

Who accounts for social mobility?

Is enough being done



About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies in all stages of development. We aim to develop capacity in the profession and encourage the adoption of consistent global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We work to open up the profession to people of all backgrounds and remove artificial barriers to entry, ensuring that our qualifications and their delivery meet the diverse needs of trainee professionals and their employers.

We support our 170,000 members and 436,000 students in 180 countries, helping them to develop successful careers in accounting and business, with the skills needed by employers. We work through a network of over 91 offices and centres and more than 8,500 Approved Employers worldwide, who provide high standards of employee learning and development.

Abstract

This report reviews the findings from a recent ACCA survey, which aimed to establish social mobility trends among our students and members. By considering the results against our own values and against the wider social context, we highlight the case for the government, business and the profession to do more to facilitate greater levels of mobility throughout the wider British community.

Executive summary

Everyone should get a fair chance in life. An individual's ability to forge the type of life they aspire to lead should not be dependent on how wealthy or connected their parents are. Merit should supersede money. And yet all too often the opposite is true.

Despite studies showing how Western countries with a high social mobility rate enjoy much higher economic growth, in Britain we have struggled to translate our desire for a fair society into a successful strategy. If someone is born poor, they tend to stay poor.

Much of the reason for this is that many of the well-paying jobs available in this country are a closed shop. The professions, from accountancy to journalism and everything in between, are mostly dominated by a social elite who have had access to the best education, the best networks, the best support. Anyone outside of these circles struggles to get a foot or even a toe in the door. We all must work to make sure from the bottom to the top and all the levels in between the door is open to everyone.

Similar trends are reflected within entrepreneurship. A review¹ by ACCA of the 2008 European Values Study (EVS 2011) revealed that between one in three and one in five entrepreneurs who employed staff had parents who owned businesses – indicating that people are less likely to start their own business if they don't know someone who has. The influence of parental experience and networks – or the lack of them – cannot be underestimated.

ACCA does not believe the current government is doing enough to support social mobility. While there has been acknowledgement of the challenges many people face with regards poverty, developing skills and accessing employment, there is little evidence that it is willing to put appropriate infrastructure in place to address these.

For example, the government does not lead by example when it comes to data collection and monitoring; the withdrawal of investment in careers advice does little to help prepare young people more effectively for the world of work; and expenses-only internships within parliament continue to be advertised.

We are also particularly disappointed with the government's response to the recommendations made by the Social Mobility and Child Poverty Commission, none of which have been implemented thus far.

This lack of engagement on the issue is not limited to the coalition. All parties could do more, as indicated by the lack of social mobility-related policy to emerge from this autumn's political party conferences.

For 110 years ACCA has sought to provide access to accountancy for people from all walks of life. We are committed to removing artificial barriers, raising awareness of the routes into the profession and addressing the social mobility challenges our society faces today.

That is why we are calling upon all parties to commit to the mandatory adoption of the Professions for Good's Social Mobility Toolkit, which would require all members of the Social Mobility Business Compact to collect and monitor vital social mobility trends within their staff and networks. As an organisation that is committed to data collection, ACCA has seen first-hand the benefits this approach can have – after all, it is only by understanding our members and their journey more completely that will we know where we have succeeded and what we can improve.

We are also hugely supportive of wider calls for the appointment of a senior single Social Mobility Cabinet Minister who would have responsibility for ensuring all departments consider how social mobility and child poverty would be impacted upon by policy initiatives; for independent analysis by the office of Budget Responsibility of the impact of tax and spending decisions upon social mobility; and an end to unpaid internships.

Furthermore, we would like to see a commitment to the more effective dissemination of careers advice through the education system. As our own social mobility research shows, very few accountants find their way into the profession via their school or university. Improving teachers' and careers advisers' understanding of accountancy would make a significant contribution to improving access to the field, thus increasing social mobility.

1 ACCA, *Financial education for entrepreneurs: what next?*

And finally we would like to see a regional focus; the Social Mobility and Child Poverty Commission's State of the Nation report refers to early years education in Scotland being a success but noted business engagement is low. Similarly there is a greater need for work experience in rural areas than in metropolitan centres.

By drawing together evidence from ACCA's membership survey, we can build a clearer picture of the accountancy profession and assess where improvements need to be made. This picture helps build the platform from which we make our calls to government. We wholeheartedly believe that if professions such as ours can broaden the background of the people they employ then we can help increase social mobility and help people achieve their full potential.

ACCA is calling for the following:

- 1 The introduction of a mandatory social mobility tool kit
- 2 The appointment of a social mobility minister
- 3 The Office of Budgetary Responsibility to be charged with impact analysis
- 4 Much wider dissemination of careers information throughout the education system
- 5 The upholding of employment law which states unpaid internships are illegal

KEY FINDINGS FROM THE ACCA SOCIAL MOBILITY SURVEY

1 Accountancy is a profession that is open to anyone

Our members comprise a diverse mix of individuals from different regions of the UK and indeed the world. Parity has been achieved between genders with 55.5% of members responding to the survey being female and 45.5% being male².

2 Accountants move up social classes through doing the qualification

When asked to describe the highest position of either of their parents at the time of their youth, just under half (45.5%) said they were from the higher professional and management (AB) classes. And yet a staggering 77% described themselves as in those same AB classes, demonstrating clearly that the profession is delivering social mobility. But we recognise more can be done as just 18% received one or both income support or free school meals during childhood so we must continue to reach out to make sure everyone feels there is no glass ceiling.

