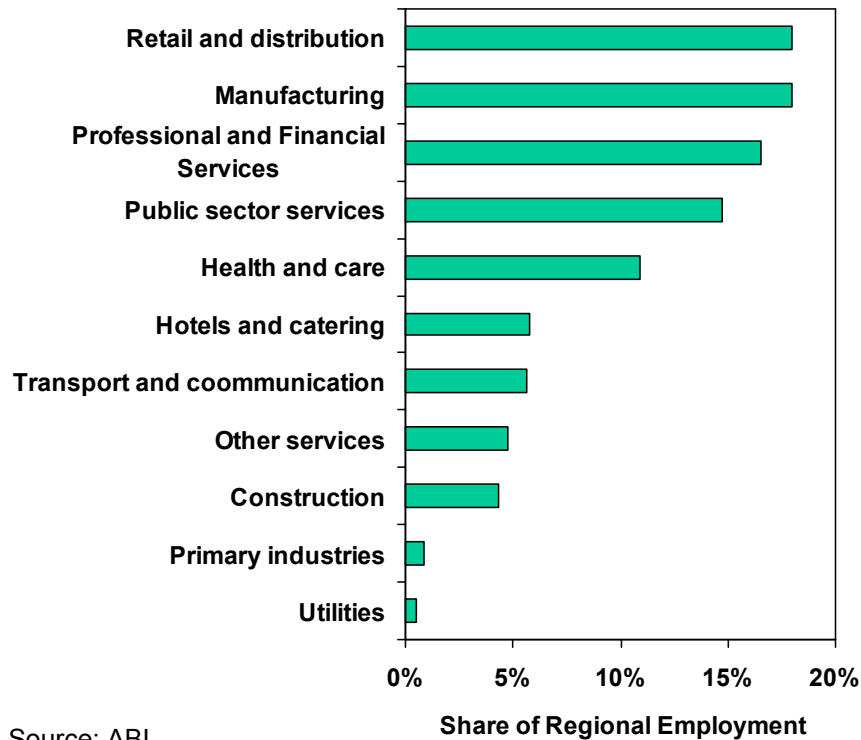


Professional & financial services, retailing and manufacturing are the Region's largest sectors



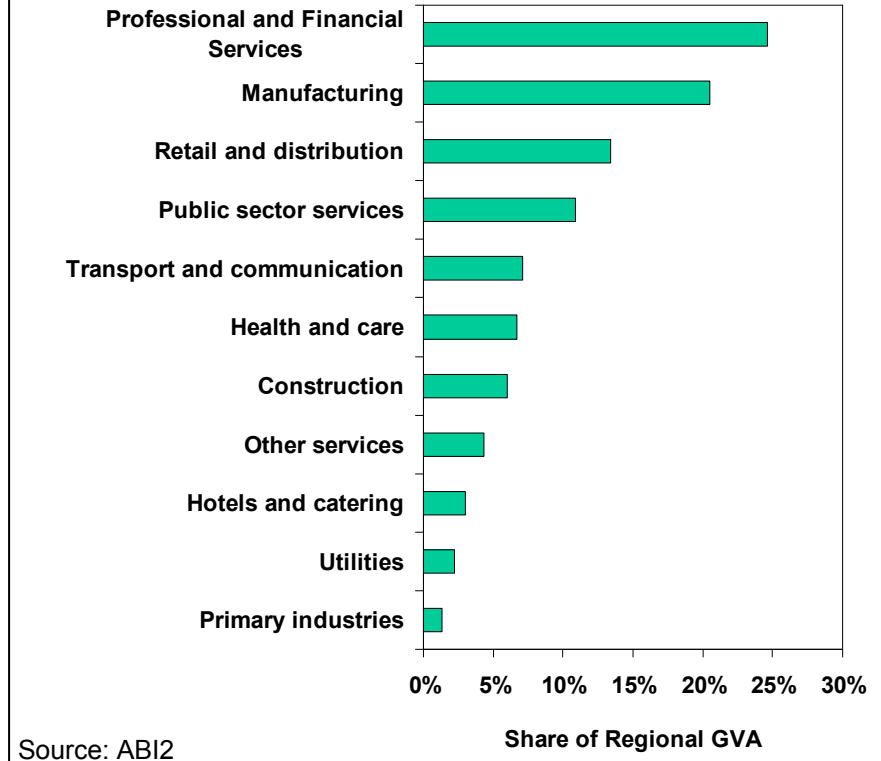
They account for more than half of Regional employment

Sectoral share of regional employment 2003



And account for nearly two thirds of Regional gross value added

Sectoral share of regional GVA 2002

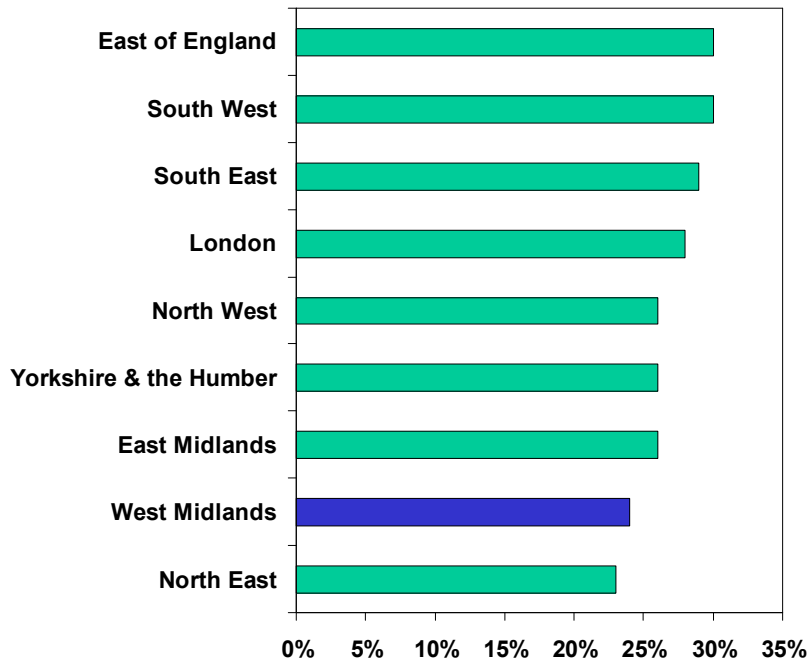


The Regional economy is undergoing significant restructuring



In terms of GVA the West Midlands has been the second slowest growing Region in England

Percent growth in gross value added by Region 1998-2003

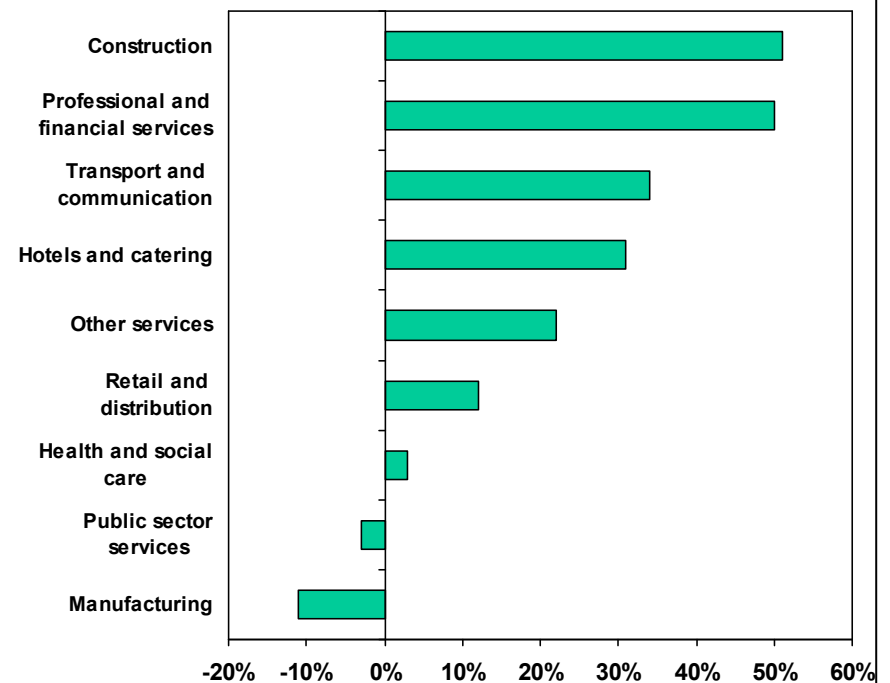


Percent change in gross value added at current basic prices

Source: ABI

But decline in manufacturing has been offset by growth in construction and services

Percent growth in gross value added by sector 1998-2003



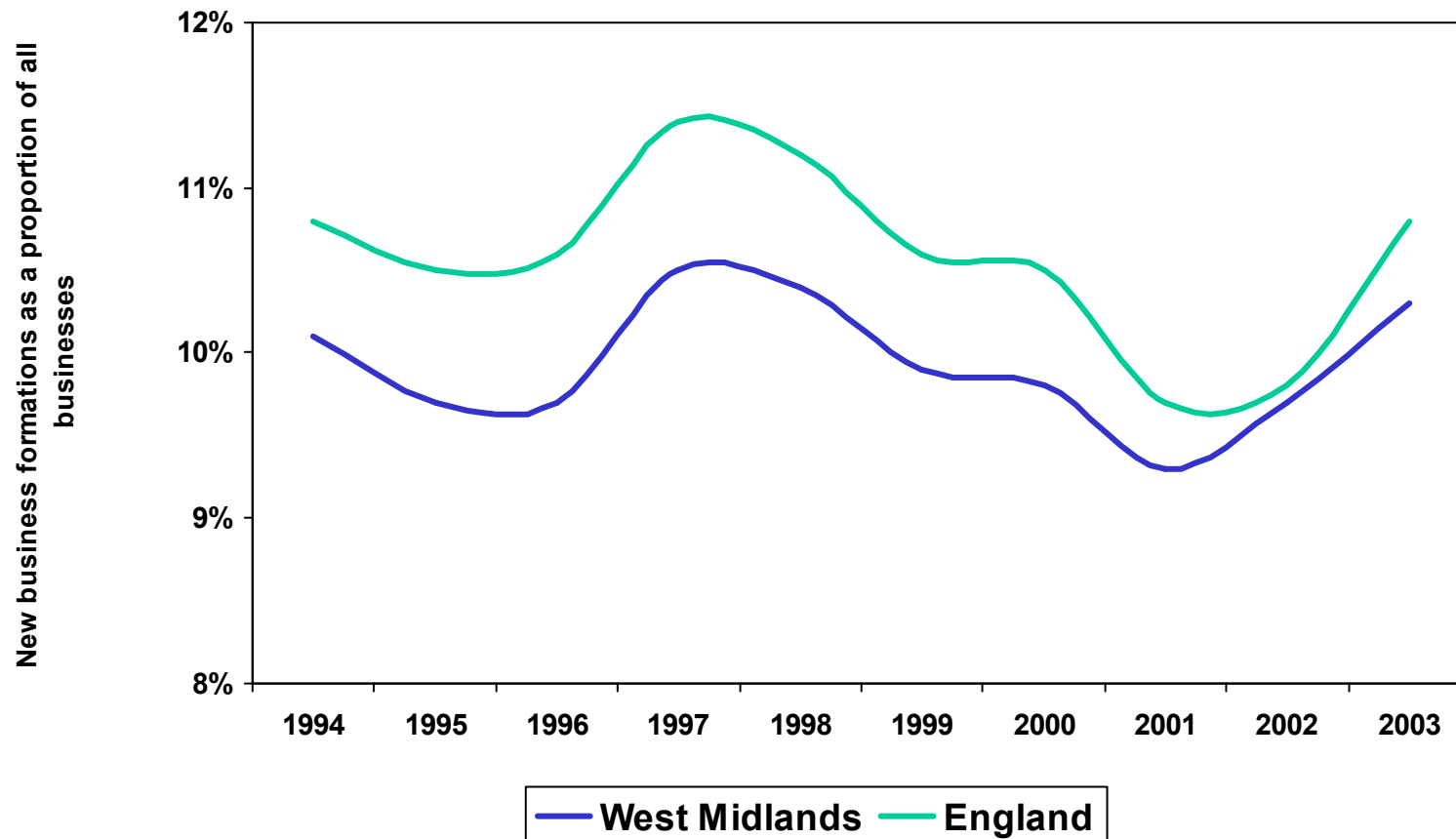
Percent change in GVA at current basic prices

