social mobility attributes in the life of a young Londoner



Source: Mayor's Fund for London 4A framework

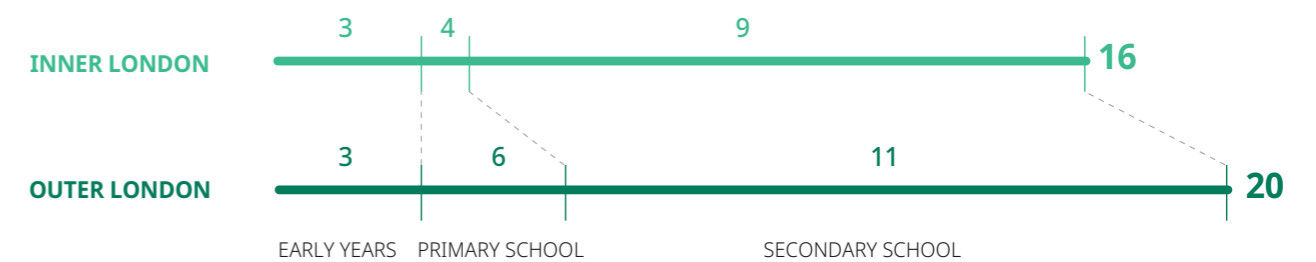
## ABILITY

Ability is a crucial driver of success as it helps open the door to professional and managerial occupations. Ability includes social and emotional skills as well as academic and practical ones.

Recent research shows that an academic gap appears to open up in the early years between those from low income backgrounds and others, which is difficult to close over time<sup>23</sup>. At age 16, young Londoners from low income backgrounds are, on average, 19 months behind their better-off peers in terms of academic attainment<sup>24</sup>.

While educational attainment is an important enabler, it is widely recognised that soft skills, fusion<sup>26</sup> skills, and cultural capital<sup>27</sup> are increasingly important determinants for success in the labour market.

● FIGURE 5: Academic attainment gap<sup>1</sup> between pupils from low and other income backgrounds (gap in months, 2017) ●



Source: Oliver Wyman Analysis

Employers frequently cite soft skills, such as team working, oral communication and customer handling, as 'job specific and technical' skills in explaining the skills shortage. Indeed, in 2017, 51% of all 'skill-shortage vacancies' were attributed to the lack of workers with the 'ability to manage one's own time and task prioritisation'<sup>28</sup>.



## ASPIRATION

A young person's aspirations are critical because they determine how far they are willing to go in order to achieve their wants and desires.

Although young people from across income backgrounds have similar aspirations during early years<sup>29</sup>, evidence suggests that differences in circumstances and structural inequalities may affect their ambition level over time.

Although there is no clear causality between aspiration and educational achievement or job attainment, there is nonetheless an extensive body of research providing evidence that aspiration needs to be given greater emphasis in aiding social mobility<sup>30</sup>.

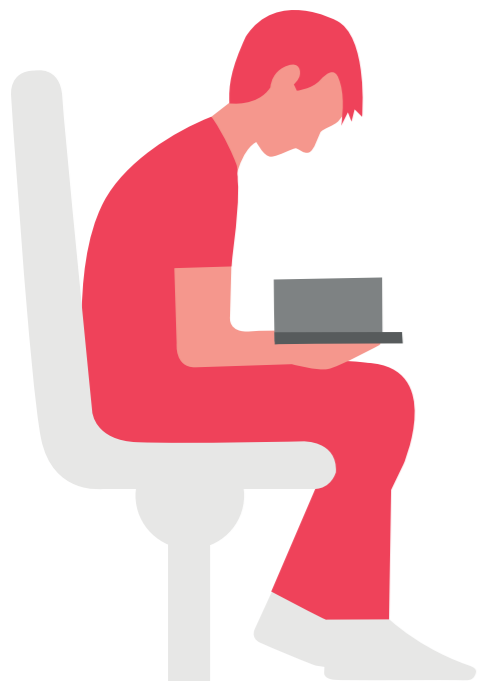
Two aspects stand out in particular:

**Differences in social networks create divergence in levels of ambition and aspiration.** The 'Drawing the Future' (2018) report found that, from as young as 7, 36% of children base their career aspirations on people they know, whereas fewer than 1% had heard about the jobs they aspired to through people from the world of work coming to talk to them at their school.

**Lack of representation and access to role models leads to lower aspirations.** In fact, more than a quarter of young people from low income backgrounds believe that 'people like me' do not succeed in life<sup>31</sup>.

"Growth mindset – need to **be positive, self-motivated**. It's your future and you need to work hard for it."

– Student – EGA school



## AWARENESS

Getting information about the different pathways from school to higher/further education and into employment at the right time in life is critical.

A young person's level of awareness of opportunities is highly dependent on background. Those from more affluent families tend to have strong cultural capital. This includes an innate understanding of, and access to, employer networks through family or friends<sup>32</sup>. Studies show that building 'proxy cultural capital', through activities such as career talks, insight days and work experience, can bring wage premiums once in employment<sup>33</sup>. Pupils from lower income backgrounds who attend school career talks, receive wages 8.5% higher than their peers<sup>34</sup>.

"In secondary school I had virtually **no careers advice**. I think it would have helped if I'd met past students who have succeeded to come and speak."

– Youth board member – Mayor's Fund for London

"The biggest challenge we have is **showing kids the full range of possible jobs as early as possible** so they can become passionate and work towards a career."

– Melanie Grant – Editor, *The Economist* – Trustee, Mayor's Fund for London





## ACCESS

Access is about levelling the playing field and giving opportunities to young people regardless of background. This requires ensuring that recruitment processes are truly meritocratic. Although recruitment processes often seem meritocratic, young people from particular backgrounds are still more likely to succeed than those from low-income.

Recruitment is still often driven by network relationships and a traditional criteria-based approach. There are especially strong barriers to accessing the “City”<sup>35</sup>, whose firms still sometimes misrecognise ‘cultural displays’ as accurate proxies for ability<sup>36</sup> (such as appearing polished or having strong conversational and people skills).

Many pupils from low income backgrounds are locked out of destinations that offer the clearest paths to professional occupations after the age of 16. Low income students are underrepresented in sixth forms but overrepresented in further education colleges and low-skilled employment. Despite the expressed desire of apprenticeship schemes to play a role in supporting social mobility, even here, young people from low income households are underrepresented.

“There are lots of organisations focused on the other As, but translating efforts into job opportunity is really difficult. It requires an extra bit of coordination – **there is a big difference between workshops and insight days and real buy-in from employers.**”

– Sally Dickinson – Head of Berkeley Foundation



To understand the impact of the 4 As, we have had conversations with many young Londoners about the support they received when growing up. Their experiences support our findings, that many interventions are provided in an ad-hoc manner, with inconsistent quality. Dependent on family background and area of residence, gaps have started to appear in the early years of childhood for certain groups.

During our conversations, there were certainly encouraging examples of young people affected by significant social mobility barriers who overcame the challenges they faced. But upon closer inspection, we noticed that it was through a certain contact or piece of luck rather than structural support throughout their childhood. Their chances of success seem to hinge on being in the right place at the right time, similar to a game of snakes and ladders, rather than a systemic programme of support to help them succeed.