3 Accountancy is not a profession that requires an expensive education

Just 7% of ACCA members attended an independent fee-paying school, with a significant majority 88% of those who went to school in the UK being state school-educated³. Less than half (48%) of the respondents had an undergraduate degree.

4 Careers advice regarding the accountancy profession needs to be improved

Just 9.5% of members received information about accountancy from their school and 7.1% from their university, indicating that much more can be done to improve awareness of the profession and its entry routes through the careers advice and guidance system.

5 Accountancy is a career that can be considered during all life stages

Some 47.7% of members were aged over 25 before they decided to become an accountant, highlighting how this field can successfully provide new opportunities at different stages in an individual's life. Social mobility is an intergenerational issue but should be applicable to people throughout their life. We're keen to recognize that social mobility is not just the romantic idea of getting someone from the very worst situation to the very top but helping everyone move up and have greater opportunities.

² Globally, 45% of ACCA's members and 50% of ACCA's students are female

³ The balance were educated outside of the UK

PART 1 – Introduction

In 1904, our eight founding members formed the London Association of Accountants. They were the ‘accessible’ accountants, ambitious to provide more open, welcoming routes into the profession. It was an area where they believed the two existing accountancy organisations did not do enough.

For 110 years ACCA has held to these unique values: opportunity, diversity, innovation, integrity, and accountability. We seek to open up our profession to people of all backgrounds. This fundamental commitment to open access means working to remove artificial barriers, raising awareness of the routes available into our profession, and playing our part in addressing the enormous social mobility issues our country faces today.

THIS FUNDAMENTAL COMMITMENT TO OPEN ACCESS MEANS WORKING TO REMOVE ARTIFICIAL BARRIERS, RAISING AWARENESS OF THE ROUTES AVAILABLE INTO OUR PROFESSION, AND PLAYING OUR PART IN ADDRESSING THE ENORMOUS SOCIAL MOBILITY ISSUES OUR COUNTRY FACES TODAY.

We’re proud of headline findings from our latest survey such as how gender parity has been achieved (55% of members are women) and that we have a diverse range of ages joining ACCA. We’re also proud to say that 88% of our members have come from state, not private schools, indicating how this is a profession open to all backgrounds not just the privileged few.

Transparency is imperative to recognising where and how institutes and businesses can do more. By conducting and making public this data collection exercise ACCA intends to lead by example. It is only by understanding our members and their journey more completely that will we know where we have succeeded and what we can improve.

What does social mobility mean to us? It means that no one’s chances in life should be defined by the circumstances they were born into. It means that our futures are not defined by our past, that merit supersedes money and that glass ceilings should be smashed. Over recent decades Britain has become a wealthier country, but it has not become a fairer one.

WHAT DOES SOCIAL MOBILITY MEAN TO US? IT MEANS THAT NO ONE’S CHANCES IN LIFE SHOULD BE DEFINED BY THE CIRCUMSTANCES THEY WERE BORN INTO. IT MEANS THAT OUR FUTURES ARE NOT DEFINED BY OUR PAST, THAT MERIT SUPERSEDES MONEY AND THAT GLASS CEILINGS SHOULD BE SMASHED.

Our commitment to social mobility is also demonstrated through a variety of other ways. ACCA is a member of Professions for Good, a collaboration of organisations committed to fair access and meritocratic practice. ACCA UK also chairs the Access to Professions group, and in 2013 we joined the other members to launch the UK’s first ever Profession Week, aspiring to raise awareness of the range of employment options and entry routes available within the professions.

We recognise that we have a role to play within delivering the change that is needed. Indeed, it was our commitment to open access that provided a key motivator in our decision in 2012 to embark on a major, sustained data collection exercise that has enabled us to gain a snapshot of our members’ career journeys: from country of birth to education to employment. We’re working towards being able to track new students through their ACCA career, which in the future will allow us to have a much stronger picture of the opportunities and limitations membership and the profession deliver. It is after all only the professional bodies who can see the full picture of social mobility in the profession; any firm or business only has access to their own data, and accountants are mobile within and across sectors, and indeed globally.

In April 2014, we connected with employers and professional bodies within the accountancy profession to launch Access Accountancy; together we made several commitments: including the creation of a 3,750 industry work placements by September 2019; working with schools to spread positive messages about accountancy careers; and the monitoring of

applicants socio-economic data so that the initiative's impact is measurable and can be benchmarked.

SKILLS CAN PLAY THEIR PART

We know that acquiring the right kind of skills plays a massive part in increasing opportunities. Yet we also know the country is facing major challenges in creating ways to up-skill its workers⁴. In England one in five job vacancies (22%) is proving difficult to fill due to skills-shortages, up from one in six vacancies (15%) in 2011. That's why we've launched our own Massive Online Open Course (MOOC) that began in September 2014. We're working with Job Centre Plus and the National Careers Service to make sure the opportunity reaches as many as possible, and that we can begin to bridge the gap between what employers need and how future employees can get there. The Discovering Business in Society MOOC will also support those young people who do not have access to role models from the world of business to educate and inspire them – commercial awareness is often cited by employers as an under-developed skill.