Source: ABI

There has been an upturn in new business formations in the region



Trends in business formation rates

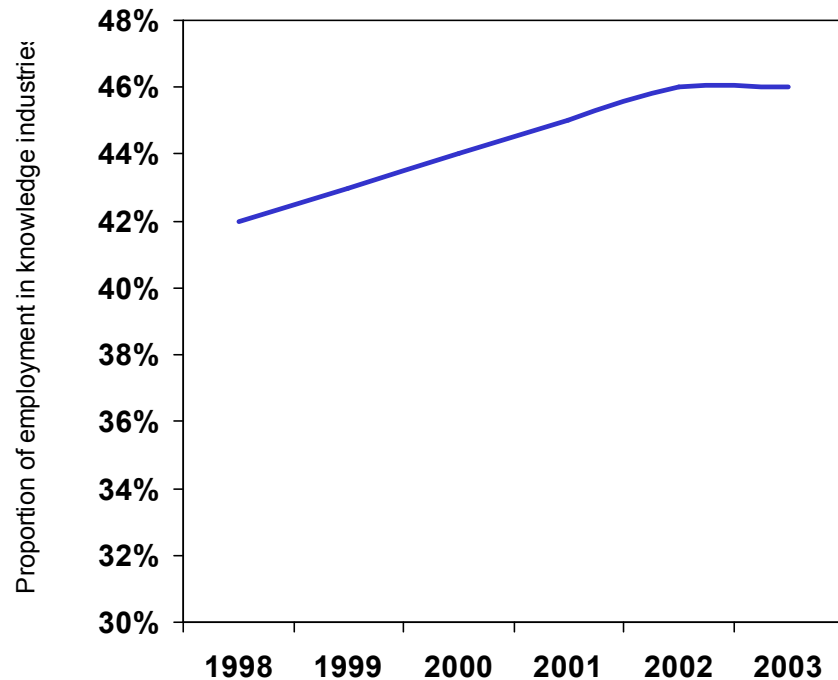


The region has a weak knowledge economy



The proportion of 'knowledge workers' in the Regional workforce has edged upwards

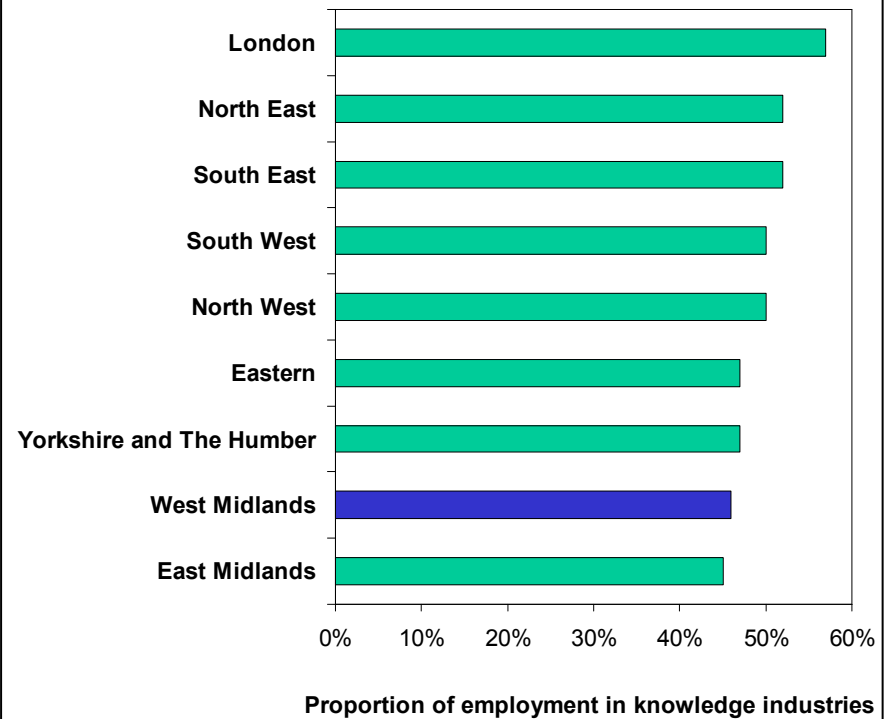
Proportion of Regional employment in 'knowledge industries'



Source: ABI

But the Region still has the second lowest proportion of 'knowledge workers' in England

Proportion of employment in 'knowledge industries' by region 2003

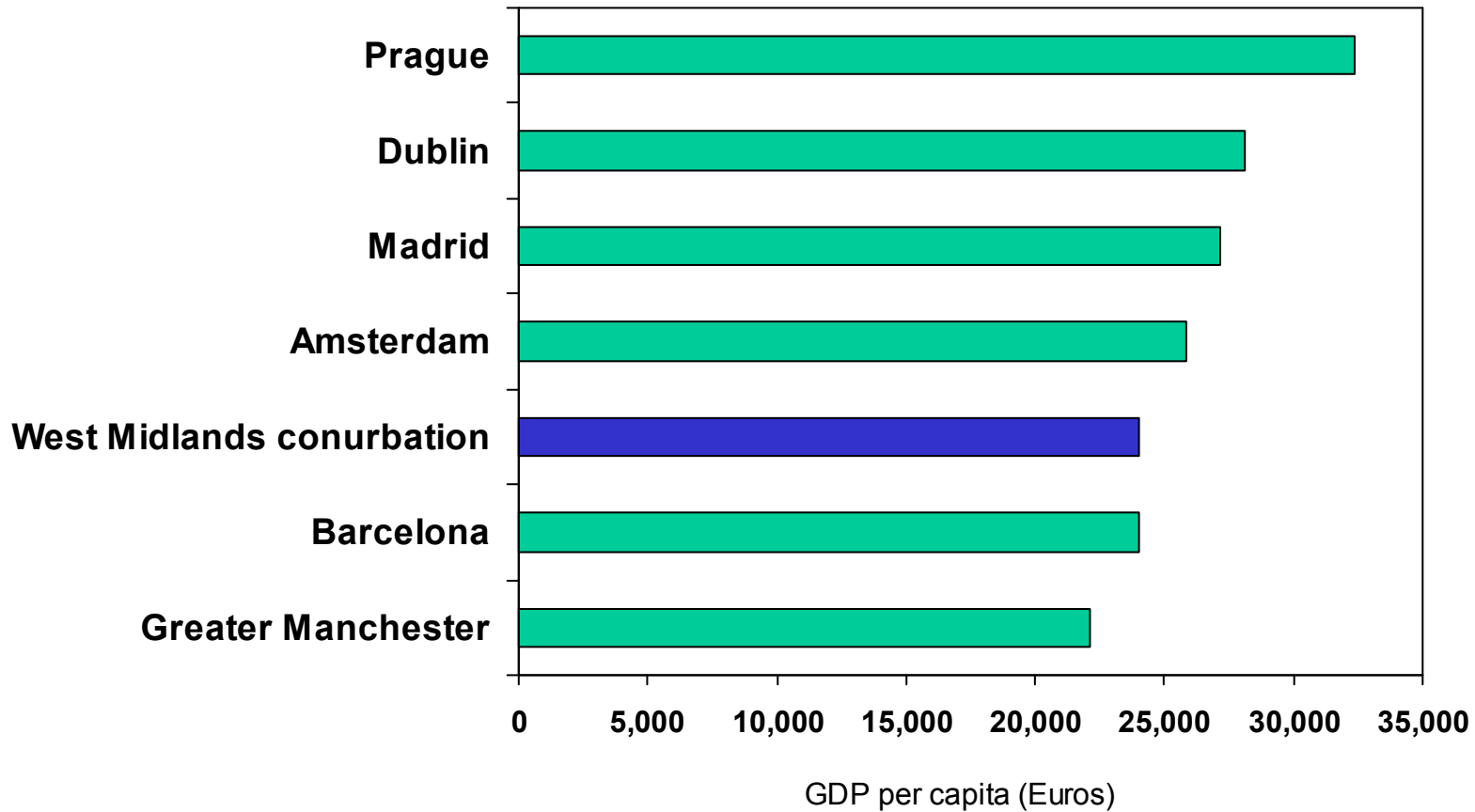


Source: ABI

The West Midlands lags behind many competitor centres in terms of GDP per capita



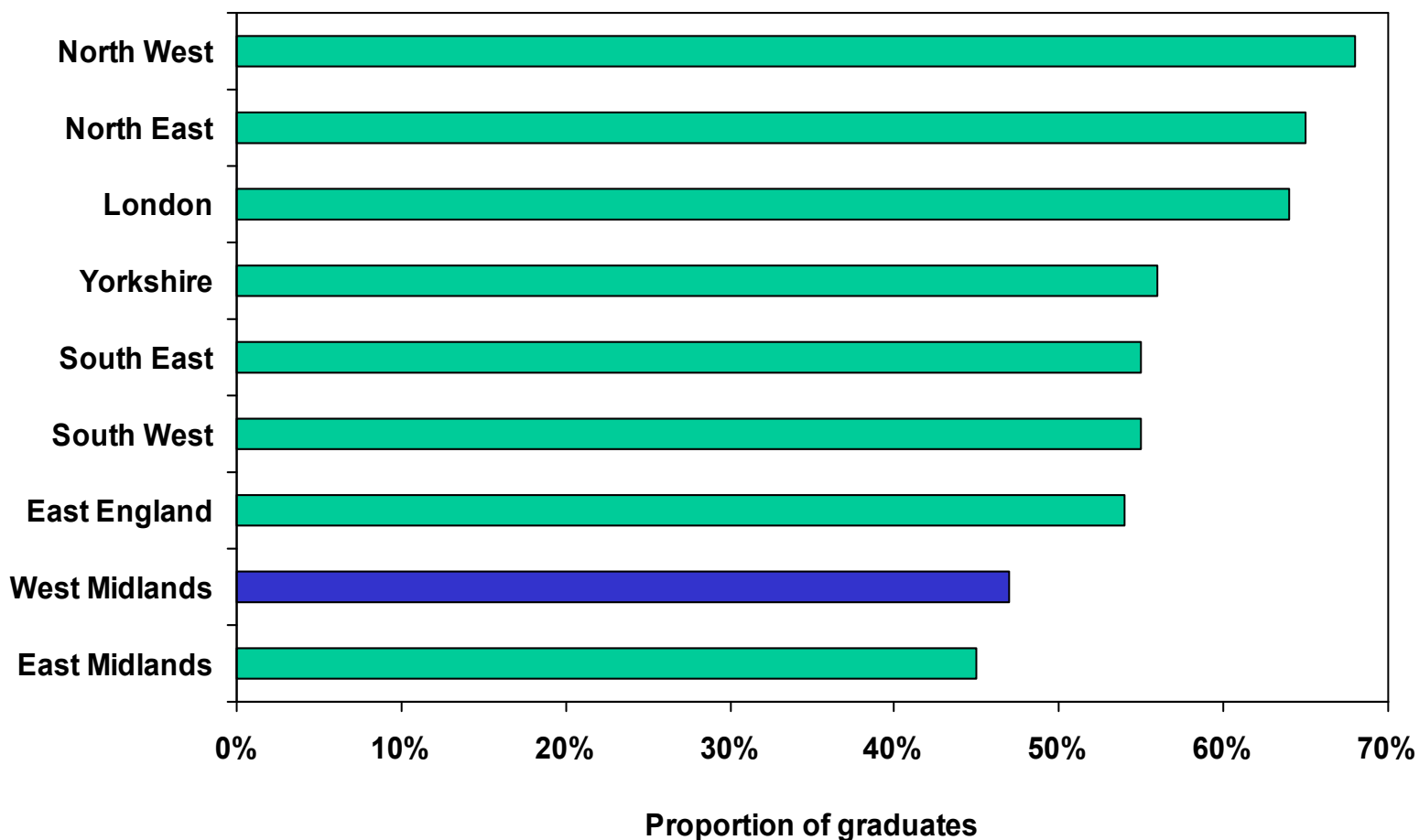
GDP per capita in the Region and competing industrial and commercial centres 2001