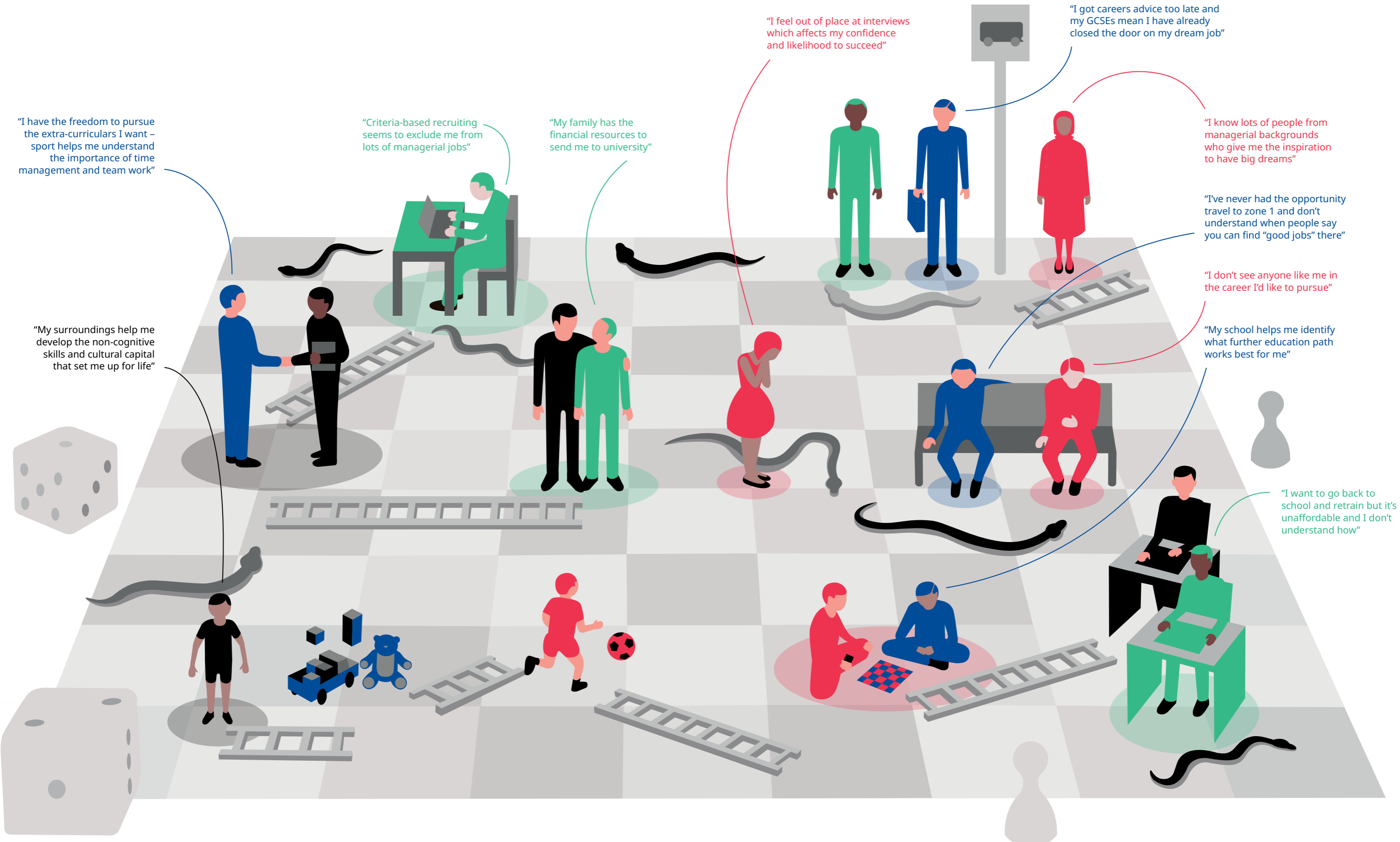
“Growing up in Peckham, being black, makes you feel insecure sometimes. **When I type in my name to applications, knowing it’s African, I think I’m not going to get the job.** It plays on my mind a lot.”

– Youth board member - Mayor’s Fund for London

## THE CHALLENGE TODAY: A JOURNEY FROM CRADLE TO CAREER



# THE JOURNEY FROM BIRTH TO ADULTHOOD



# CASE STUDY 1

This individual was **struggling to cope with difficult situations both at home and at school** which left her feeling angry and isolated. On taking part in social activities at church, she was able to develop her teamwork, leadership and public speaking skills. As a result, her confidence grew, and she became involved with the Mayor's Fund employment programme which provided access to business insight days and different role models. This programme supported her and helped her make an informed decision to pursue a career in accounting by completing a degree apprenticeship.

Age 16,  
British born  
from Peckham with  
African-Nigerian  
parents.



## INDIVIDUAL EXPERIENCE

Grew up in a one bedroom flat with 6 people. **"We didn't have the childhood most people had. I didn't fit in because I didn't have the same things as others."**

**"Because my Dad left, I had a lot of anger in me.** It's left me defensive about a lot of things."

**"I got excluded twice from the sixth form, but then I started to take my life more seriously.** My headteacher said he used to see a **face of anger** and now he sees **something different and beautiful and is proud of me.**"

**"I'm getting a year apprenticeship experience** so next year's I've got a better chance of **a degree accounting apprenticeship.** It's a longer process but it guarantees me a job. **If I wasn't head strong, I'd have given up. It can be so discouraging.**"

**"I want to share my story because it's rare to find someone who came from nothing. I know I'm going to be successful because I can put my mind to it."**

## INTERACTIONS WITH SUPPORT

This individual was **struggling to cope with difficult situations both at home and at school.** On taking part in social activities at church, she was able to build on her teamwork, leadership and public speaking skills. As a result, her confidence grew, and she became involved with the Mayor's Fund employment programme; gaining access to business insight days and making an informed decision to pursue a career in degree apprenticeship in accounting.

**"My Mum had no money but still paid for us to get tutors. She would do anything to get us an education."**

**"Because of my upbringing, I was always ambitious - my Mum and my stepfather wanted the best for me. They are really encouraging."**

**"In my school, there was a lot of fighting. It made me aggressive because I saw it for 5 years - you had to fight to survive there."**

**"Aged 16, I started to go to church. It was amazing. It's taught me it's not right to hurt people. It gave me a community and values. We do drama and other activities to encourage teamwork, leadership and speaking skills. They made me head of ushers and now I am in charge of 31 people - it's a huge responsibility."**

**"I had no idea what to do. But through the Mayor's Fund, I did lots of insight days at JPMorgan, HSBC, PIMCO. I got to meet so many people and it gave me the idea to try out accounting."**

**"They announce my achievements in school assembly and it makes me feel proud. It definitely helped me build ambition and confidence."**