A HOLISTIC APPROACH

Furthermore, we recognise that social mobility cannot be tackled in isolation from external and environmental factors. That's why we produced a recent report, *Payday Lending: Fixing a Broken Market*, and a short film alongside, to analyse flaws in the model and propose solutions. In 2012 some 12 million payday loans were arranged, resulting in people paying out more than £900m in interest and charges⁵. Until toxic cycles of desperation and debt are halted, the prospect for true mobility remains stagnant. We have been working closely with the Financial Conduct Authority to help set appropriate legislation to encourage both sustainable alternatives to payday lending and advising on the correct level of a cap on the total cost of credit.

Our experiences of all of these projects and more have shown us that change can happen if a strategic, collaborative approach is taken. This is why ACCA is very supportive of recommendations made by the Social Mobility and Child Poverty Commission in its report, *State of the Nation 2013: social mobility and child poverty in Britain*. Chaired by the Rt. Hon Alan Milburn, it highlighted a number of keys that can unlock social progress. These included raising standards and

TRANSPARENCY IS IMPERATIVE TO RECOGNISING WHERE AND HOW INSTITUTES AND BUSINESSES CAN DO MORE. BY CONDUCTING AND MAKING PUBLIC THIS DATA COLLECTION EXERCISE ACCA INTENDS TO LEAD BY EXAMPLE.

CLOSING THE GAP BETWEEN CIRCUMSTANCE AND LIFE CHANCES CANNOT BE DONE BY ONE GROUP ALONE. GOVERNMENT POLICY MAKERS, TEACHER AND EDUCATORS, PROFESSIONALS AND PROFESSIONAL BODIES, PARENTS AND GUARDIANS, ALL HAVE A PART TO PLAY IN LEVELING THE PLAYING FIELD.

aspirations; clear accessible routes into work for those pursuing both vocational and academic training; and plenty of high-quality jobs throughout the country with good progression opportunities and fair recruitment processes.

The commission's report also found class to remain a greater barrier

than gender when it comes to getting a top job. Today, most senior professionals still fit a familiar model: privately schooled, privileged and male. It also found that graduates who complete work experience are three times more likely to get a job offer than those who do not, yet just one in five firms in East Midlands and one in three in London offer it. As such, the report recommended that business leaders and the Government come together to increase the number of apprenticeships that are available; and for employers to provide better pay and career prospects. It also urged

professions to end unpaid internships and to open their doors to a wider pool of talent.

We agree that these areas should take priority, and in our recent submission to the Commission's 2014 call for evidence, we matched it on a number of calls to action. We called for an end to unpaid internships, and for more investment in better careers advice and work placement opportunities for young people. We also backed the Commission in its proposal to appoint

a senior cabinet minister dedicated to social mobility and child poverty, and in charging the Office of Budget Responsibility to produce analysis of tax and spending decisions which consider the potential impact of policies on social mobility and child poverty. Finally, we asked that signatories of the Social Mobility Business Compact be required to make good on their promises through mandatory adoptions of the Social Mobility Toolkit, the first common framework to measure the progress of social mobility within the professions.

Closing the gap between circumstance and life chances cannot be done by one group alone. Government policy makers, teachers and educators, professionals and professional bodies, parents and guardians, all have a part to play in leveling the playing field. ACCA hopes this report makes another small but significant contribution towards that goal and to help keep social mobility at the top of the agenda.

5 Payday Lending: Fixing a broken market

PART 2 – Who are our members?

As a global organisation, ACCA's membership stretches to every corner of the world. Some 170,000 members and 436,000 students across 180 countries are supported by our 91 offices and centres and by more than 8,500 Approved Employers worldwide, who provide high standards of employee learning and development.

The following data is based on the results of our most recent Social Mobility Survey, which forms part of our commitment to collect and monitor data on our members. Of the 1,481 respondents to the survey, almost 60% were students (57.9%). The rest were members (14.5%), fellows (26.6%) and affiliates (1.1%). For the purposes of this report all respondents have been referred to as members.

The diversity of our UK members is remarkable: they hail from dozens of countries around the world, from Afghanistan to Zimbabwe, Korea to Ireland. Just under two thirds (65.9%) of respondents are British-born, with the next largest percentage coming from Pakistan (2.9%); Nigeria (2.3%) and India (2%). Among our UK-native respondents, regional diversity is strong too: just 14.5% come from London, while the rest sit fairly evenly across the South East (16.45%), the South West (7.71%), the North West (6.53%) and Scotland (7.27%).

We also have a strong gender and age diversity. More than half of members are women (55.5%), and the majority are in the prime of their careers: 31.6% and 32.9% are aged between 21 and 30, and 31 and 40 respectively.

WHERE DO OUR MEMBERS WORK?

Almost 40% of respondents work for private sector organisations, while 18.1% work in the public sector and 17.7% in public practice. A quarter (25.2%) hold manager roles and 11.3% senior manager or head positions. Just under a tenth (8%) have reached director level, the majority of whom are aged over 50. Of those who are unemployed, 13.5% are aged under 30.

Just under half (48.9%) work at SMEs with 250 employees or less, and a third (34.7%) work at very large organisations with more than 1,000 employees.



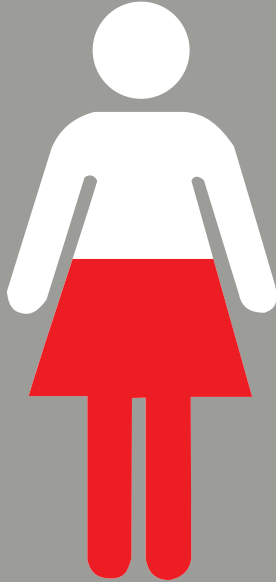
ANY ASSISTANCE WITH FINDING RELEVANT WORK EXPERIENCE WOULD REALLY HELP IMPROVE SOCIAL MOBILITY.