The West Midlands has second lowest graduate retention rate in the country



Proportion of graduates that take jobs in their Region of study 2002-3

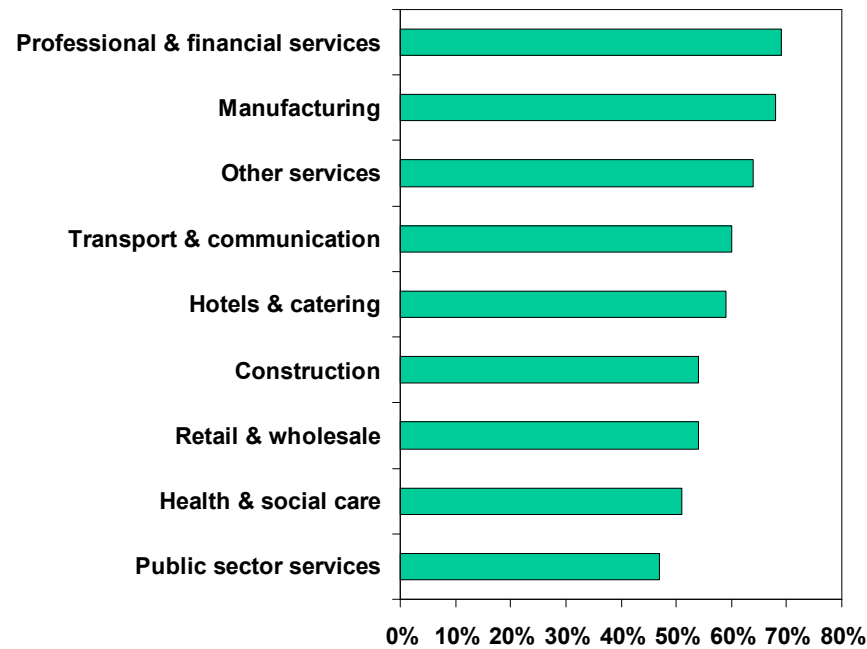


Those graduates that remain in the Region are not exploiting their skills to the full



Retention is particularly poor in professional & financial services and manufacturing

Proportion of West Midlands Graduates that left the Region to work elsewhere by sector

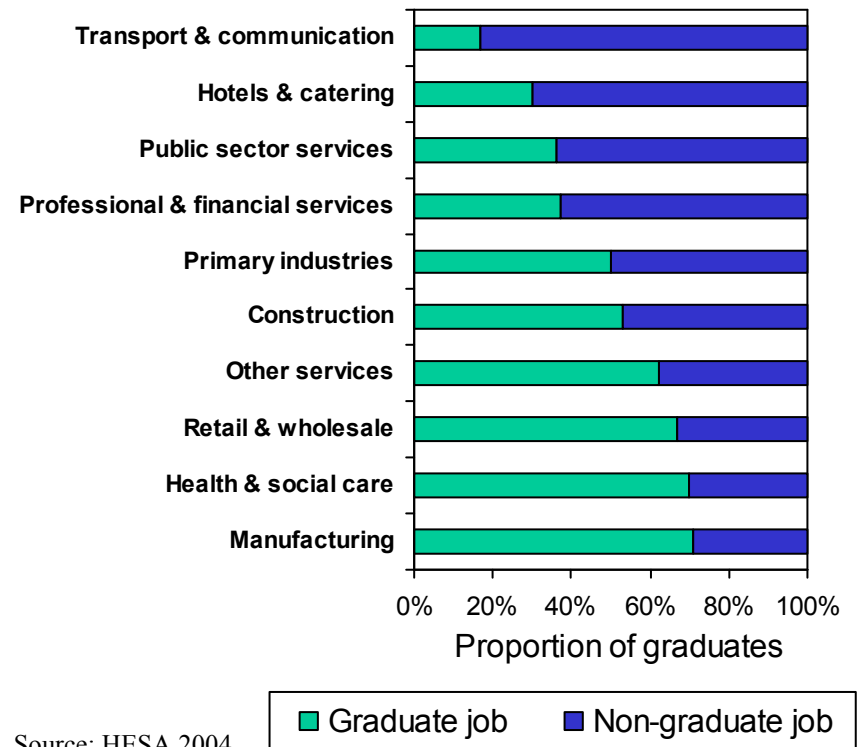


Proportion of graduates that left the Region

Source: HESA 2004

Graduates in transport and hotels & catering are most likely to be in lower skilled jobs

Occupations of the Region's graduate workforce

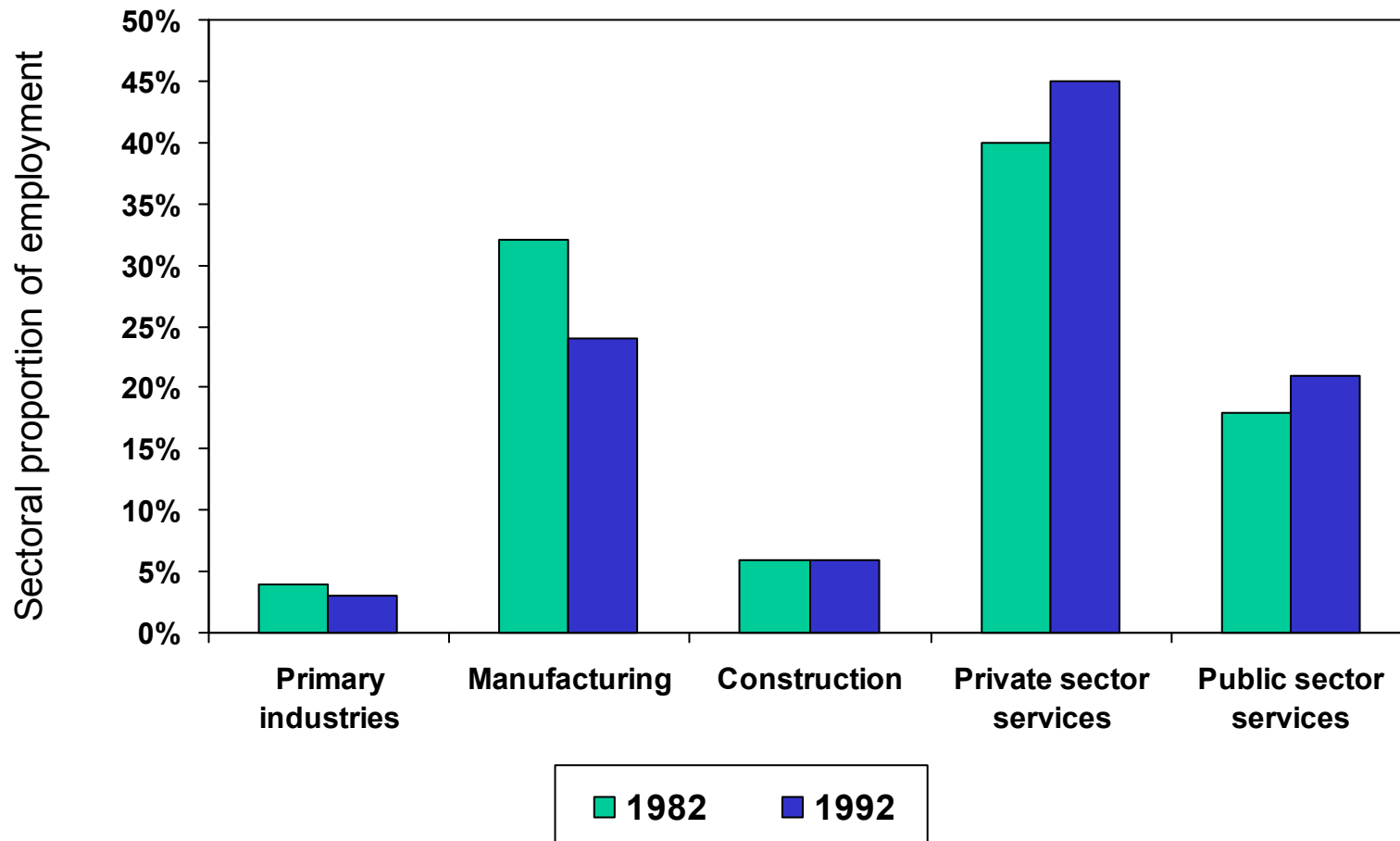


Source: HESA 2004

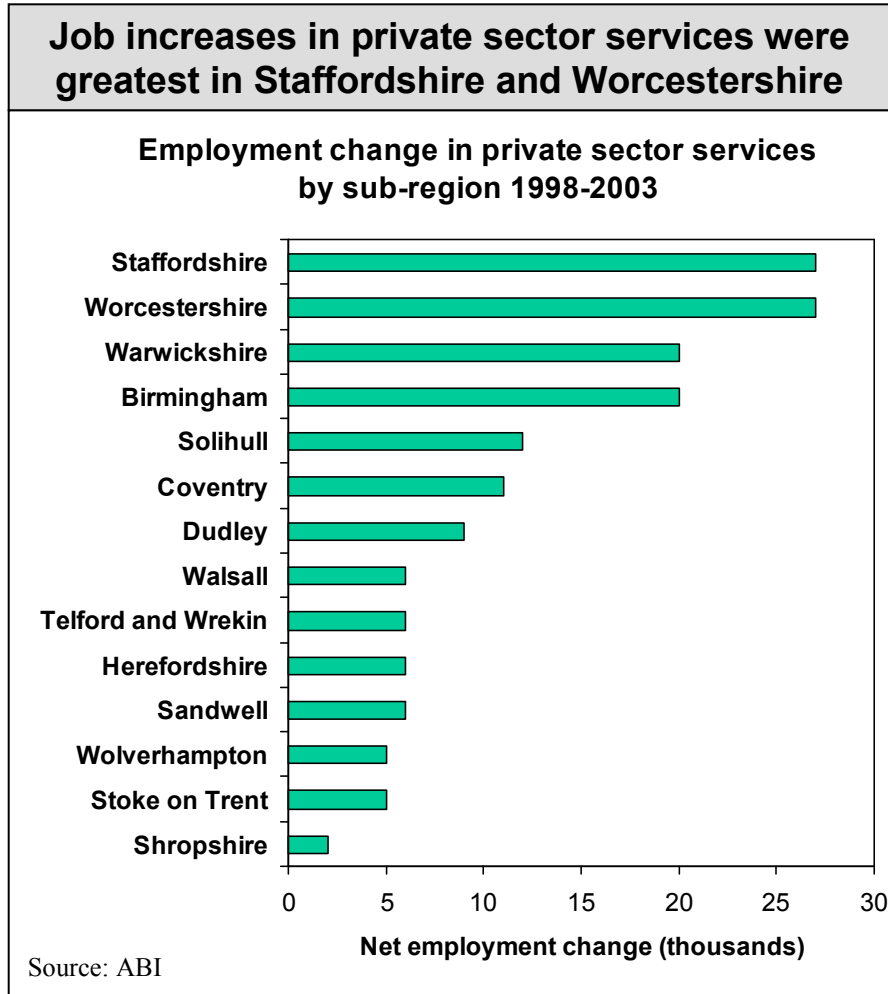
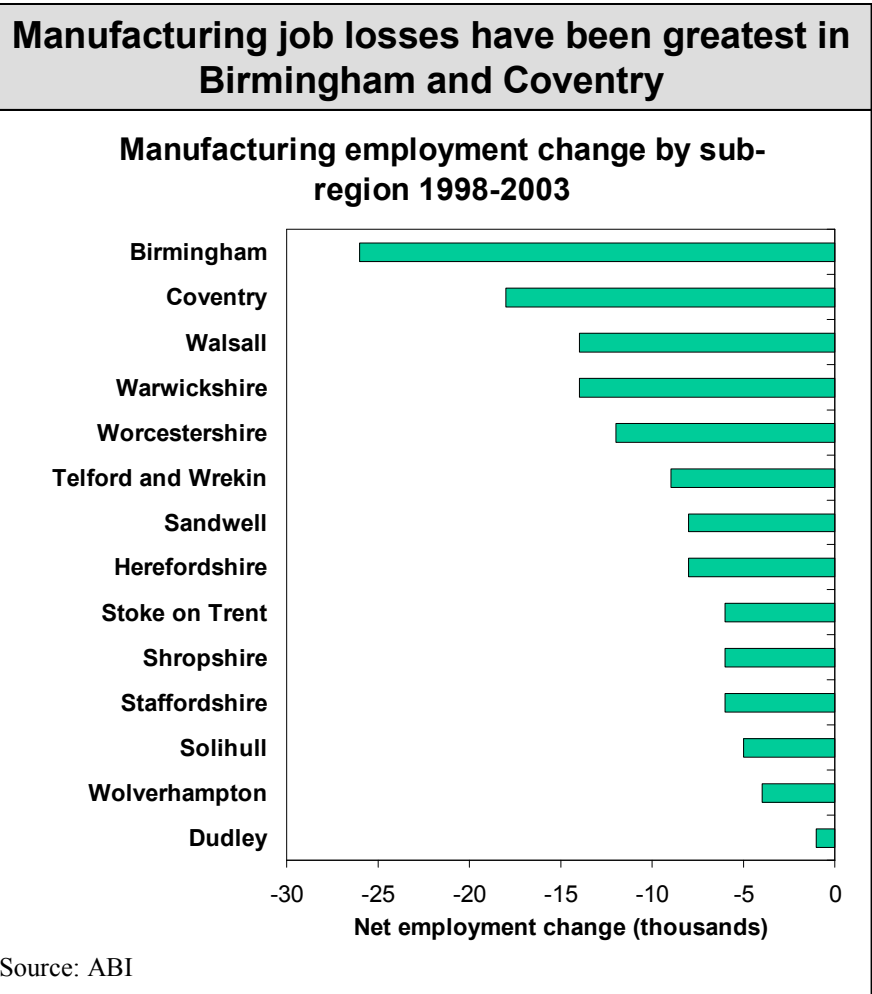
The service sector now supports two thirds of jobs in the Region