## CASE STUDY 2

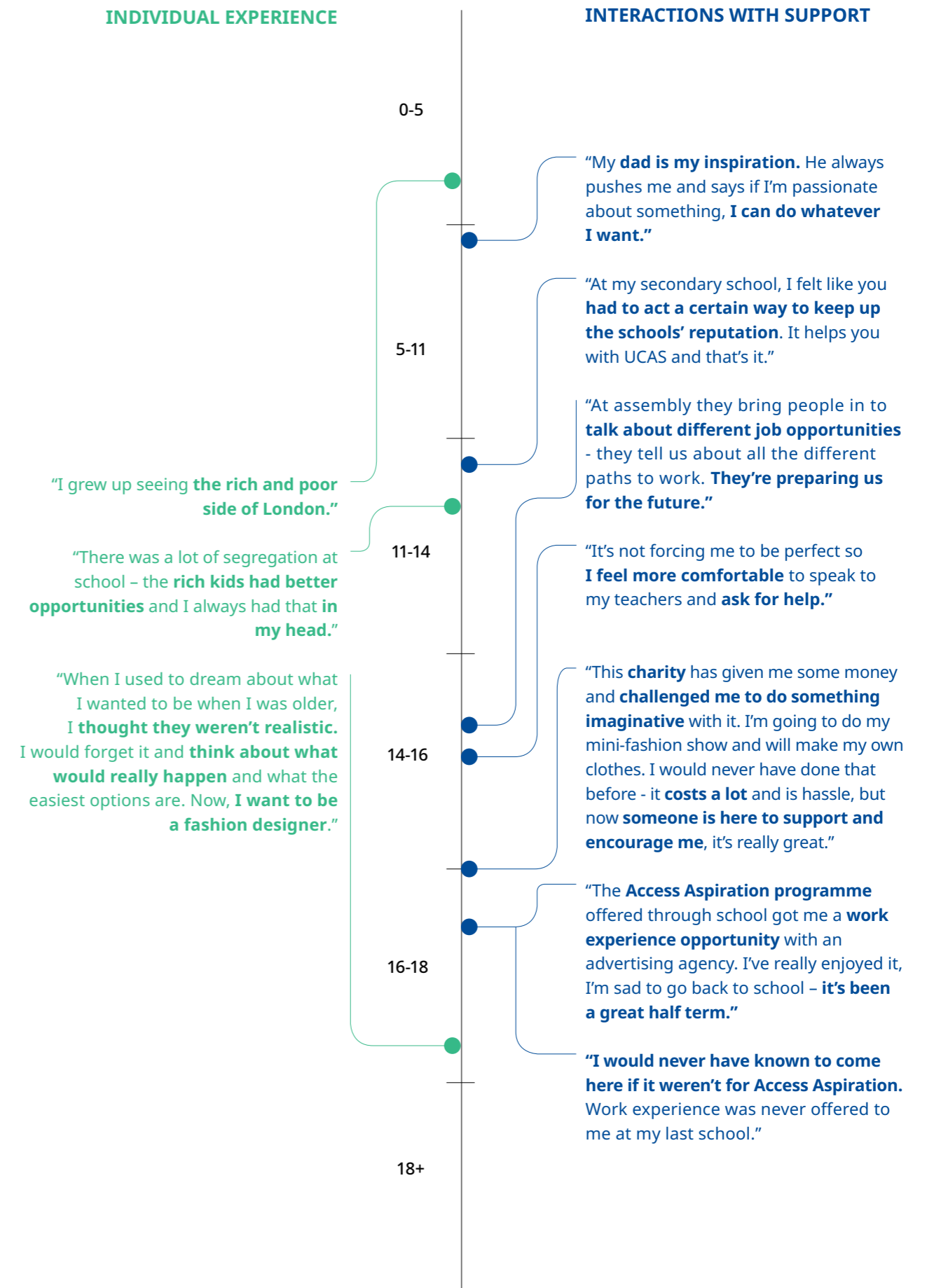
This individual illustrates how receiving the **correct support and guidance** can help grow and develop a young person's skills and ambitions from an early age. We must help young people understand what their talents are today, what their options are for the future and what they might need to do to achieve those goals.

Age 16, grew up in **Ladbroke Grove**. Her parents moved from **East Africa** before she was born.



### INDIVIDUAL EXPERIENCE

### INTERACTIONS WITH SUPPORT







**MATCHING  
NEEDS**

**WITH  
SUPPORT**



## LANDSCAPE OF SUPPORT

London has yet to realise its unique potential as a social mobility engine. Too many young Londoners from low income backgrounds are left behind.

We identify six groups of actors that collectively form the core ecosystem of support for a young person (Figure 6).

For completeness, our picture includes 'channels' and 'influencers'. Although they currently play a less direct role in enabling social mobility, channels such as housing associations have the potential to play a larger role in identifying individuals with the highest needs and better channelling support to them.

Each group (actor) influences a young person's social mobility journey in one way or another. The lack of a comprehensive 'cradle to career' strategy means that young people from low income backgrounds are much less likely to get the support they need compared to their more affluent, connected peers.

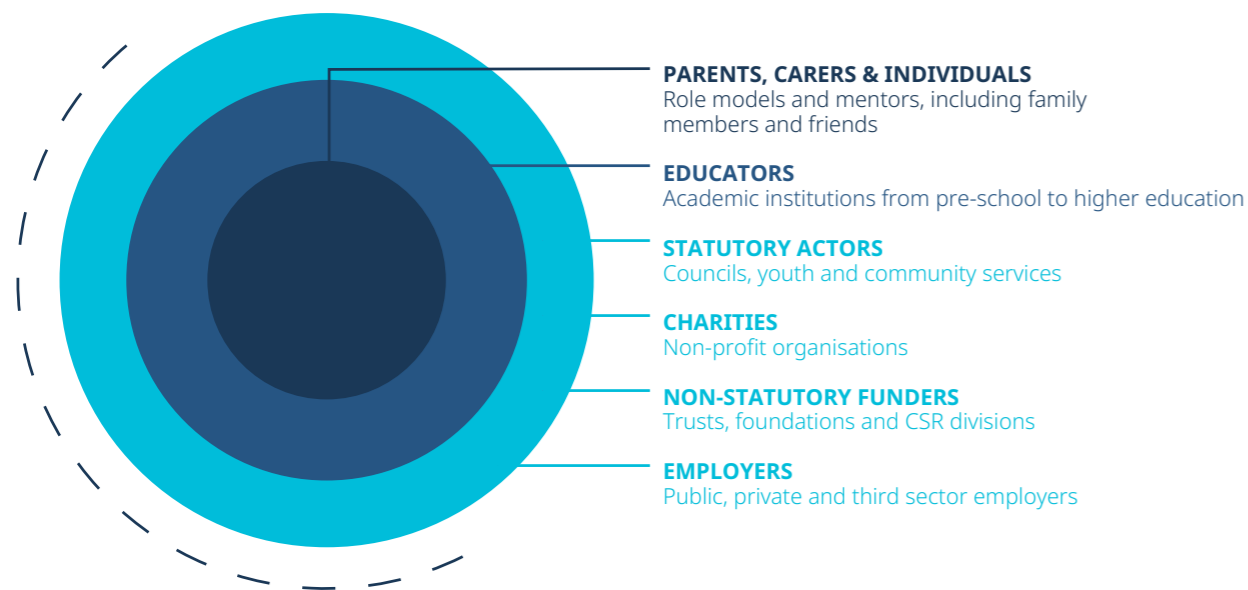
● FIGURE 6: The actor ecosystem

### Channels

Institutionalised channels through which actors may deliver support (e.g. housing associations, community and religious groups/networks, health centres)

### Influencers

Government bodies, academics and think tanks who set the top-down agenda



Source: Oliver Wyman framework

## ACTOR SPECIFIC

To understand the challenges actors face we interviewed over 50 stakeholders<sup>37</sup>, including different support actors as well as young people who required support. These conversations have enabled us to identify the most significant challenges in each of the groups we have identified as being critical in young people's lives:

### PARENTS, CARERS AND WIDER COMMUNITY CONNECTIONS:

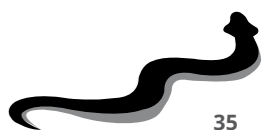
The primary source of support and influence for young people. Because many young people, particularly those from lower income backgrounds, have limited exposure to, or understanding of, London's evolving labour market, they are not always well placed to support children and people as they make future career-related choices. This group can also show nervousness about young people incurring debt from tuition fees, which can then limit choices. These problems are compounded in struggling families.

**EDUCATORS:** Education provides critical building blocks for achieving social mobility. However, almost every educational institution is currently facing severe budgetary pressures, which restricts their resources for any extra-curricular activities, including those which focus on 4A support. Educators often lack the experience, operating models and/or finances to enable them to work systematically with other actors across the ecosystem, despite the work of national actors such as the Careers and Enterprise Company. However, some large academy chains do appear to be using their scale to address these co-ordination challenges.

**STATUTORY ACTORS:** Councils and other statutory bodies play a leading role in offering support to young people, particularly for those in greatest need. However, because local councils and youth services have faced a long period of budgetary reduction, young people are left with fewer support touchpoints than in the past. National policy changes have also helped reduce local authorities' role in relation to careers guidance and employability interventions for young people.