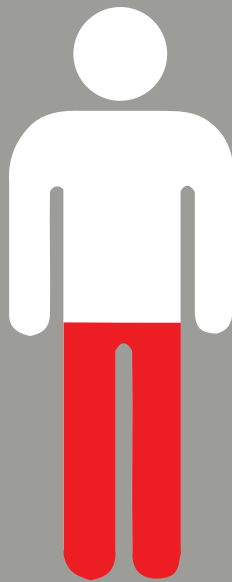
THE GREATEST BARRIER I HAVE EXPERIENCED IS MY AGE. WHEN YOU ARE YOUNGER, THERE ARE GRADUATE PLACEMENTS. THERE ARE ENOUGH YOUNG PEOPLE TO FILL ALL THE PLACEMENTS AVAILABLE IN MY TOWN, SO I GET LOOKED OVER.

GENDER

Female
55.5%



Male
44.5%



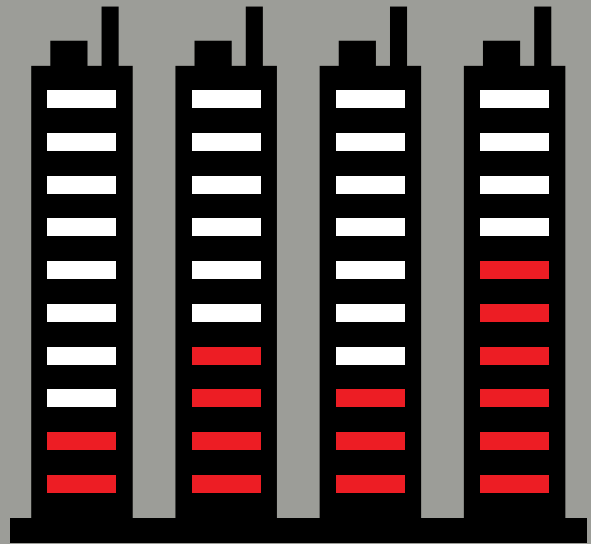
SIZE OF ORGANISATION

0-9
employees
12.6%

10-49
employees
18.3%

50-249
employees
16.4%

1000+
employees
34.7%



SENIORITY

Director
8%



Senior manager/head
11.3%



Manager
25.2%



Newly qualified accountant
10.2%



Not working
9.6%

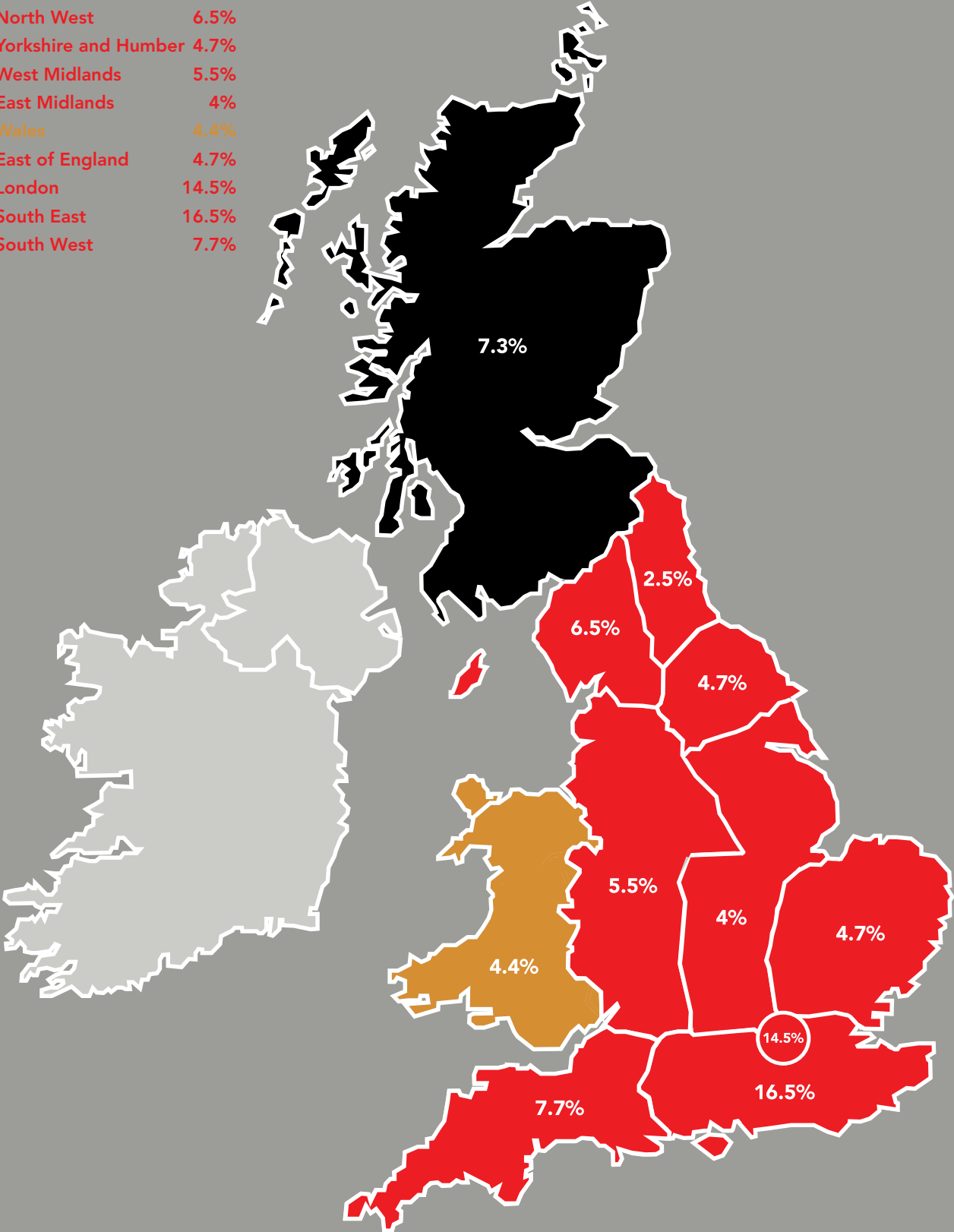


Other
35.8%



A REGIONAL SPLIT: WHERE OUR MEMBERS AND STUDENTS GREW UP

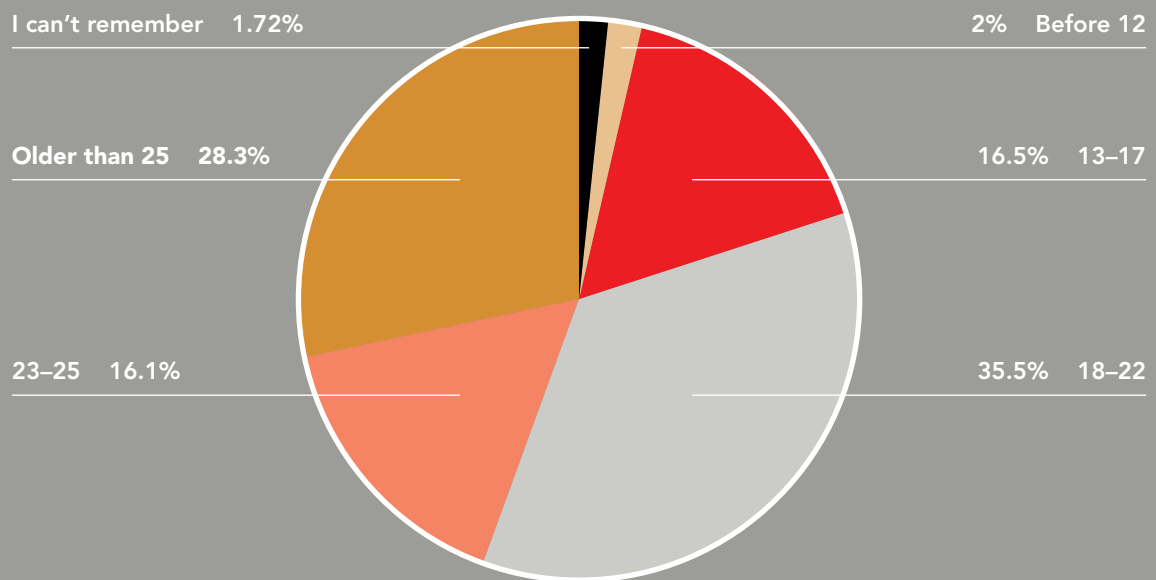
Scotland	7.3%
North East	2.5%
North West	6.5%
Yorkshire and Humber	4.7%
West Midlands	5.5%
East Midlands	4%
Wales	4.4%
East of England	4.7%
London	14.5%
South East	16.5%
South West	7.7%