Change in the Region's employment structure by sector 1982-2002



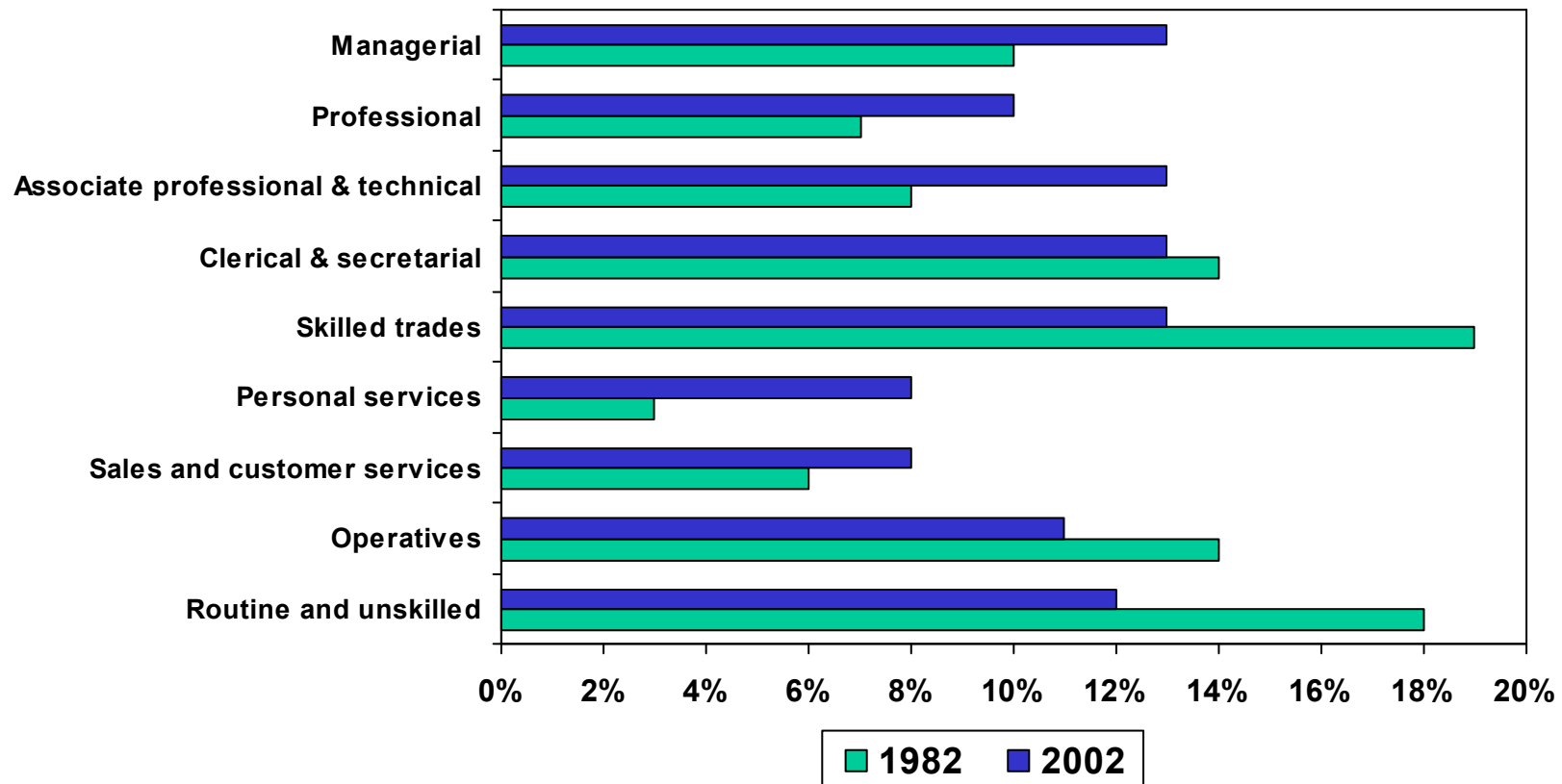
The extent of economic restructuring varies across the Region



A growing proportion of employment is in higher level and customer facing roles

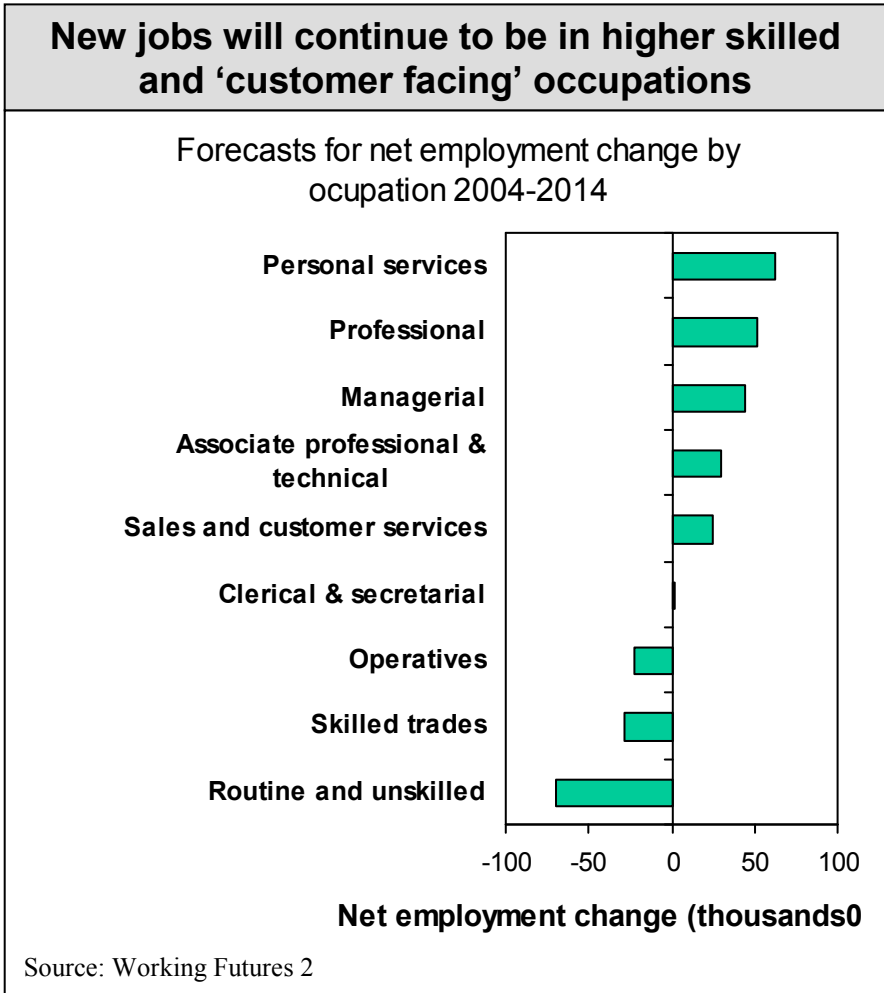
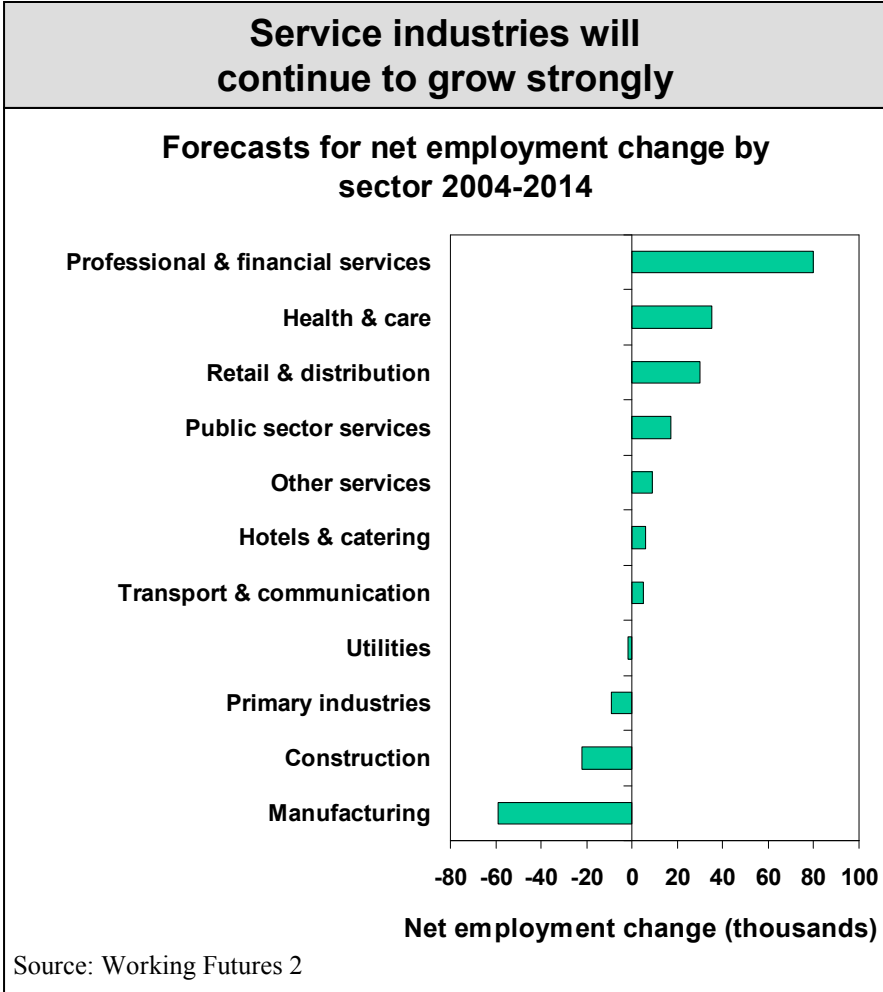


Change in the Region's employment structure by occupation 1982-2002



Proportion of employment by occupation

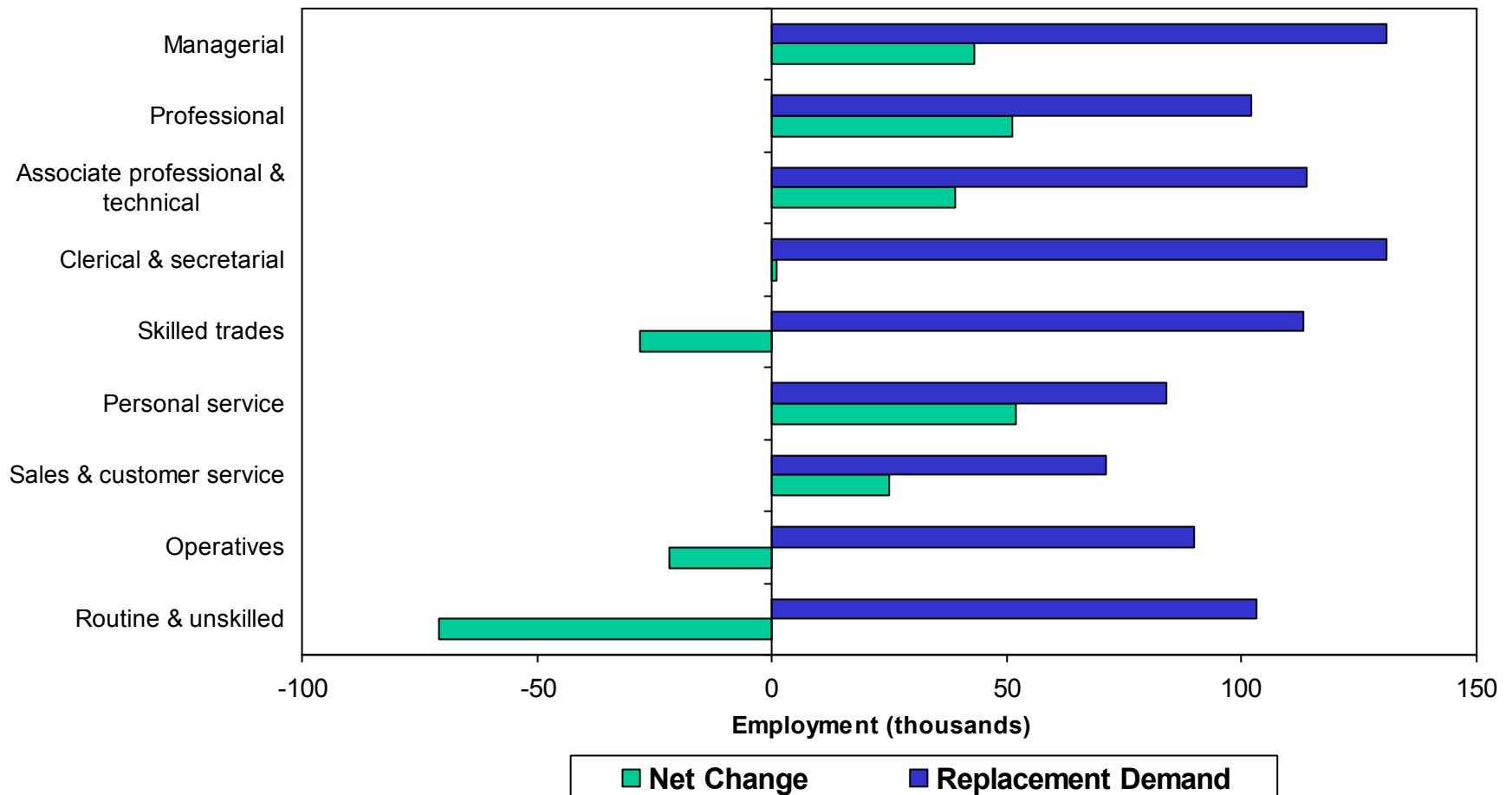
Shifts in the Region's employment structure are set to continue over the next decade



