

# Black, qualified and unemployed



## Introduction

Young people are told that the level of education they reach is critical to their future success in the labour market. There is an assumption that higher levels of educational attainment will lead to better job prospects and higher wages. This report reveals that this is not always the experience of black communities.

Previous studies by the TUC and others have revealed a disparity between the educational attainment and labour market position of black people<sup>i</sup>. Recent research undertaken by the Joseph Rowntree Foundation (JRF) on ethnicity and poverty showed that black and ethnic minority employees tend to have slightly higher educational qualifications than their white counterparts, but that disproportionately more BME workers are overqualified for their jobs. The JRF research also found that for black people educational attainment does not appear to be the main determining factor in employment opportunities and pay levels.<sup>ii</sup>

This report, published to coincide with the TUC's 2016 Black Workers Conference, uses analysis of recent official statistics to show that levels of unemployment are also higher for black workers, regardless of qualification levels.

## Summary

The TUC analysed data from the 2015 Labour Force Survey to see how the attainment of educational qualifications impacted on the employment opportunities open to BME workers. The analysis examined the employment rates of BME workers and white workers whose highest level of qualification is the same. Recent TUC analysis showed that black workers with degrees earn almost a quarter less than their white peers.<sup>iii</sup> This new analysis reveals:

- BME graduates with a first degree are more than twice as likely to be unemployed as white graduates.
- BME workers who have obtained vocational qualifications at HNC/HND level are almost three times as likely to be unemployed as white workers with the same level of qualification.
- The unemployment level for BME workers who have obtained city and guild or craft based qualifications is two and a half times that of white workers with the same level of qualification.
- The employment gap between BME workers and white workers who have completed Apprenticeships stands at 23 per cent.
- BME workers with A Levels are more than three times more likely to be unemployed than an equivalent white worker whose highest qualification is also A Level.

## Black workers and unemployment rates

The latest official statistics show that the overall UK unemployment rate was 5.1 per cent in the three months to January 2016. This was the same as in the previous two periods and is the lowest level for almost ten years.

However, TUC analysis of recent unemployment data reveals that black communities are still disproportionately affected by unemployment and that BME workers are twice as likely as white workers to be unemployed, despite the overall increase in the numbers of people in work.

LFS data<sup>iv</sup> shows that 5.3 per cent of white people were unemployed compared to 10.1 per cent of black and minority ethnic people. For young people, who face higher levels of unemployment, there are similar levels of disproportionality, with 12.5 per cent of white workers aged between 18 and 24 unemployed, compared to 24.1 per cent of young black and minority ethnic workers.

Examination of the situation in Scotland, Wales and the English regions shows that, although the picture varies, no matter where BME workers live they experience disproportionate levels of unemployment.

**Table 1: UK working age unemployment (%) by region and ethnicity**

<b>Region</b>	<b>White (%)</b>	<b>BME (%)</b>
North East	8.0	12.1
North West	5.3	12.4
Yorkshire and Humberside	5.7	13.6
East Midlands	4.4	9.6
West Midlands	5.1	13.2
Eastern	4.5	6.3
London	4.5	10.2
South East	4.3	6.3
South West	4.2	8.0
Scotland	5.7	11.5
Wales	6.5	7.1

A common explanation for the disproportionate levels in employment faced by people from black communities is to suggest that levels of unemployment for different groups reflect different levels of skills and qualifications. However, the TUC's investigation of unemployment rates for workers with equivalent levels of qualifications reveals that BME workers face higher levels of unemployment than white workers with the same qualifications.

## **Qualification and unemployment levels**

A recent report published by the TUC highlighted the pay gap between black and minority ethnic and white workers at various levels of qualification, finding that the gap was widest at graduate level. This report provides a similar comparison at various levels of qualification, but for unemployment rather than pay. The data in Table 2 reveals the

unemployment disparity between BME and white workers with different levels of qualifications.<sup>7</sup> This disparity exists for all qualifications.

Levels of unemployment for BME graduates are two and a half times higher than for white graduates with first or higher degrees.

The situation for those with vocational qualifications is just as severe. The unemployment gap between BME and white workers with HNC/HND and BTEC qualifications is over 5.5 percentage points.

The figures for those who have obtained skills based qualifications through training in craft skills reveals that unemployment gap between BME and white workers is nearly 5 per cent, while in Apprenticeships – an area where the government has pledged to expand BME participation – the employment gap is a shocking 23 per cent.

Analysis of the data for BME workers that have obtained A Level qualifications shows that the unemployment gap between BME workers and white workers is nearly 10 per cent. This means that BME workers with A Levels experience levels of unemployment that are more than three times that of white workers with A Levels.

**Table 2: Unemployment rates (%) for qualified white and BME workers**

<b>Qualification</b>	<b>White (%)</b>	<b>BME (%)</b>
Higher degree	1.6	4.9
First degree/foundation degree	2.6	6.5
HNC/HND/BTEC higher, etc.	3.1	8.7
City & Guilds Advanced Craft/Part 1	3.1	8.0
Trade Apprenticeship	5.5	28.6
A Levels or equivalent	4.9	15.6

## **Conclusions and recommendations**

This analysis shows that at all levels of qualification, BME workers face far higher rates of unemployment than white workers. It builds on analysis from the TUC and other organisations showing the pay gap facing BME workers and high levels of under-employment. Unless urgent action is taken there is a real risk that this experience will serve as a disincentive for young people from BME communities to invest in education and training.

Institutional racism and discrimination in the labour market lie beneath these shocking figures. Serious and urgent measures are required to prevent the further entrenchment of racial inequality in the labour market.

The government has recently committed to increase BME employment levels and access to Apprenticeships, and business secretary Sajid Javid has launched a review into increasing progression in the labour market by BME workers. This new focus is welcome, but without clear targets, proper resourcing and the expertise of stakeholders including unions, there is a real risk that this initiative will not address the needs of BME workers who find themselves unemployed despite efforts to improve their chances in the labour market.

This report highlights the need for concerted and co-ordinated action by government and employers, working with unions. The TUC believes:

- The government should develop, consult on and publish a full race equality strategy, with clear targets to close the employment and pay gaps and adequate resourcing.
- Central and local government should introduce race equality requirements into public sector contracts for the supply of goods and services as a way of providing incentives for companies to improve their race equality policies and practices. Companies that do not meet the requirements should not be awarded public contracts.
- The government should introduce anonymised application forms across the public sector and encourage private sector employers to do the same.
- Employers should monitor all stages of the recruitment process to ensure that BME workers are not discriminated against and use more targeted recruitment to increase the levels of employment for BME workers.
- There should be greater transparency in career progression, and efforts to foster BME leadership in the public and private sectors.
- Employers should ethnically monitor their workforce and publish the results as part of their annual report.
- The Equality and Human Rights Commission should undertake regular reviews of different sectors of industry as a way of establishing agreed action plans for improving performance in BME recruitment.

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<sup>i</sup> TUC (2000) *Qualifying for Racism*

<sup>ii</sup> Brynin-Longhi, (2014). *Poverty and Inequity: what occupations are bad for ethnic minorities and what occupations are good?* Joseph Rowntree Foundation

<sup>iii</sup> TUC analysis of wage and qualification levels (2016) [www.tuc.org.uk/equality-issues/black-workers/labour-market/black-workers-degrees-earn-quarter-less-white](http://www.tuc.org.uk/equality-issues/black-workers/labour-market/black-workers-degrees-earn-quarter-less-white)

<sup>iv</sup> LFS data, yearly average 2015, GB figures

<sup>v</sup> Ibid



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