**CHARITIES AND OTHER SERVICE PROVIDERS:** Provide vitally important interventions for young people. However, their effectiveness can be limited by the demands of a competitive funding environment that emphasises delivery against short-term goals. This can limit charities' appetite for collaborative ventures or longer-term efforts, particularly those that are largely preventative in nature.

## CHALLENGES FACED BY SUPPORT ACTORS



**NON-STATUTORY FUNDERS:** A lack of data about need, impact of interventions and the role of other actors, can make it difficult for funders to make effective decisions about the deployment of funds. This can lead to a propensity for funding short-term and small-scale initiatives, often in boroughs where there is a past record of success, even when these might not be those with greatest need.

**EMPLOYERS:** Employer actions have a major impact on social mobility and broader workforce diversity. Employer efforts are, however, often limited to corporate social responsibility (CSR) initiatives rather than having socio-economic diversity as a core part of their workforce strategy. Where initiatives do exist, employers can tend to concentrate activity in geographies close to their workforce, rather than targeting areas, which might be further away, but have higher need. Lack of access to relevant data is also an issue.

Aside from lack of expertise and awareness around social mobility drivers, this list of actors frequently cite the impact of funding cuts on their operations. There is a cumulative effect across London as explained in the next section.

**“There is little incentive for schools to focus on the destinations, especially the longer-term employment outcomes, of their students. Instead, the system incentivises a focus on shorter-term results, particularly in national exams.”**

*– Jed Cinnamon – Senior Programme Manager - Education, Nesta*

## INTER-ACTOR CHALLENGES

Over the last decade, London’s local authorities have faced some of the UK’s most severe cuts in statutory public funding, combined with decreases in non-statutory funding.

Council budgets have declined in 30 out of 32 of London boroughs since 2011 on a per-capita basis. By 2020, London boroughs’ spending power per person will have fallen by 37% in real terms, compared to 29% across the rest of England. This reduction in funding has had enormous implications for civic infrastructure and has reduced the support ecosystem and actors’ ability to deliver their support, as is exhibited in:

- **Direct reductions in spending on public services (e.g. healthcare, housing, cultural activities)**
- **Secondary effects on non-statutory bodies, which have reduced capacity to provide and direct support**

As a result of statutory cuts, there has been a sharp decline in the number of formal delivery channels, greatly reducing the availability of support to young people. The remaining services cite that they have a reduced capacity to channel non-statutory support. Since 2011, the 31% reduction in expenditure on youth services has led to the removal of over 500 youth worker posts from council services. Almost half of all London’s youth centres have closed during this period.

**“It is difficult for schools to know which charitable and non-statutory organisations can help with support for their pupils.”**

*– Kirsty McHugh – CEO, Mayor’s Fund for London*

Non-statutory actors have struggled to react to this change. Anecdotally, many charities cite the time and effort they spend applying for grants as detracting from service delivery. A competitive funding landscape and the short-term nature of funding means that there is little incentive for them to seek to run longer-term programmes. This affects continuity and consistency, a vital aspect in the quality of support for young people.

Nor has the private sector been able to compensate for the fall in statutory funding. Corporate donations in London have dropped by an estimated 26% in the period 2013-16.

# THE LONDON DOUGHNUT PROBLEM



# GEOGRAPHIC MISMATCH

The present lack of coordination between actors reinforces the current mismatch between where funding is directed and where it is most needed.

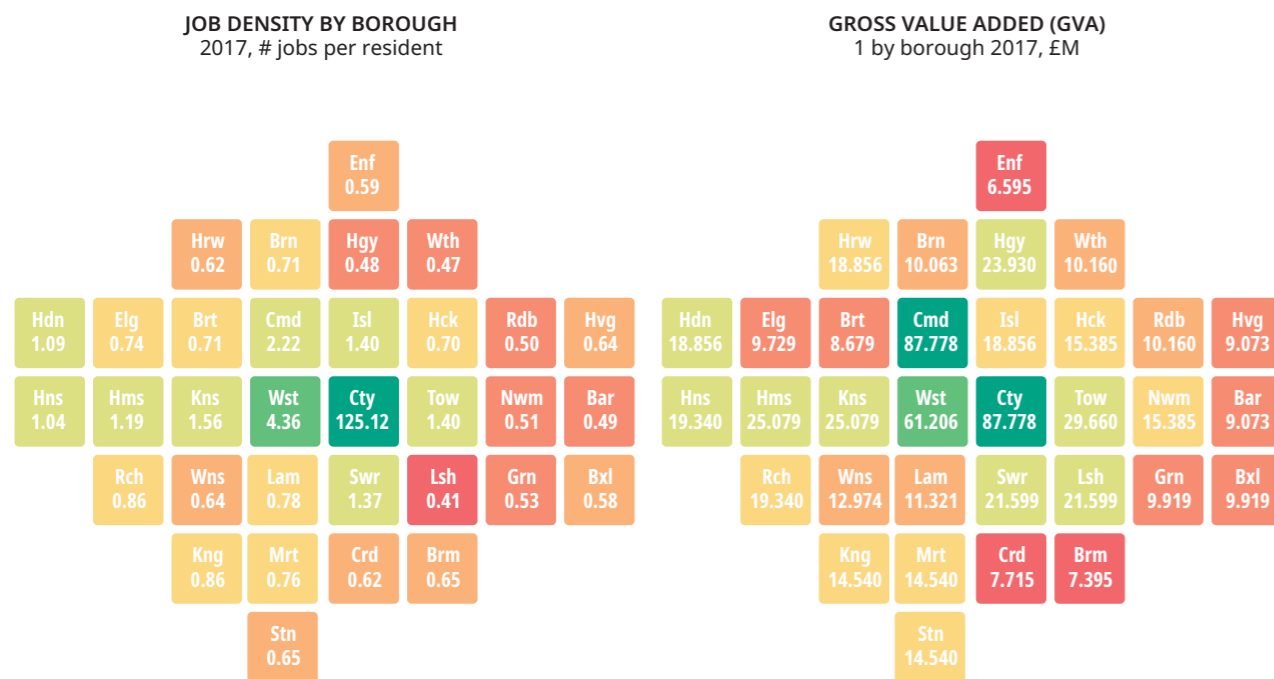
London's poverty problem is moving to the outer boroughs. There has been an 88% increase in the proportion of people working for wages below the living wage in outer London since 2008, compared to 44% in the inner boroughs (Land Registry, 2019). This shift is attributed to the rising premium for housing in inner London and the fall in real median wages over this period.

Today, high value jobs are located within London's core districts (see Figure 7). This is mirrored in the City and Westminster by the high Gross Value Added – a proxy for job quality.

It means location of residence helps shape life opportunities. Those located towards the periphery have less access to the types of jobs that give London its reputation as an escalator of social mobility. This challenge is compounded by the high relative cost of time spent travelling from London's periphery to the centre.