There will be significant replacement demand in manual and unskilled occupations



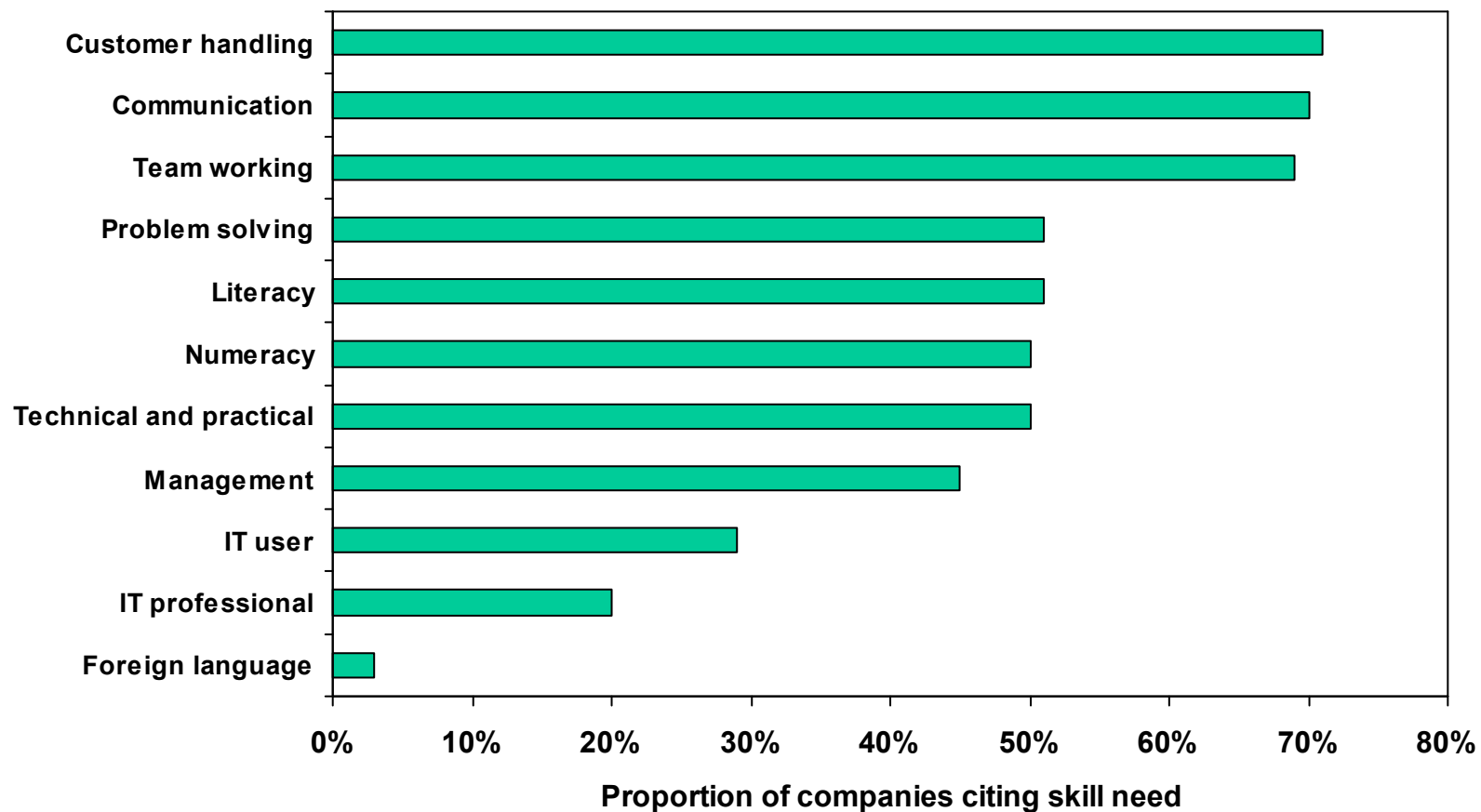
Replacement Demand and Net Change in employment by occupation



There is an emerging need for sophisticated 'softer' generic skills



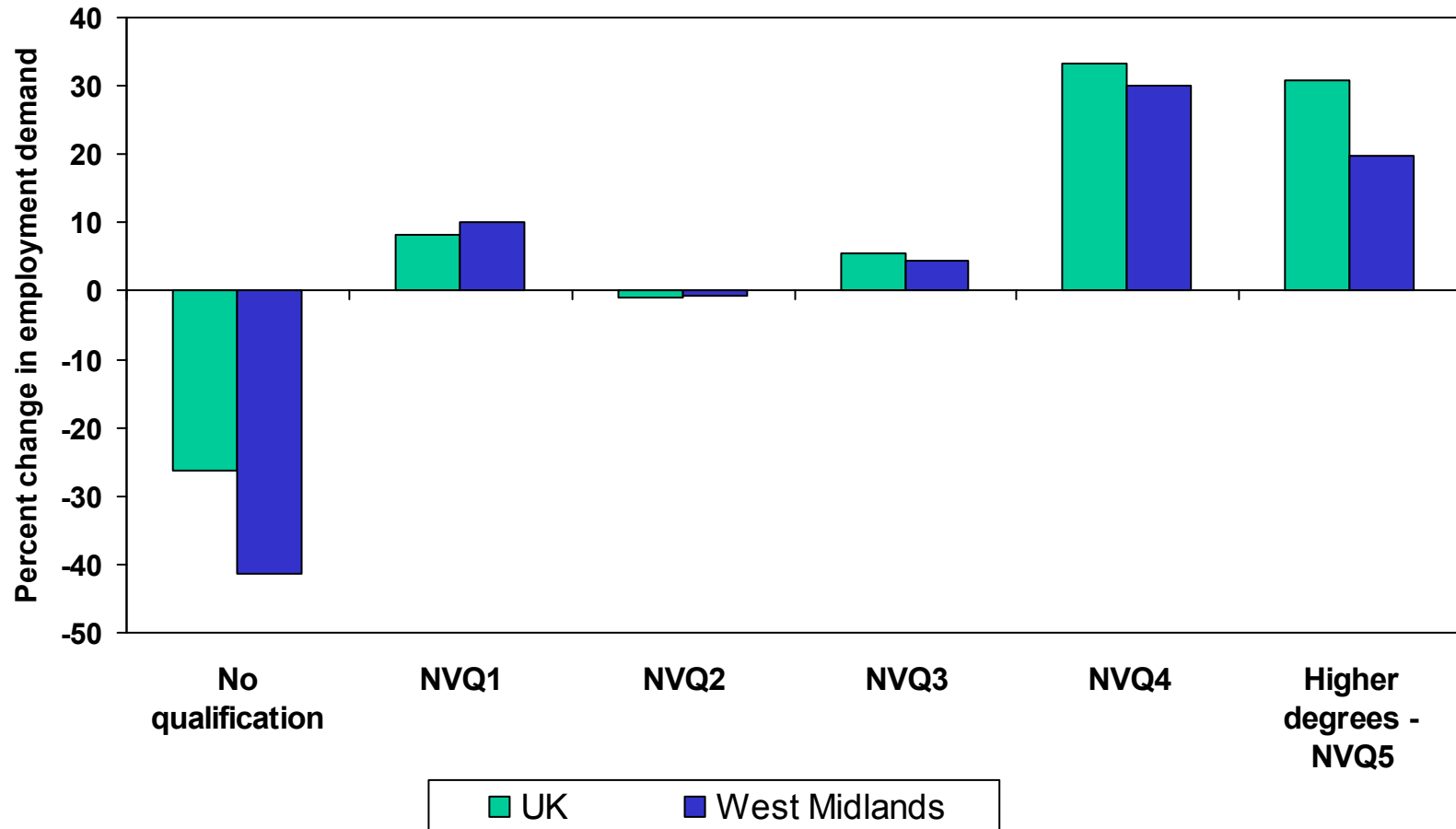
Skills required at a high or advanced level in three years time



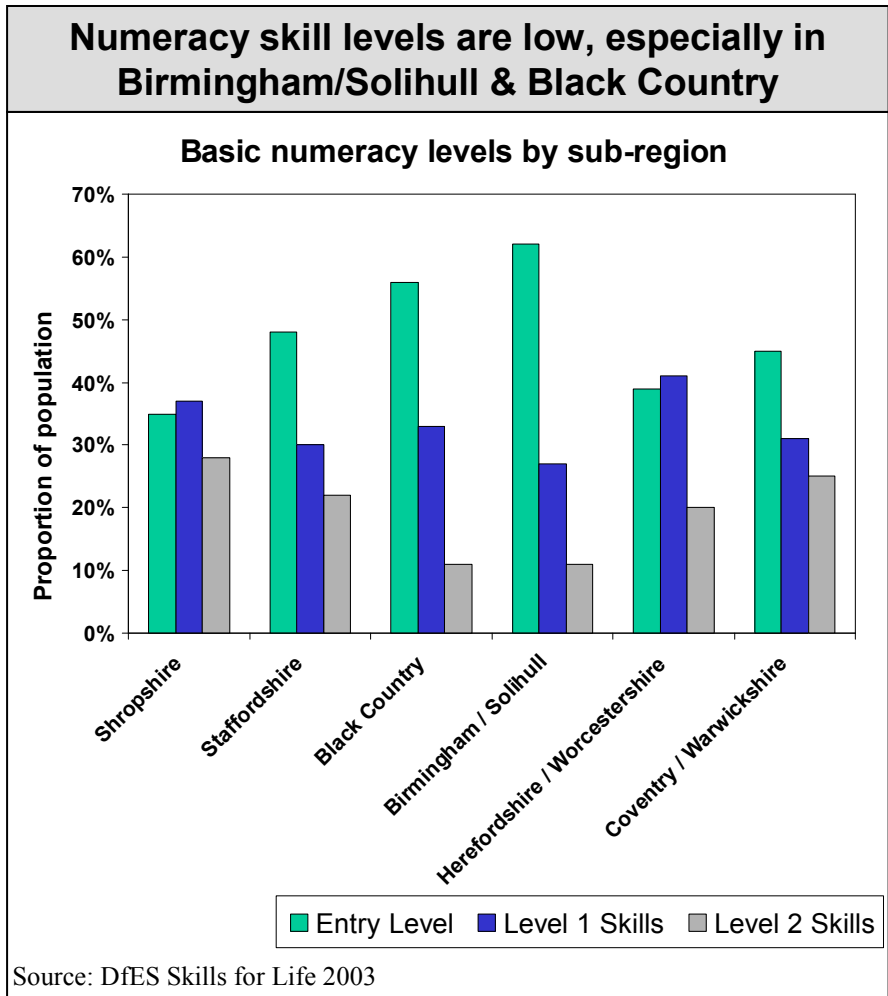
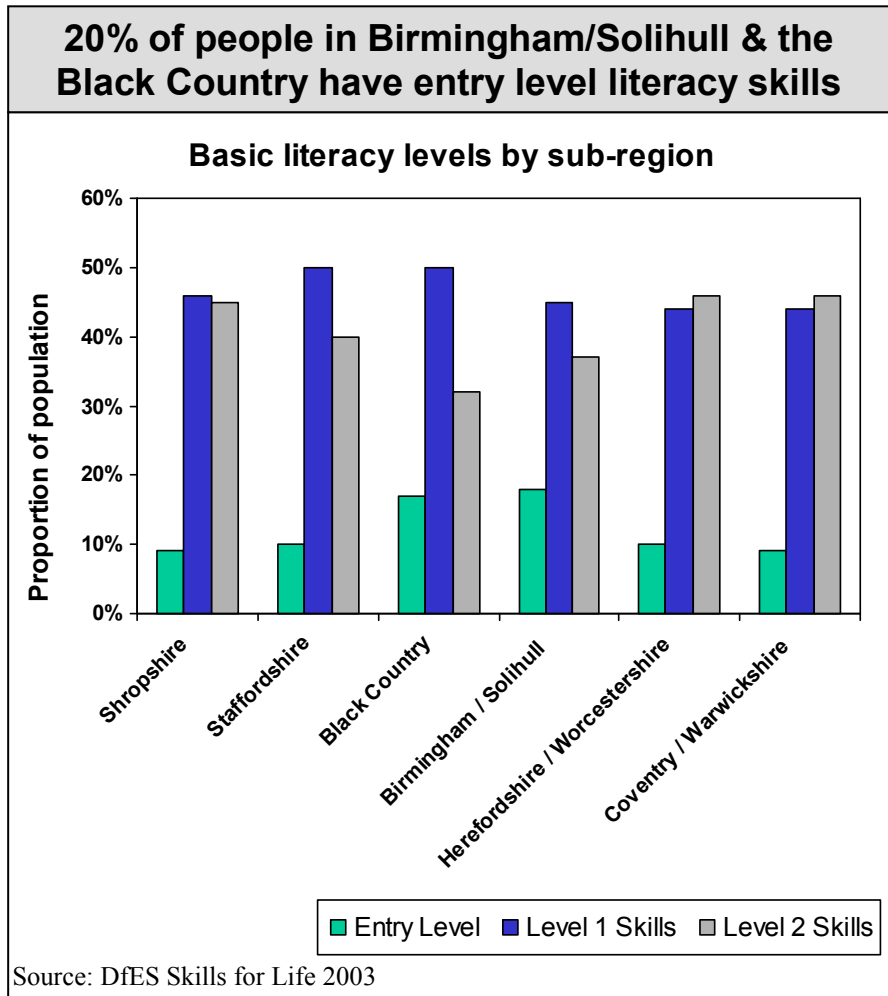
Fewer opportunities for unqualified as demand for high-level qualification increases