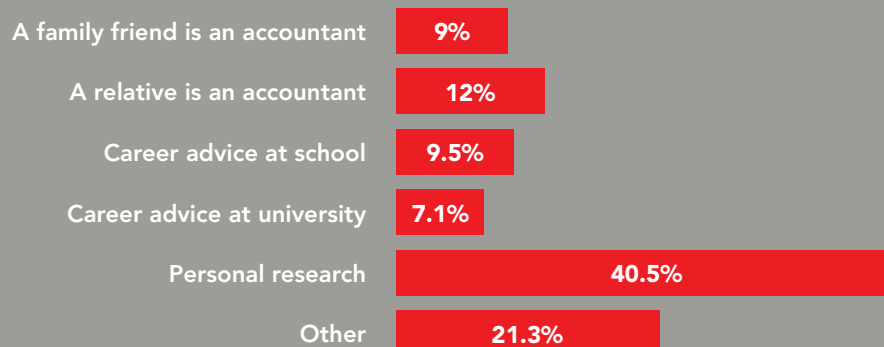
WHAT TYPE OF SCHOOL DID YOU MAINLY ATTEND BETWEEN 11 AND 16?



AT WHAT AGE DID YOU DECIDE TO BECOME AN ACCOUNTANT?



HOW DID YOU BECOME AWARE OF THE PROFESSION?



PART 3 – Building a picture: the member’s journey

The post-war boom ushered in an unprecedented period of social mobility. As Britain’s reliance on manufacturing decreased, the professions began to open up, affording more people with the opportunity to choose a different type of career, particularly women.

Yet by 1970 this great wave of mobility had largely flat-lined and, at worse, gone into reverse⁶. Accountancy was among the professions most effected, which along with journalism experienced one of the biggest declines in social mobility between the 1958 and 1970 birth cohorts. Indeed, the typical accountant of the future will today be growing up in a family that is better off than three in four of all families in the UK.