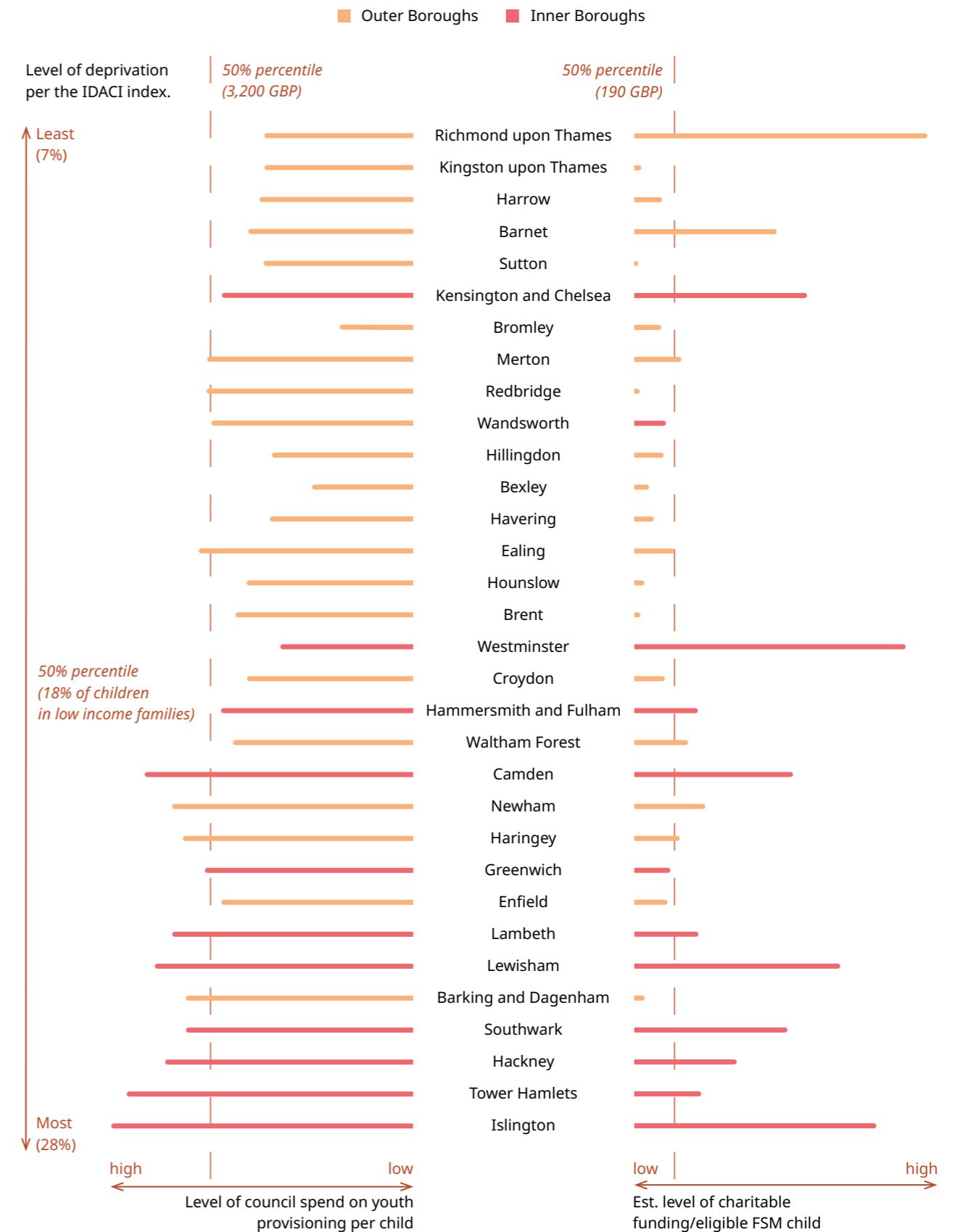
Figure 8 demonstrates that council funding on services for young people<sup>38</sup> is broadly proportionate to the levels of youth deprivation in each area, whereas the picture for charitable funding is more complex.

● FIGURE 7: London's higher quality jobs are concentrated in its core



Source: London Data Store (2017), ONS Regional GVA Dataset (2018), Oliver Wyman Analysis

● FIGURE 8: Estimated level of statutory and non-statutory funding (not to scale)



Source: Centre for London (2018), IDACI (2018), Oliver Wyman Analysis



**“Employers have a sense of civic responsibility to their local community.”**

– *Esohe Uwadiae – Equality, Diversity and Inclusion Officer, University of East London*

This is to be expected, as funding per child ought to reflect the higher Pupil Premium<sup>39</sup> available to boroughs with larger needy populations (those that are FSM eligible). However, there are two anomalies due to what we call the doughnut effect:

**Council funding appears to favour inner boroughs disproportionately. Among the boroughs with the greatest levels of child deprivation, inner city councils appear to receive more funding for youth provision than their peers on the periphery.**

**There are notable gaps in statutory support in certain pockets of the outer ring of the London doughnut: in particular, those in Bromley, Bexley and Havering towards the eastern edge, and in Hillingdon in west London.**

## CHALLENGES IN NON-STATUTORY FUNDING

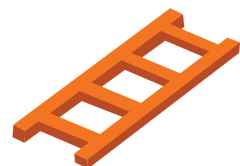
In order to explore behaviours in non-statutory funding, we analysed open source data about UK grant giving. Specifically, the analysis focuses on non-statutory donations to ‘young people’ activities in London in the period Q12018-Q32019.

Thirty-four London grant makers donated £69 million to 800 separate charities focused on youth projects over the period Q12018-Q32019. These donations are not only concentrated in certain boroughs to the exclusion of others but, upon closer inspection, also appear to be channelled to specific wards within these boroughs, rather than to those that might be equally or more deserving.

Our comparison of statutory and non-statutory spending highlights three important trends:

**FUNDING DECISIONS DO NOT APPEAR TARGETED TO ACHIEVE GREATEST IMPACT.** Areas receiving the greatest charitable donations are not correlated with the most deprived neighbourhoods at both the borough and ward level.

**CHARITABLE FUNDING DOES NOT PLUG THE GAPS IN COUNCIL BUDGETS.** Charities rely on councils for around 33% of their income – the figure is even higher for organisations focused largely on local causes, which have fewer alternative sources of funding open to them. Charities also report their funding has tended to shift towards more visible, high-profile issues in recent years, such as youth violence. This negatively impacts funding for less-visible, longer-term issues.



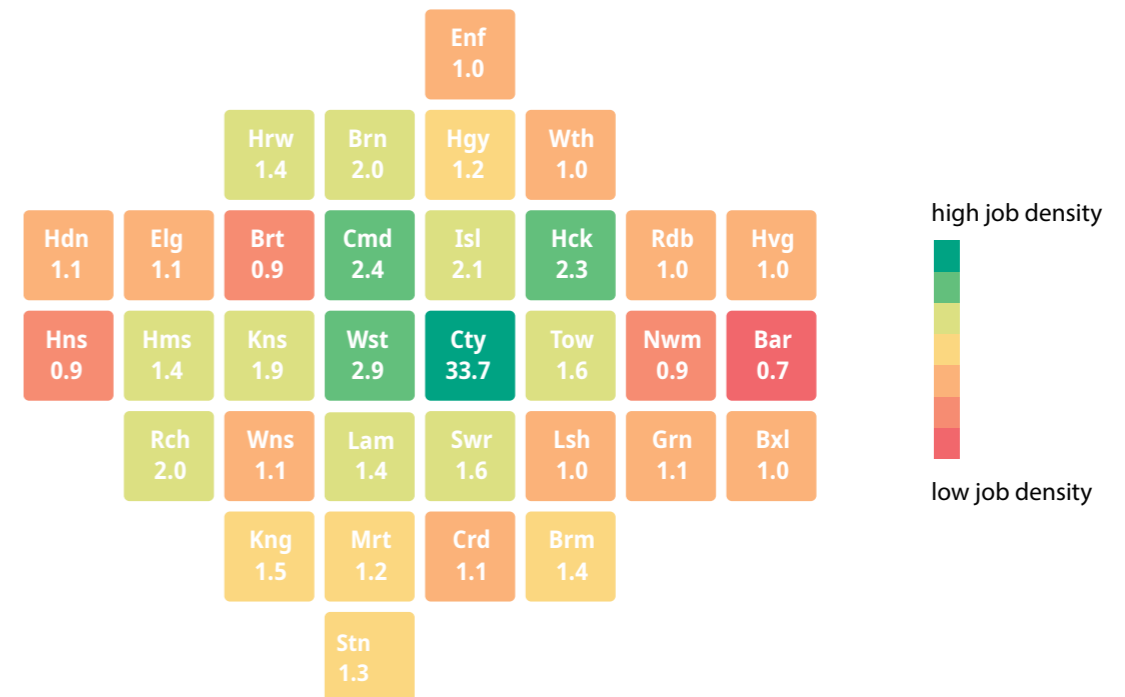
NON-STATUTORY FUNDING TENDS TO BE DIRECTED TOWARDS INNER LONDON, WITH THE BOROUGHS ON THE PERIPHERY OF THE CAPITAL BEING OVERLOOKED. The Centre for London’s Philanthropy report shows that the charities focused on local causes are heavily concentrated in the city’s core. Figure 9 shows that some of London’s most in-need boroughs are currently under-served.