Projected change in demand for qualification levels 1999-2010



A high proportion of people in deprived urban areas have poor literacy and numeracy skills

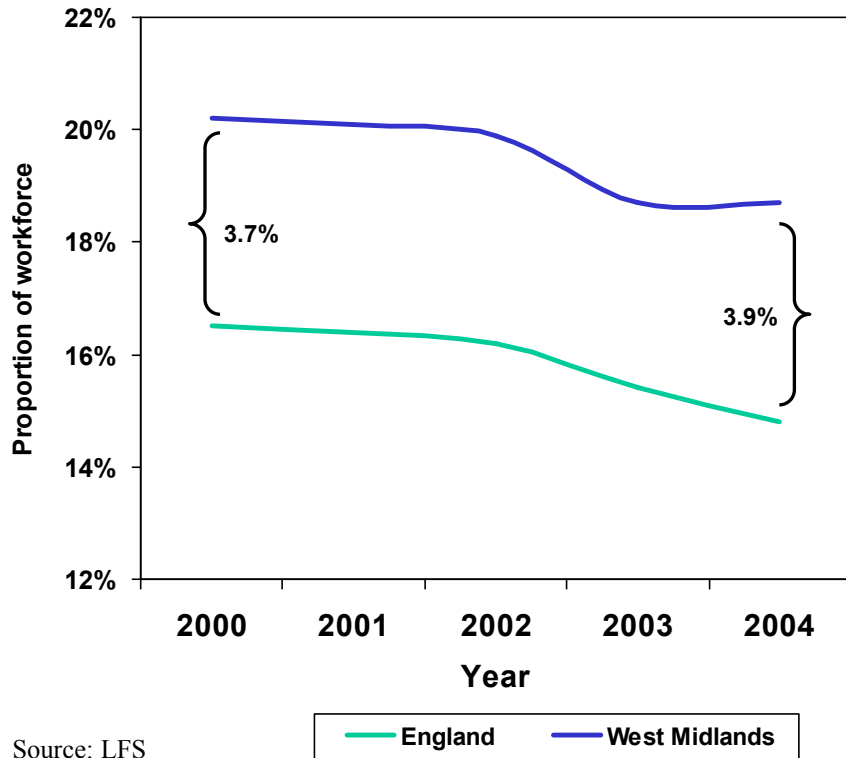


A high proportion of the regional population has no qualifications



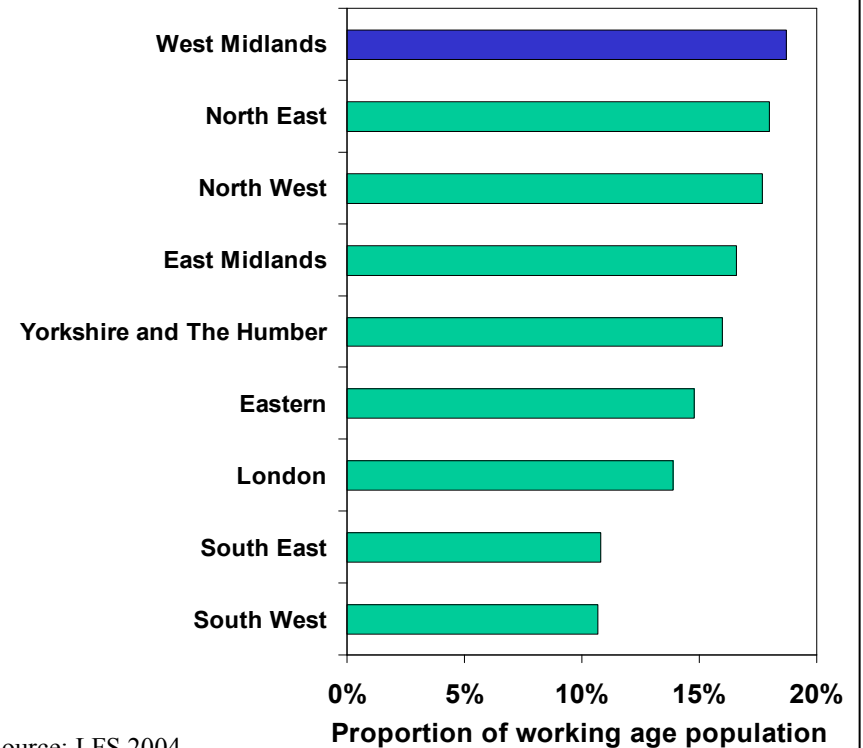
The region continues to lag behind the country and the gap is not closing

Proportion of working age population with no qualifications

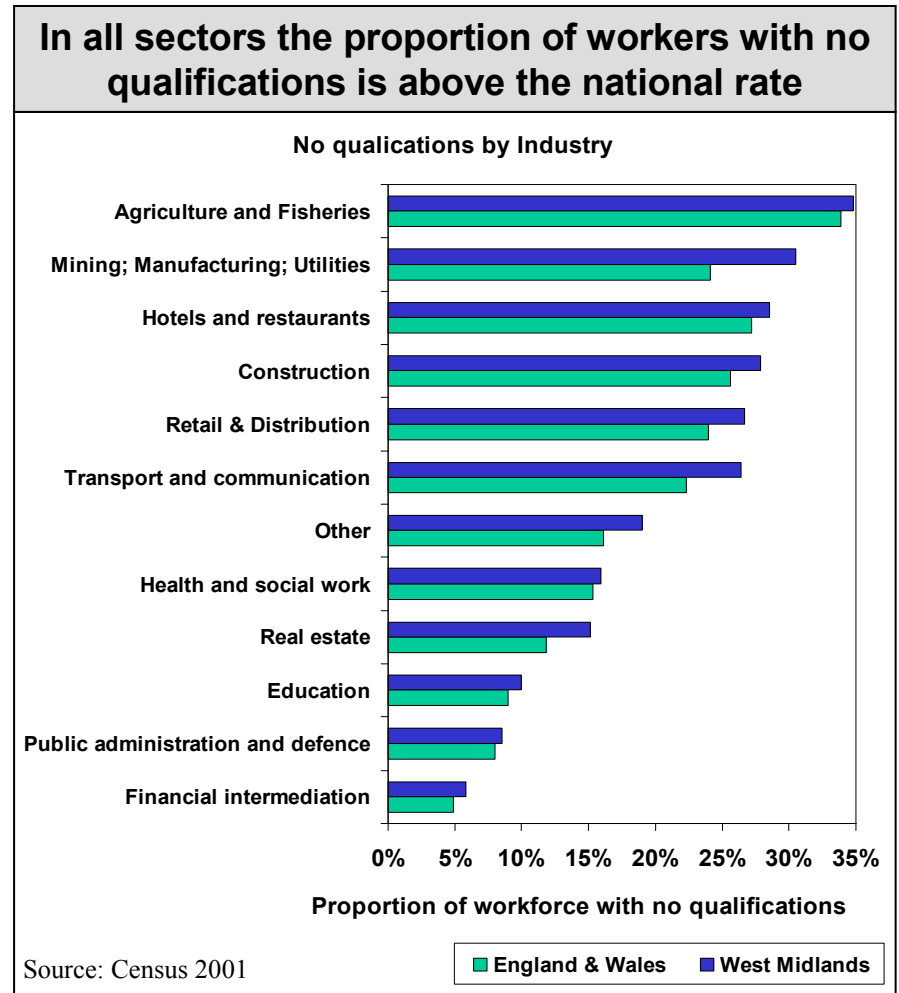
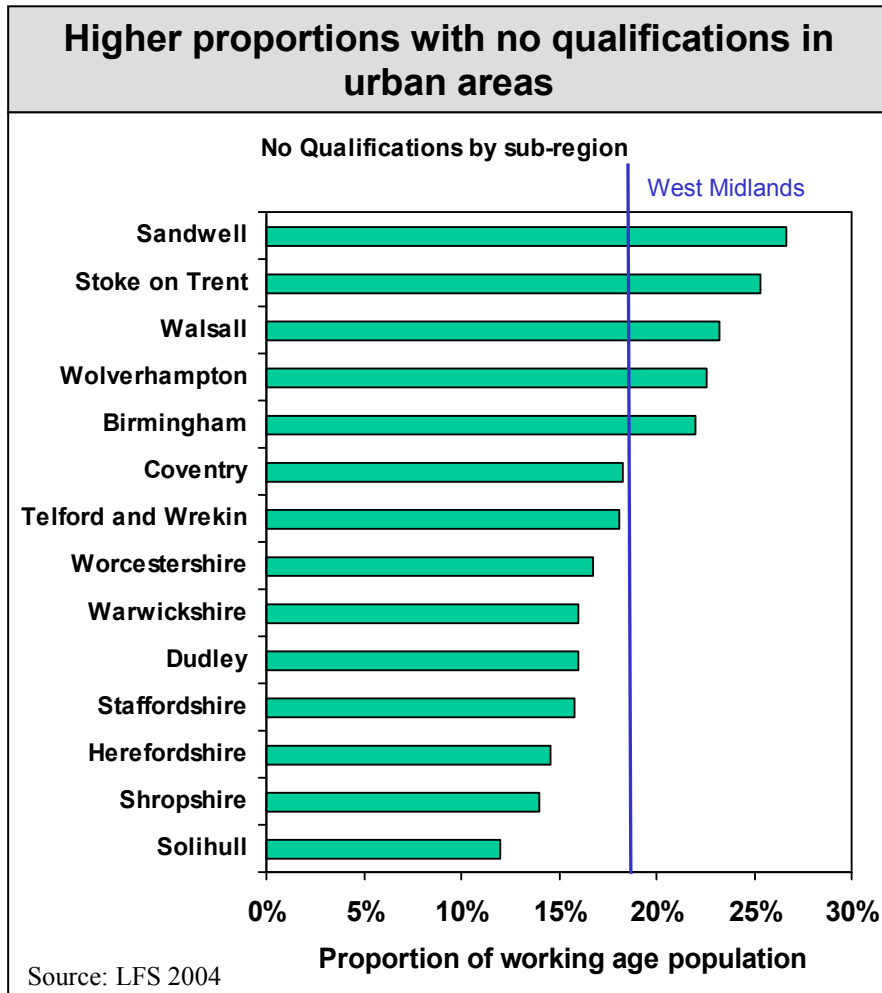