BACKGROUND AND EDUCATION

So how do our members compare? In line with the findings from the Panel of Fair Access, many of our members hail from the upper classes. When we asked what social class members felt most aptly described the highest position of either of their parents at the time of their youth, 20.7% said A (A higher professional and management worker) and 24.8% said B (lower managerial and professional workers). Very few came from the lower classes with just 1.5% selecting F (routine occupations) and 3.7% selecting G (long term unemployed). As such, a reliance on income support or free school meals was rare: just 18% received one or both of these kinds of benefits.

It could be assumed that this high level of social class would have resulted in many members attending private school. Yet the opposite was true. Two thirds (65.1%) attended state school and just 9.5 per cent went to an independent fee-paying school. Also, unlike other professions, university isn’t the only route to a career in accountancy. Less than 50% have completed an undergraduate degree and only 5.3% hold a masters. Only 3.6% had been an apprentice. ACCA believes this latter low number is in part down to perceptions of apprenticeships, which have traditionally been viewed as a vocational education opportunity. As more apprenticeships open up within the profession we believe this figure has the potential to increase and is something we will be monitoring closely in future surveys.

Just 18.5% of members had aspirations to follow the career in their youth. Instead, a large proportion (35.5%) had their interest piqued at between 18 and 22 years old. Furthermore, rather than rely on other people for information, members used their initiative when seeking to learn more about the

profession, with 40.5% using personal search to enhance their knowledge. Just 12.6% and 9% were made aware of the profession through relatives or family friends, respectively, and just 9.5% and 7.1% of respondents received information via their school or university, respectively.

We believe these results are a reflection of a dearth of both role models and appropriate careers advice within schools and elsewhere. This is an area of concern for ACCA and our members more widely. Indeed, when asked to provide comment on how ACCA could do more to contribute to improved social mobility, many members highlighted the importance of promoting accountancy within the education system, such as via careers advisers or by accountants spending time speaking with young people.

ACCA has already taken steps to address this issue. We are members of Access Accountancy, a cross-collaborative approach with other accountancy firms that includes a school outreach programme among a raft of initiatives – the progress of which will be monitored continually. In addition, we are lobbying government for better dissemination of information about accountancy within the education system.

A REGIONAL ANGLE

Government must also recognize that there are regional differences, the obvious being that rural regions simply do not have the level of engagement with business and as a result have less potential role models. Through Access Accountancy we are working to change this; we are currently mapping the schools in most need of support.

The survey highlighted some regional disparity, in the East of England 64% stated they had taken part in an unpaid internship, the average for the survey was 50%. And that is against the fact that the East of England was also well above average (14% compared with 7%) for the amount of people on income support.

6 *Unleashing Aspirations*, Panel on Fair Access

GETTING A FOOT IN THE DOOR

Just 18.9% of members had participated in work experience or an internship. While this shows how careers can be forged without completing this type of activity, many of our members did comment on how challenging it can be to secure a good job without work experience, suggesting that ACCA and the wider profession could offer more support in this area. Of those that did undertake work experience or an internship, 51% accessed the opportunity through personal contacts or networks. This is something that initiatives like Access Accountancy are trying to address.

ACCA strongly believes in the value of work experience and internships. However, with so many unpaid internships on offer, particularly in the capital, we are uncomfortable with the challenges they pose to social mobility. Unpaid internships are inaccessible to most ordinary people, particularly those who live outside London. For example, a 2013 Trades Union Congress survey⁷ of 18–34 year olds revealed that only one in ten said they could afford to travel to London for an unpaid internship, where we know most of the country's work experience opportunities reside. With work experience now considered a requisite part of any CV, we fear that they are exclusive opportunities only available to well-connected individuals. So, in addition to our calls to end unpaid internships we are to review how we can offer more support to those seeking work experience opportunities.

PERCEPTIONS OF SOCIAL MOBILITY

Social mobility is something our members feel strongly about with 64.5% stating it is a very important issue and 29.6% saying it is an issue which should be taken into consideration. Meanwhile, 75.8% thought their company should pay the living wage. However, these views are perhaps not always shared by the organisations they work for. Just 19.1% said they felt their employers thought it was an important issue, and 25.5% said they did not know. Worryingly, for 24.6% they felt this is not an issue of important for their organisations.

These findings mirror research by the Social Mobility and Child Poverty Commission, which demonstrated that social mobility has a low profile within many businesses, particularly in Scotland. The Commission stated that while Scotland offered many examples of reduced poverty, such as those achieved as a result of its early intervention and parenting policies, it felt that social mobility was only viewed through the lens of access to higher education, and that much more could be done to increase recognition of the role of employers.

Employers clearly have much more of a role to play within social mobility. Notwithstanding the benefits for wider society, our findings indicate businesses also have the potential to use this as an opportunity to strengthen their reputation and loyalty among their employees.



CONCENTRATE ON SCHOOLS IN POORLY ACHIEVING AREAS AS SO MANY PEOPLE DON'T KNOW WHAT ACCOUNTANTS DO

A CAREER FOR ALL AGES

Encouragingly, 28.3% of our members were older than 25 when they decided to become an accountant, indicating that it is possible to have a successful career in this field later on in life.

However, anecdotal feedback from our members suggests that older people can sometimes find their age to be a barrier, particularly as many employers appear to prefer graduates and young people over more mature job applicants. ACCA is to look into the issue of age discrimination and the role it can play in preventing this. With a changing economy and increasing retirement age, it is likely there will be many who wish to explore the possibilities of new career at different life stages and it is only right that opportunities be available to them.