**“Our individual offices drive engagement with specific organisations locally.”**

– *Corporate CSR function*

This geographic mismatch is, if anything, exacerbated by the activities of large employers, which tend to direct most their efforts to very local-level needs. Given that many of the professional and managerial firms with sufficient scale to undertake CSR initiatives are located in central locations, it is likely that such opportunities are also located disproportionately within the inner ring of the London doughnut, a supposition supported by our interviews. Overall, the picture of non-statutory funding appears to mirror that of the statutory system. The Centre for London’s Philanthropy report found that in the period 2009-13, Hackney and Tower Hamlets experienced a 7-9% increase in number of local charities, whilst areas in the outer ring experienced an equivalent decline. Clearly, the current support system is not repairing the pathway to positive social mobility.

FIGURE 9: Charity density (Local Area of Benefit), by London borough<sup>40</sup>



Source: Centre for London (Ministry of Housing, Communities and Local Government), London Councils





RECOMMENDATIONS:

# A COLLECTIVE OPPORTUNITY

## TARGETING THE 4As

We need to fix the social mobility ecosystem if we are to make London a city that works for all of our young people. It is clear that those from low income backgrounds have fewer opportunities to succeed. Even where such opportunities are available, frequently they come too late in life to be truly effective, while many of the interventions are reactive rather than pre-emptive.

We need to shift the focus of interventions towards adopting a cradle to careers approach that gives young Londoners more equal access to opportunities from an early age onwards.

In response to the challenges identified in this report using the 4As and supporting actor frameworks, there are many changes that could improve the social mobility situation for London. We do not aim to provide a comprehensive, side by side, comparison of each of these changes in this report, but rather highlight initiatives that could make a real difference and are in the hands of London.

### ABILITY

More investment to support ability is needed at key stages of a young person's journey to adulthood. In the early years, children from low income backgrounds are still slipping behind, time which they never make up. In later years, the quality of vocational training could be much improved, with the CIPD's assessment of the recently implemented apprenticeship levy highlighting that some apprenticeships are low quality and offer little or no off-the-job training (CIPD 2018).

### ASPIRATION

Too often initiatives to boost aspiration come too late or not at all, with existing efforts often not sufficiently coordinated. For example, initiatives that work to stimulate young people's understanding of what it takes to be successful in sport or music could then better link to the promotion of public or voluntary role models in public and corporate careers.

### AWARENESS

Despite efforts by many actors, young people still do not have consistent access to high quality careers support and sufficient employer insights. Some schools report that they are inundated with offers of corporate support, while others have never been approached at all. Similarly some careers feature strongly in schools' career curriculums, while others, including those which are new and fast evolving sectors and roles, have little profile at all. We need stronger collaboration between actors to build a more coherent system, whilst there is the opportunity to develop innovative digital formats to build awareness of a broader range of career opportunities and the routes to them.

### ACCESS

Access to structured work experience for lower income young people is critically important and a major contribution that employers can make. There needs to be far stronger co-ordination to ensure schools in the outer zones of London are able to provide the same access to placements as those schools in closer proximity to central London employers.

In addition, schools should be encouraged to facilitate placements for 16-18 year olds – a crucial time for decision making. In addition to placements already provided for children and 15/16 years of age. When placements are for post 18 year olds, employers should routinely pay the London Living Wage to ensure equality of access for those unable to afford the opportunity cost of unpaid work experience.

**“If you live and learn in London, you're competing with the rest of the world.”**

*– Yolande Burgess – Strategy Director,  
Young People's Education and Skills, London Councils*

### THE ROLE OF EMPLOYERS

The biggest change that corporate London can make is elevating social mobility from a CSR agenda topic to placing socio-economic background diversity at the core of workforce strategies and making a senior leadership commitment to achieving this. Experience shows that such commitment is making real change with gender diversity. Beyond some high-profile examples too few employers have a strategy or commitment to diversifying the socio - economic background of those they employ.

A key finding of the case study research for this report is that, if young people do not believe that they can make it in the world of employment, then much of the other 4A effort is less likely to be productive. It is critical that young people can see people like them being hired and being successful; as opposed to a lucky few, beating the odds. We can not underestimate the impact that relatable role models can have on aspirations. Young people need to be able to look at different career paths and identify role models with whom they can relate – whether in terms of socio-economic background, ethnicity or the type of school that they go to.

In addition to the proven benefits of having a diverse workforce, ultimately growing the talent base is in corporate London's interest. Over the next few years, in a post Brexit universe, employers could see fewer applications from international candidates and may need to plug more gaps in their recruitment pools. If we look to other diversity agendas for inspiration, such as gender and LGBT, employers that have made the biggest contributions have widely benefited from the positive brand and reputational impact with clients, employees and other stakeholders.

In return, it needs to be easier for employers to partner with schools across the capital, to know where their effort is most needed, to coordinate with one another, to get access to good practice knowledge and to compare their progress with that of others.



## SUPPORTING CHANGE

To fully support young people in London, we must drive better targeted and more joined working across our capital to support actions by corporate London. To do this, we recommend all actors should take action to increase the use of data driven interventions and work to improve network coordination. We believe these actions will improve the ecosystem in which all actors currently operate and subsequently enable interventions to be more effective in improving the state of social mobility in London. If we make partnerships, cooperation and knowledge-sharing easier for actors, we can target and focus our efforts on those most in need.

### TARGET OUTCOME

### EXAMPLE ACTION

Use available data to further understand social mobility challenges

Review and expand GLA Economic Fairness measures in GLA data store to incorporate social mobility data (e.g. using the Longitudinal Study from the ONS)

Use data to focus interventions in areas of highest need

Consider geographical spread of interventions and direct funding to address mismatches (e.g. increase interventions targeting outer London)

Greater insight in and promotion of successful social mobility pathways

Benchmark efforts and support from employers, charities and statutory actors to understand best practices (e.g. by extending Social Mobility Index and 360Giving data)

All actors better co-ordinate themselves using big data

Big employers co-ordinate amongst themselves and form social mobility partnerships with state schools across London guided by data to pinpoint their efforts

Design and promote more effective pathways into non-HE destinations

Schools collaborate with employers / charities to create a database of apprenticeships and workplace experience opportunities to enable a city-wide approach

Stronger focus on career coaching and related learnings in schools

All London secondary schools use Compass for reporting on their career strategy

Cross-sectoral leadership and alliances

Establish regular knowledge sharing between actors to understand best practices and push London's social mobility agenda

## DATA DRIVEN INTERVENTIONS

## IMPROVE NETWORK COORDINATION

## CONCLUSION

Our research has demonstrated that, for many young people, London is not sorted. Despite the popular narrative that our capital is a social mobility engine, too many young Londoners grow up in a separate world and are not fulfilling their potential. The whole of London suffers as a result. As shown in this report, poverty and funding for support are major issues. But there are other powerful actions that London can take now. We call on those that can make change happen, to commit to making it happen.