Region has highest proportion of working age population with no qualifications in England

Proportion of working age population with no qualifications



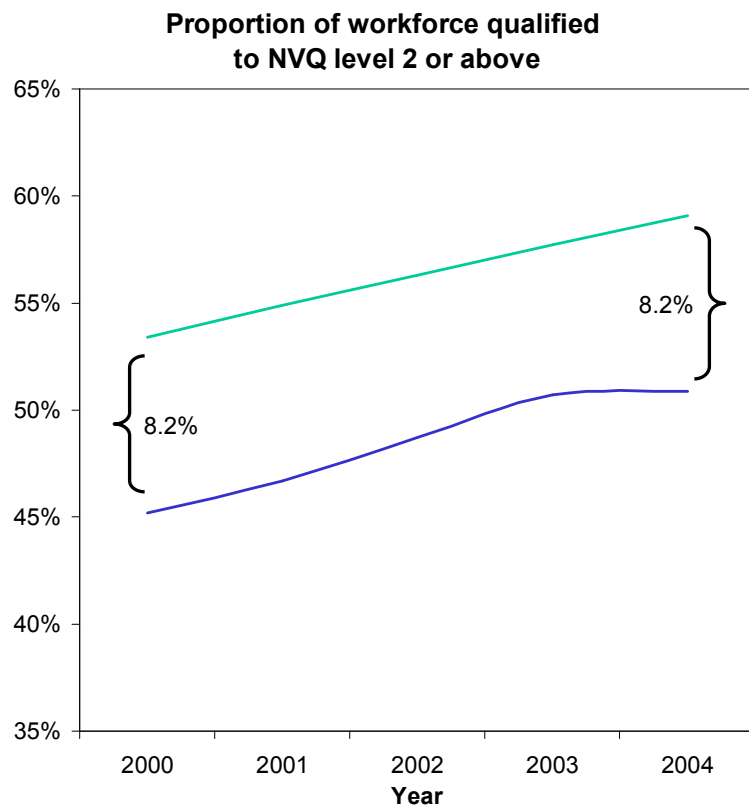
Urban areas have the highest proportions of their populations with no qualifications



Attainment at NVQ Level 2 lags behind national trends

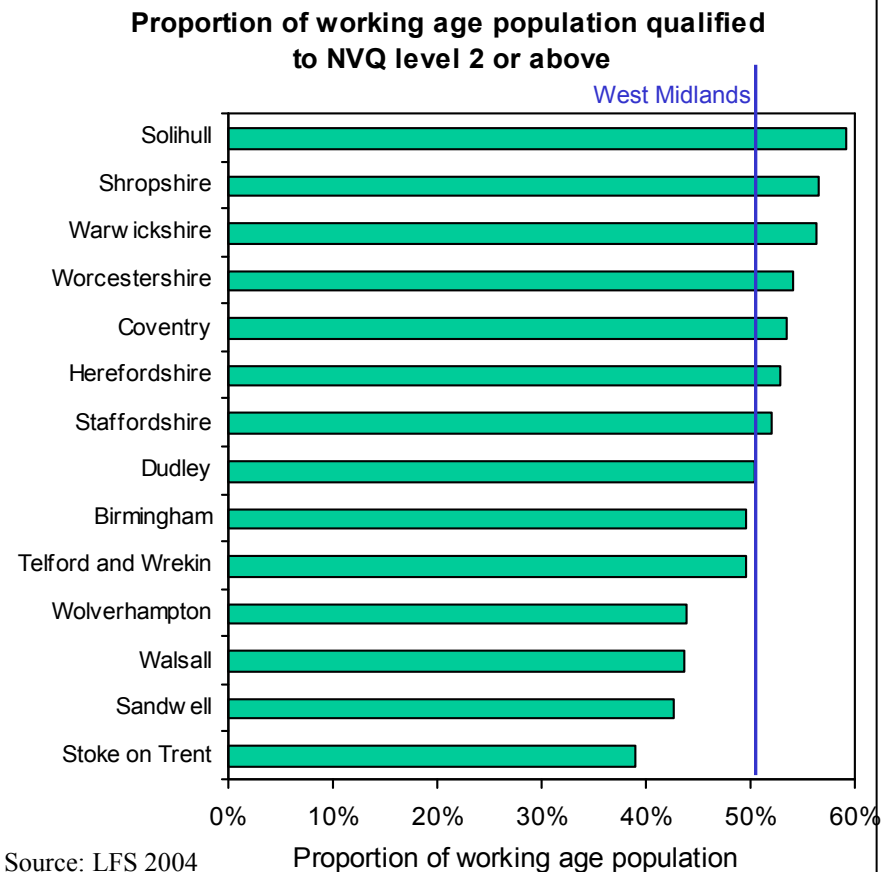


Attainment in the Region has improved but still lags behind national trends



Source: LFS

Attainment is lowest in deprived urban areas



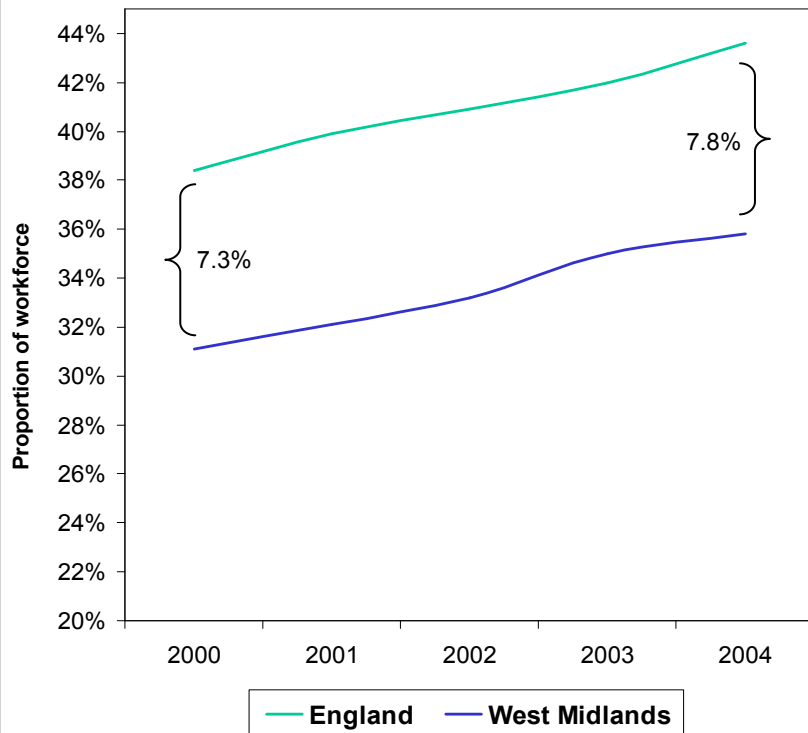
Source: LFS 2004

Attainment at NVQ Level 3 is below the national average



Attainment is improving but continues to lag behind the national average

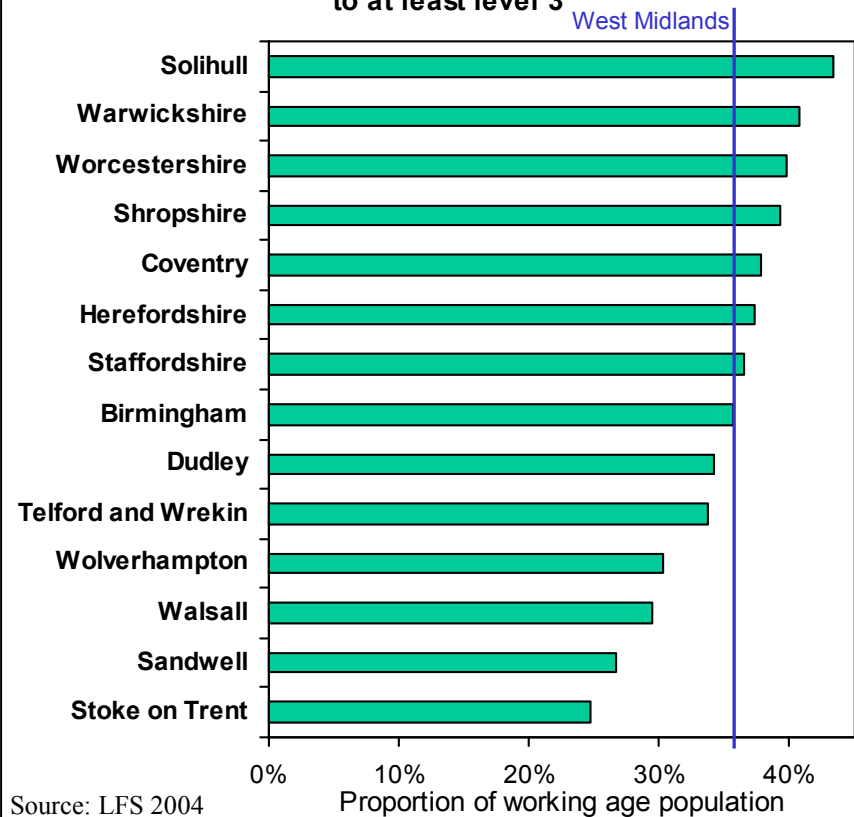
Proportion of workforce qualified to at least level 3