LOOKING AHEAD

ACCA has much to celebrate: there is parity among genders; many of our members are state school educated; and the profession is open to individuals at all ages and stages of their career. We're proud that many of our members have aimed high and climbed the career ladder. But we know there is much more to be done.

We want to encourage more people from lower socio-economic groups to enter the profession, such as those who accessed income support and free school meals. As previously stated, schools and universities will have a key role to play here, particularly in regards to the careers advice and role models they provide. We also need to look for a solution to the funding challenges that many individuals face, and assess ways in which we can improve access to work experience opportunities. However, this is not something we can achieve alone.

⁷ <http://www.tuc.org.uk/about-tuc/young-workers/internships/economic-issues/internships-london-out-reach-most-uks-youngsters>

OF THE 18.9% OF MEMBERS WHO PARTICIPATED IN AN INTERNSHIP OR WORK EXPERIENCE ...

HOW DID YOU GET THE INTERNSHIP OR WORK EXPERIENCE ROLE?



WAS THE INTERNSHIP OR WORK EXPERIENCE PAID?

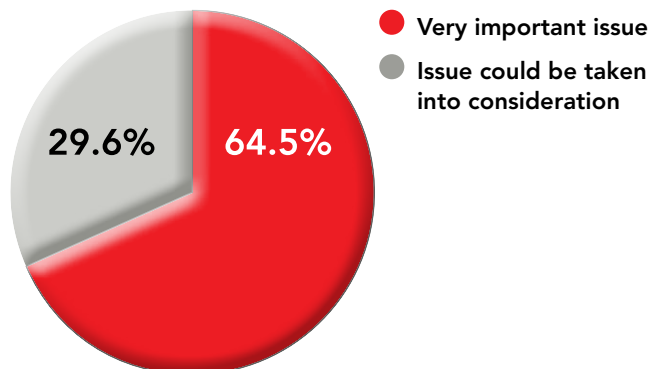
NO – 42.9%



YES – 55.6%



DO YOU THINK SOCIAL MOBILITY IS IMPORTANT?



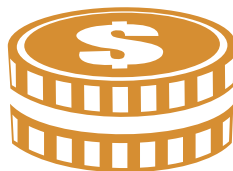
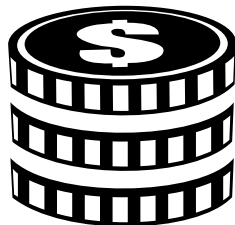
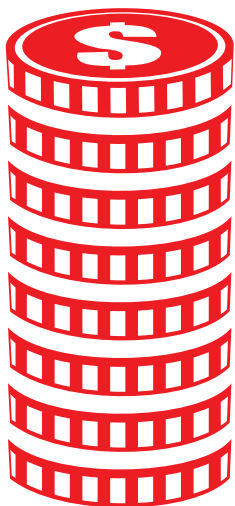
DOES YOUR COMPANY PAY THE LIVING WAGE?

 No  Don't know  Yes







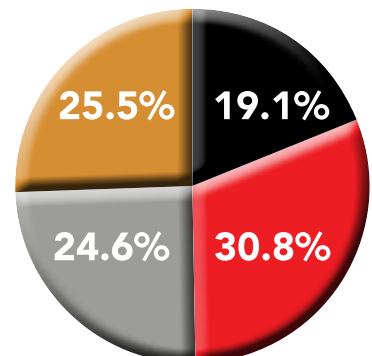
DO YOU THINK THEY SHOULD PAY THE LIVING WAGE?

 Yes  Don't know  No



IS THE ISSUE OF SOCIAL MOBILITY IMPORTANT TO THE COMPANY YOU WORK FOR?

-  It is a very important issue
-  It's an issue which should be taken into consideration
-  It is not an issue of importance
-  I don't know



PART 4 – Policy recommendations

Government has rightly been pushing companies and professional bodies to do more by way of data collection and monitoring social mobility among staff and networks but ACCA is disappointed with the government's own record in this respect.

By way of contributing to improved social mobility, ACCA has developed a series of recommendations which we believe will help create the step change required. These recommendations formed the basis of our submission to the Commission on Social Mobility and Child Poverty 2014 consultation, and we will continue to place them at the heart of our corporate strategy and subsequent lobbying activities.

INTRODUCE MANDATORY USE OF THE SOCIAL MOBILITY TOOL KIT

If everyone is to have an equal chance of getting the job they want or reaching a higher income bracket then it is important to understand social mobility trends. Employers, particularly professional bodies and regulators, are in a privileged position to measure social mobility. By collecting data from staff, members and registrants, it is possible to develop an understanding of how individuals move through their careers, enabling social mobility weak spots to be sighted early and for relevant measures to encourage improvement to be developed and implemented.

It was with these goals in mind that Professions for Good developed the Social Mobility Toolkit. In addition to a range of recommendations for organisations to use to improve social mobility within the profession, it also includes a four-question template questionnaire that will allow appropriate collection of data, such as detail about educational background and career progression.

As a committed collector of data, ACCA has already begun to reap the rewards of activity such as this, as demonstrated in chapters two and three of this report.

Government is failing to conduct the same exercises itself, either within the civil service or within the staff employed within parliament. As one of the largest employers in the UK, the results from its own data collection activities could provide significant insight into the challenges individuals from lower classes face when attempting to embark on a career in the civil service or within politics.