**“As a corporate, we need to try and identify cold spots in London to find out where our philanthropic capital can be better spent.”**

*– Amal Gomersall – Head of Grants, Citi Foundation*





# EPILOGUE

## Dear Reader,

Growing up in London, the opportunities are endless, but only if you know about them, can afford them, and have the right connections. Young Londoners are multi-faceted: we are from different communities, we represent different social strata and we all face unique challenges growing up. Despite the complexities of our makeup and our individual aspirations, social mobility has traditionally focused on educational attainment, and not enough support has been given to individuals to challenge the status quo.

A good education is the foundation for upward social mobility, but it is not the be-all and end-all. To understand social mobility holistically, we need to recognise that economic outcomes are rooted in the connections our parents and grandparents have made. We are constantly reminded of the phrase, 'it's not what you know, it's who you know'. The lack of social capital within under-represented communities means that young people are always several steps behind their more affluent counterparts. The power within our society is held by those from wealthier backgrounds, who not only earn more money but also control the levers that shape our social order. Without adequate visual representation, we cannot expect to move the needle towards creating an inclusive society.

The social mobility enablers highlighted in this report should be the core principles of a collaborative model: ability, access, awareness and aspiration. We need to instil enough confidence in young people so that they are encouraged to take risks and branch out of their comfort zone. We need to build an environment which inspires young people to achieve their potential by creating a workforce that is representative of London's mixed identity.

While this report is a call to educators, employers, charities and statutory groups, I would like to go beyond organisations and call upon every individual to become a change-maker. What changes can you make at



work and within your community to give young people opportunities? I encourage you to envision what the next generation needs and to take a proactive role in making system-wide progress a reality. The recommendations in this report aim to help you start that journey.

It falls upon us to reject the narrative 'London is sorted' when referring to social mobility, and it indeed falls upon us to be role models for young people to improve social mobility. It is our collective responsibility to take action to empower the younger generation, to drive positive change, and to break the cycle of poverty.

TAHIRA BAKHTIARI  
Youth Board Member  
Mayor's Fund for London



# APPENDIX A. ACKNOWLEDGEMENTS

We would like to express our gratitude to all of the interviewees for their time in sharing their invaluable experience and opinions. The views they express in this report are their own and are made in a personal capacity only.

## **SUFINA AHMAD**

Corporate Strategy Manager,  
City of London Corporation

## **KARINA AIDOO**

Operations Manager, Westminster Kingsway College

## **TAHIRA BAKHTIARI**

Youth Board Member, Mayor's Fund for London

## **GEORGE BERGIN**

Youth Programmes and Volunteering Officer, YMCA,  
St Paul's Group

## **PAT BIGGERS**

Mayor's Fund Corporate Advisory Board Member,  
Fund Manager at Lazard Asset Management

## **KEVIN BOWSHER**

Equality, Diversity and Inclusion Lead, Mace Group Ltd

## **YOLANDE BURGESS**

Strategy Director, Young People's Education and Skills,  
London Councils

## **NICK CAREY**

Interim Commercial Director for Endowment,  
International and Growth, Capital College City Group

## **JACKIE CHAPMAN**

Operations Director, Capital City College Training

## **JED CINNAMON**

Senior Programme Manager - Education, Nesta

## **MATTHEW CORBETT**

Director of the L&Q Foundation, L&Q Group

## **SALLY DICKINSON**

Head of Foundation, Berkeley Foundation

## **NIC DURSTON**

CEO, South Bank Employers' Group and South Bank  
Business Improvement District.

## **STEPHEN EVANS**

CEO, Learning and Work Institute

## **DUAA FAID**

Sixth Form student, Mayor's Fund for London

## **BEN GADSBY**

Policy and Research Manager, Impetus

## **AMAL GOMERSALL**

Head of Grants, Citi Foundation

## **MELANIE GRANT**

Luxury Editor of 1843, The Economist - Trustee,  
Mayor's Fund for London

## **ALI HALL**

Youth Worker, YMCA

## **KURT HINTZ**

Principal, College of Haringey, Enfield and North East London

## **CHARLOTTE HOLLLOM**

Venture partner: sixth form strategy, Ark

## **MANNY HOTH**

Director of Policy, Trust for London

## **IVAN HUTNIK**

Editorial Assistant

## **RICHARD JAMES**

CEO, YMCA, St Paul's Group

## **KRISTINA LASTOWECKYI**

Head of Children, Youth and Families, YMCA, St Paul's Group

## **NEIL LEE**

Associate Professor of Economic Geography,  
The London School of Economics and Political Science

## **PABLO LLOYD OBE**

CEO Visionnaires, Part of Capital City College Group

## **KIRSTIE MACKAY**

Director of Life Skills, Barclays

## **LEE ELLIOT MAJOR**

Professor of Social Mobility, University of Exeter

## **DAN MARTIN**

Social Worker

## **HANNAH MCAULEY**

Head of Pathways and Enrichment, Ark

**SARAH TAUNTON**, acting head of Pathways and  
enrichment, Ark

## **REBECCA MCEWAN**

London Entry Level Recruitment Manager, Oliver Wyman

## **KIRSTY MCHUGH**

CEO, Mayor's Fund for London

## **SARAH MCKINLESS**

Head of Product, Skills Builder Partnership

## **DAVID MEDWAY**

Headteacher, Kingsmead School and Sixth Form - Enfield

## **PHIL MILES**

Director of Clarion Futures, Clarion Housing Group

## **ANDREW MOFFAT**

Regional Lead, London Enterprise Adviser Network,  
Greater London Authority / The Careers & Enterprise  
Company

## **LINDSEY NAYLOR**

Oliver Wyman Partner and Sutton Trust Alumnus,  
Oliver Wyman

## **MODUPE OKAH**

Youth Board, Mayor's Fund for London

## **ROY O'SHAUGHNESSY**

Group Chief Executive Officer, Capital College City Group

## **ASI PANDITHARATNA**

Director of Employment Services, The Forward Trust

## **MARY-KATHRYN RALLINGS ADAMS**

Deputy Chief Executive, HACT

## **TULAY RASHID-GRANT**

Director of Curriculum Access, HE and Adult Learning  
Pathways, Westminster Kingsway College

## **TIM ROBERTS**

Chair of the Trustees Mayor's Fund for London

## **CAROLINE ROWLEY**

Corporate Philanthropy, Bloomberg LP

## **RONI SAVAGE**

Managing Director, Jomas Associates (Engineering)

## **ALI SIDDIQI**

Youth Board Member, Mayor's Fund for London.

## **ASHMEED SOHOYE**

Learning Mentor, Kingsmead School  
and Sixth Form - Enfield

## **EMMA TURNBULL**

Pro Bono/Comm Affairs Officer, Allen and Overy

## **ESOHE UWADIAE**

Equality, Diversity and Inclusion Officer, University of  
East London

## **SIETSKE VAN DER PLOEG**

Head of Impact and Partnerships, Mayor's Fund for London

## **CLARA WIDDISON**

Kitchen Social Programme Manager,  
Mayor's Fund for London

## **SUE WISBEY**

Community Investment Manager, Allen and Overy

We also thank contributors from organisations who did not wish to be named but contributed to the findings in this report. In particular, this includes all of the residents at the YMCA, Hillingdon, and the Greater London Authority.