ACCA is calling for the government to make implementation of the Social Mobility Toolkit a mandatory requirement of the Social Mobility Compact⁸. Launched by the Deputy Prime Minister's Office and Department for Business, Innovation and Skills in 2011, the Compact has the specific goal of making sure that all young people have fair and open access to employment opportunities. Adoption of the Social Mobility Toolkit would help create best practice. Additionally, signatories to the Compact could then choose to publish the information within their annual report, helping position social mobility at the heart of their corporate strategies – in line with investor expectations⁹.

IMPROVE THE DISSEMINATION OF INFORMATION ABOUT THE PROFESSIONS TO STUDENTS

As our member research identified, there is a lack of advice about the professions being provided through schools and universities. Similar results emerged from the Professions Week Life as a Professional report, which surveyed 1,200 disadvantaged 14–19 year olds. Worryingly, it found that 40.5% of respondents has not received any sort of careers advice in the past 12 months, and of those that had, 24.5% said it was not helpful. Consequently only a quarter of the young people surveyed felt they could become legal, business, financial, engineering, communications, construction or learning and development professionals. Such decisions were often based on a presumption that university degrees were a basic requirement to entering these professions.

While we accept it is not the sole responsibility of government to disseminate information, we feel that the withdrawal of investment in careers advice does not chime with the government's message that we need to prepare young people more effectively for the world of work.

For greater levels of social mobility to be achieved, everyone – government schools, businesses, charities and professional bodies – must work closer together to ensure we are disseminating the correct information so that artificial barriers do not prevent people from moving up in society.

⁸ www.gov.uk/government/news/social-mobility-business-compact

⁹ In a survey carried out by ACCA in June 2014, entitled, *What do investors expect from non-financial reporting*, 67% of respondents said they always made use of non-financial information, 25% they frequently do and a further 8% said they sometimes make use of it

THE INTRODUCTION OF A SOCIAL MOBILITY AND CHILD POVERTY MINISTER

We wholeheartedly support the recommendation from the Commission on Social Mobility and Child Poverty to appoint a senior single Cabinet Minister whose responsibility it would be to ensure social mobility issues were considered within departmental policy decisions.

Having a dedicated minister would bring greater clarity to the government's social mobility agenda, would facilitate the identification of defined goals, timeline for reaching key milestones and defined success.

CHARGING THE OFFICE FOR BUDGET RESPONSIBILITY WITH IMPACT ANALYSIS

This is another recommendation to come out of the Commission's report that ACCA supports. We strongly feel that there would be many benefits to independent analysis of tax and spending decisions upon social mobility by the Office for Budget Responsibility, such as the identification of initiatives which may inadvertently push more families into poverty or may restrict access to valuable services. As we see an increase in non-financial reporting for companies, it is only reasonable for citizens to demand greater measures by which to assess government.

ENFORCE THE LAW TO ENSURE ALL INTERNS ARE PAID

Internships are essential access to many professions. As Alan Milburn reported in his 2012 paper, *Unleashing Aspirations*, more than 30% of newly hired graduates had previously interned for their employer, rising to 50% in some sectors.

The high demand for work experience, coupled with tightening budgets and a shortage of graduate jobs, has created a dangerous race to the bottom. Not only are unpaid internships illegal – under employment law, people who work set hours, do set tasks and contribute value to an organisation are 'workers' and are entitled to the minimum wage – but there is evidence it is also damaging for social mobility. Unpaid internships create closed circles of privilege in the professions, limit the pool of skills and talent from which businesses recruit and exclude too many young people from the opportunities they deserve¹⁰. Paid internships allow all to compete on an even footing for valuable experience.

We are also looking to the government to lead by example with regards to internships. While we applaud their new guidance which reiterates interns pay rights and further holds companies to account, we call for an end to unpaid internships in totality. This is necessary to ensure opportunities are fair and open to all. For example, the House of Commons-affiliated website www.w4mp.org continues to advertise expenses-only internships, some of which will only be paid to those living in London. Such practices are unjust and privilege the financially resourced.

ACCA commends the Conservative MP, Alec Shelbrooke who rightly stated unpaid internships are an 'impediment to social mobility' and introduced a bill in May 2014 to make it an offence for employers not pay interns for their work. However despite the House of Commons voting to put it through by 181 to 19, the bill failed to complete its passage before the end of the session. Considering the overwhelming popularity of this Bill we would ask that all of the three main parties include this in their 2015 manifestos.

The professions will account for approximately 83% of all new jobs in Britain in the next decade¹¹ and will have a vital role to play in improving social mobility. However, as our member research shows, accountancy is still a long way behind the curve, and this is why ACCA will be lobbying both our own members, government and the wider business community to adopt our recommendations which we believe will be a force for change.

If the UK is to create a society where individuals can succeed because of aptitude and ability, rather than just birth or background, then we need to do more to create a level playing field. This is not something that one organisation can do alone, nor is it something that will change overnight. This is an intergenerational issue that requires a long-term strategy. Only by government, business, education and parents working together over a sustained period of time will we be able to create a social recovery as well as an economic one.



SOCIAL MOBILITY SHOULD BE A PRIORITY FOR ANY GOVERNMENT



JUST BECAUSE YOU COME FROM A LOW INCOME FAMILY DOESN'T MEAN YOU ARE NOT CAPABLE OF DOING THE JOB

¹⁰ InternAware

¹¹ Fair Access to professional careers, May 2012