# APPENDIX B. BIBLIOGRAPHY

1. After living costs are taken into account. Child Poverty Action Group, 2018.
2. Sixteen of the twenty most dangerous places in England and Wales for serious knife crime offences are in London. Source: Freedom of information request to the Metropolitan Police, 2019
3. Duckworth, Heckman, & Weel, 2008; Machin & Meghir, 2004; APPG, 2019
4. 43 per cent of children in inner London and 34 per cent of children in outer London live in relative poverty after taking into account housing costs
5. 60% of which was spent on personal social services, school education, police and criminal justice
6. living with foster parents, in residential children's home or residential settings like schools or secure units, 2019; 3 Primary and secondary aged children in 2017;
7. Under 25, 2019
8. 2018. Source: OW Analysis, Office for National Statistics;
9. Ofsted, Child Poverty Action Group, Department for Education, Annual London Education report 2017, The Community Fund; GLA Strategic Crime Analysis, July 2019
10. FSM: Free School Meals; figures weighted by number of pupils taking GCSEs known to be eligible for and claiming free school meals in 2015. Note: given that education beyond age 16 only became compulsory in 2013, GCSEs were chosen as the most appropriate common metric of educational attainment over this period. More recent information is not available due to limitations of publicly available data. Source: OW analysis
11. Social Mobility Commission 2016
12. This echoes recent findings that London experiences some of the lowest regional rates of absolute upward mobility in England (Friedman and Macmillan, Is London really the engine-room? Migration, opportunity hoarding and regional social mobility in the UK 2017)
13. The Index scores each region on a scale of 1 to 100 based on 16 metrics including quality of nurseries, average GCSE grades, median weekly income, etc. There are four sub-indices that measure the performance of children from low income backgrounds across their different life stages – early years, school, youth and adulthood. The Index is based on an area's local characteristics, it does not measure intergenerational social mobility, i.e. the relationship between family background, education and income.
14. Youth Index metrics: % of disadvantaged young people not in education, employment or training one year after completing Key Stage 4; % of disadvantaged young people achieving two or more A-levels or equivalent qualifications by the age of 19; % of disadvantaged young people entering higher education by the age of 19; % of disadvantaged young people entering higher education at a selective university (most selective third by UCAS tariff scores) by age 19
15. Adulthood Index metric: median weekly salary of employees who live in the local area; average house prices compared to median annual salary of employees who live in the local area; % of people that live in the local area who are in managerial and professional occupations (SOC 1 and 2); % of jobs paid less than applicable Living Wage Foundation living wage; % of families with children owning their own home
16. The Department for Education will provide open access to Longitudinal Educational Outcome data which will allow a greater insights
17. Authors define working class as anyone in NS-SEC 6 and 7 occupations and professional and managerial employment as NS-SEC 1 and 2 occupations
18. More recent information is not available due to limitations of publicly available data. Source: OW analysis
19. Intermediate background defined as those between a professional and working class background
20. Friedman, Laurison and Macmillan 2017
21. Ashley 2015. No controls. Upon adding controls, an £8,000 pay gap remains. Controls include: demographic age and age squared, paid hours worked, cohort of survey, racial or ethnic group, gender, and country of birth; education: highest degree achieved and degree classification; human capital: measures of current and past health, job tenure, and whether respondent completed job-related training in the past three months; work context: firm size, industry, public or private sector, region of work, NS-SEC category; the final model adds dummy variables for each individual occupation
22. Friedman, Laurison, & Macmillan, 2017
23. Education Policy Institute (EPI)
24. Measured by Early Years Foundation Stage Profile (EYFSP), Scaled Key Stage 2 reading and maths score. Average GCSE score in English and Maths. Weighting by number of enrolled students in maintained students in maintained nurseries, primary and secondary schools by borough in 2017
25. Measured by the Trust for London. For the school year 2015/16, the difference between the proportion of disadvantaged pupils and the proportion all other pupils attaining an A\* – C in maths and English GCSE at 16 (the attainment gap) in Inner London is 16 percentage points and 23 percentage points for outer London.
26. Skills that combine human and machine capabilities to deliver better outcomes than either could achieve alone, "Human+Machine" book, Paul Daugherty and James H. Wilson
27. When we use the phrase cultural capital, we mean having personal assets (education, style of speech, style of dress etc.) that are associated with those from more affluent backgrounds
28. Most common skill lacking under people and personal skills in survey results. Employer Skills Survey, 2017.
29. Turock et al, 2008; McKendrick et al, 2007; Calder and Cope, 2005
30. Gutman and Akerman, 2008
31. Broke not Broken, 2011. The Princes Trust
32. Mann et al., 2018
33. Raffo and Reeves, 2000; Mann and Percy, 2014; Jones et al., 2016; Erickson et al., 2009
34. A. H. Mann 2018
35. Ashley et al. (2016)
36. Friedman, 2017
37. Interviews were conducted with range of stakeholders from the public, private, and third sector including frontline workers, thought leaders, business leaders, young people and funders
38. Council funding: gross expenditure on individual schools budget, other education and community, children's and young people's services 2017-2018, scaled by number of under-17 years-olds
39. The Pupil Premium is the amount of money granted to schools each year by the Department for Education to improve the attainment of children eligible for FSM
40. "More, better, together: A strategic review of giving in London". Centre for London, 2018.

# PUBLISHER'S INFORMATION

## AUTHORS

### KARIM BECHIR

Engagement Manager  
Consumer, Industrials and Services, OW Digital  
Karim.Bechir@oliverwyman.com

### JULIA LAWSON-JOHNS

Consultant  
Julia.LawsonJohns@oliverwyman.com

### LAURA CHITTY

Consultant  
Laura.Chitty@oliverwyman.com

### TOBY PITTAWAY

Partner  
Financial Services  
Toby.Pittaway@oliverwyman.com

### USHIR BHATT

Partner  
OW Digital  
Ushir.Bhatt@oliverwyman.com

## DESIGN & PRODUCTION

### AGATA GUMÓŁKA

Senior Designer  
Agata.Gumolka@oliverwyman.com

### KAROLINA KOT

Designer  
Karolina.Kot@oliverwyman.com

## MAYOR'S FUND CONTRIBUTORS

### KIRSTY MCHUGH

Chief Executive Officer  
kmchugh@mayorsfundforlondon.org.uk

### SIETSKE VAN DER PLOEG

Head of Impact and Partnerships  
svanderploeg@mayorsfundforlondon.org.uk

### SHAHNAZ AWAN

Head of Marketing and Communications  
sawan@mayorsfundforlondon.org.uk

### SOPHIE CLARE

Marketing and Events Officer  
sclare@mayorsfundforlondon.org.uk

## KNOWLEDGE SERVICES

### JACK VAN COOTEN

Senior Research Analyst  
Jack.Vancooten@oliverwyman.com

### SARA BELAZI

Knowledge Analyst  
Sara.Belazi@oliverwyman.com

This work was funded and supported by the Oliver Wyman Social Impact programme (<https://www.oliverwyman.com/our-culture/society/social-impact.html>).

The authors would also like to thank Ivan Hutnik, for providing editorial assistance in the writing of this report.

Oliver Wyman is a global leader in management consulting that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. For more information please contact the marketing department by email at [info-FS@oliverwyman.com](mailto:info-FS@oliverwyman.com) or by phone at one of the following locations:

Americas  
+1 212 541 8100

EMEA  
+44 20 7333 8333

Asia Pacific  
+65 6510 9700

Copyright © 2020 Oliver Wyman

All rights reserved. This report may not be reproduced or redistributed, in whole or in part, without the written permission of Oliver Wyman and Oliver Wyman accepts no liability whatsoever for the actions of third parties in this respect.

The information and opinions in this report were prepared by Oliver Wyman. This report is not investment advice and should not be relied on for such advice or as a substitute for consultation with professional accountants, tax, legal or financial advisors. Oliver Wyman has made every effort to use reliable, up-to-date and comprehensive information and analysis, but all information is provided without warranty of any kind, express or implied. Oliver Wyman disclaims any responsibility to update the information or conclusions in this report. Oliver Wyman accepts no liability for any loss arising from any action taken or refrained from as a result of information contained in this report or any reports or sources of information referred to herein, or for any consequential, special or similar damages even if advised of the possibility of such damages. The report is not an offer to buy or sell securities or a solicitation of an offer to buy or sell securities. This report may not be sold without the written consent of Oliver Wyman.