Source: LFS

Level 3 attainment varies by locality and is lowest in urban areas

Proportion of the working age population qualified to at least level 3



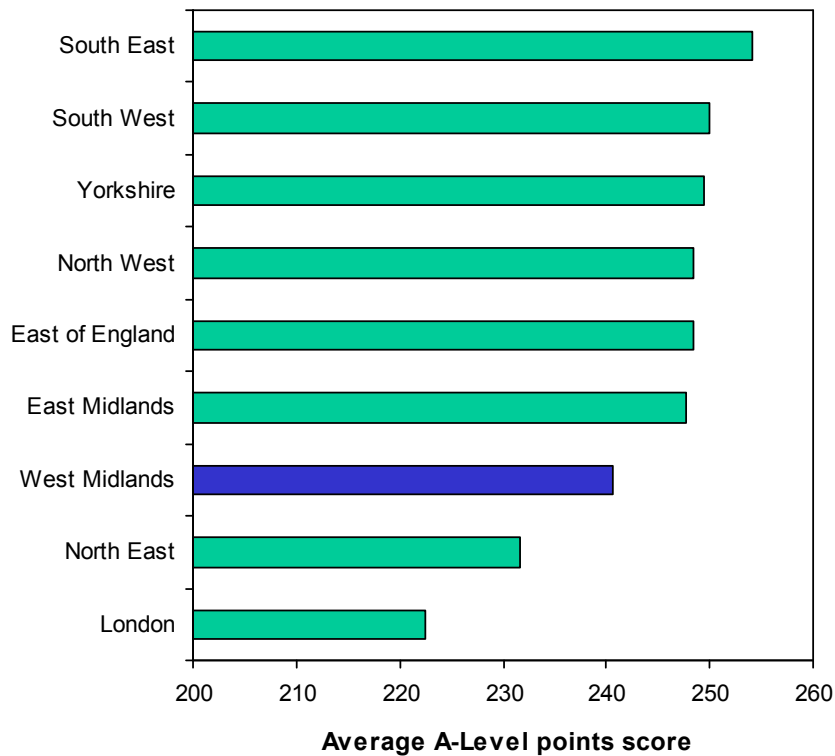
Source: LFS 2004

A-Level achievement is poor in the West Midlands, particularly in urban areas



West Midlands is the third worst performing region in England at A-Level

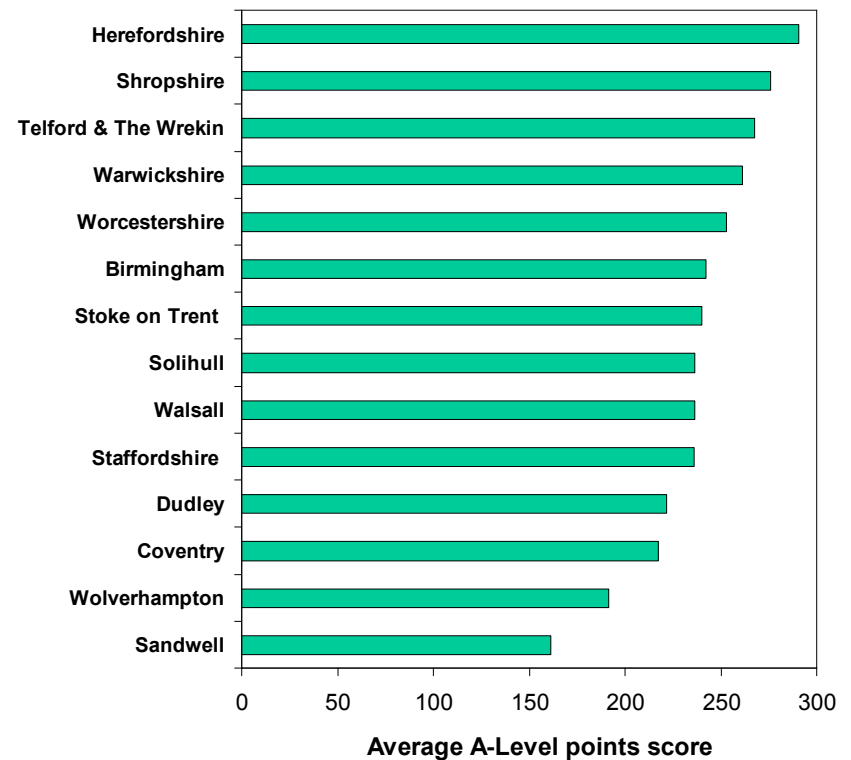
A-Level points scores by region



Source: DfES

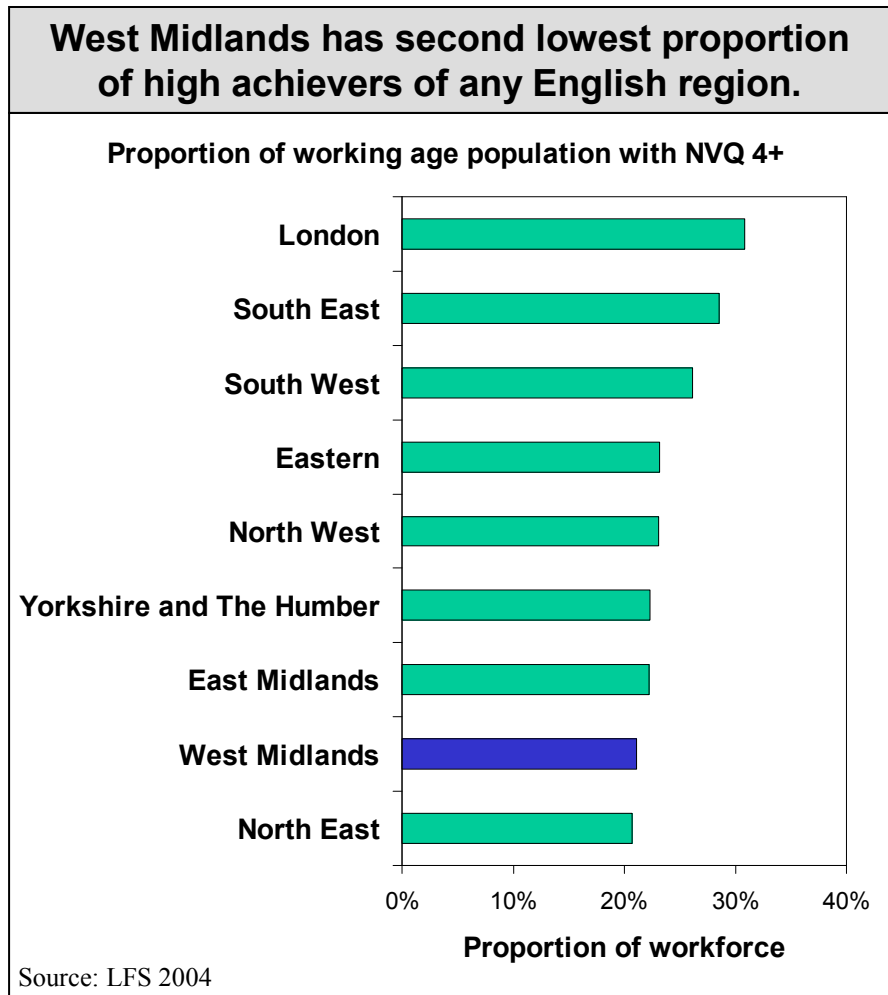
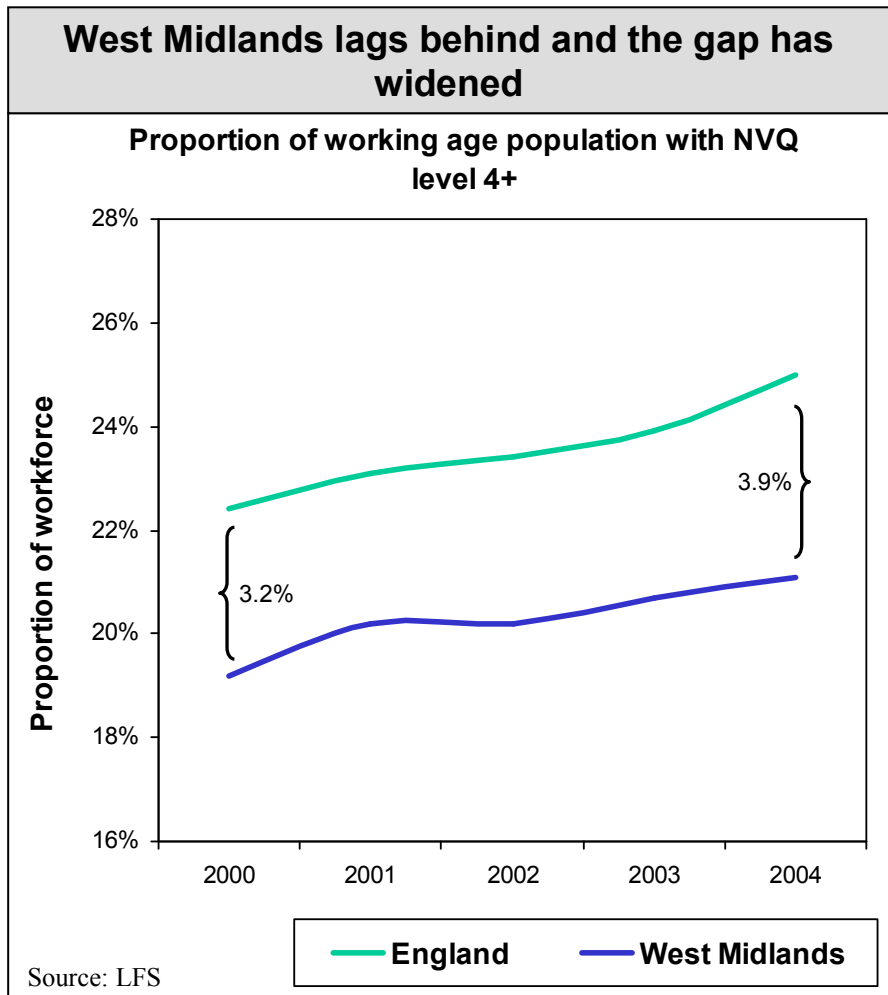
A-Level achievement levels are particularly low in Sandwell and Wolverhampton

A-Level points scores by sub-region

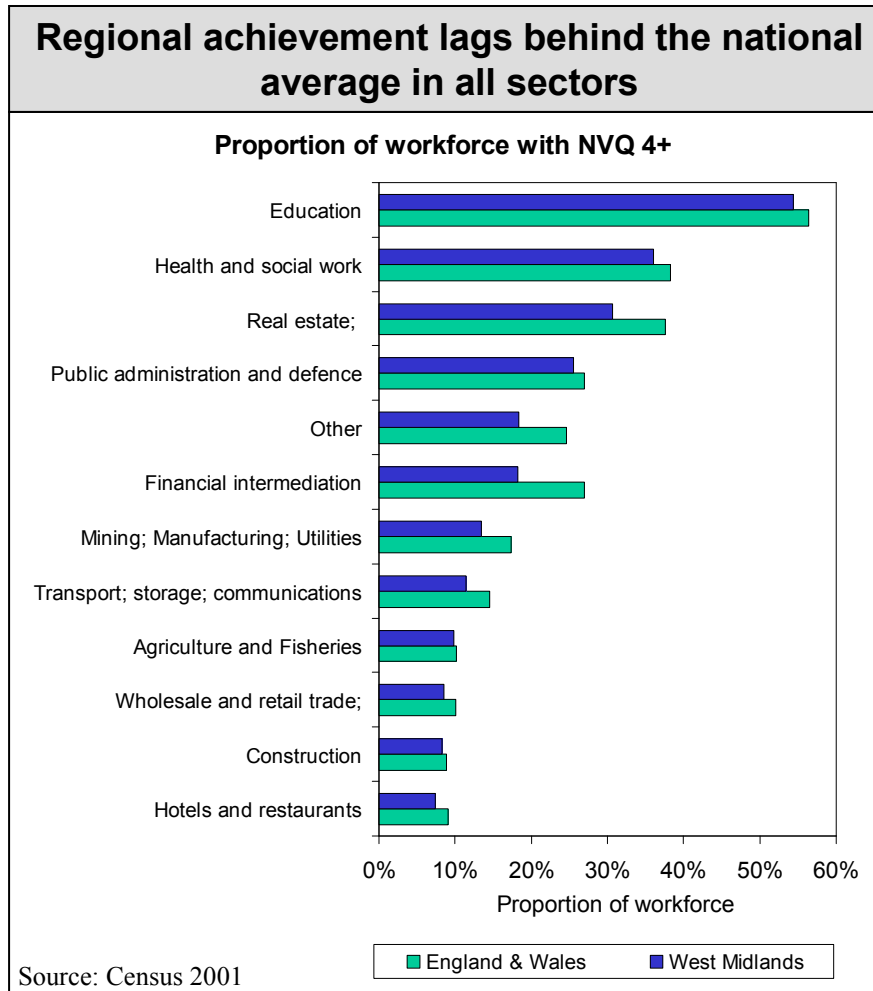
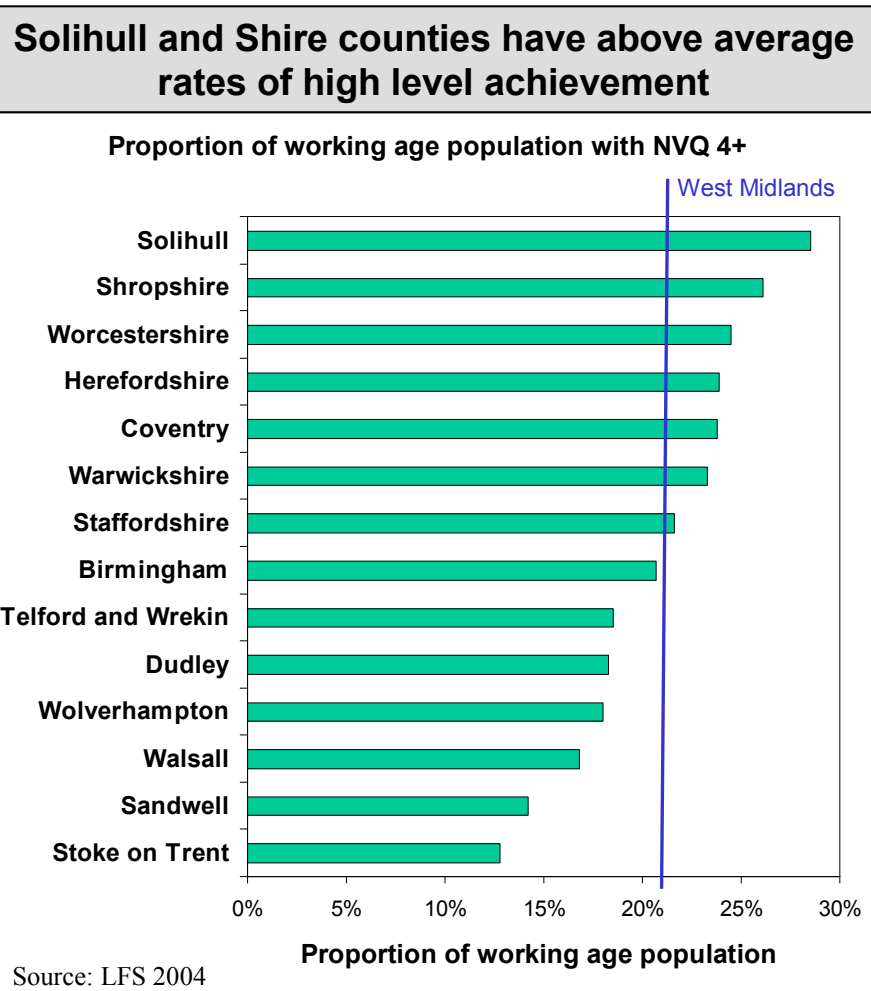


Source: DfES

The Gap is widening between Regional and National Attainment at NVQ level 4 and above



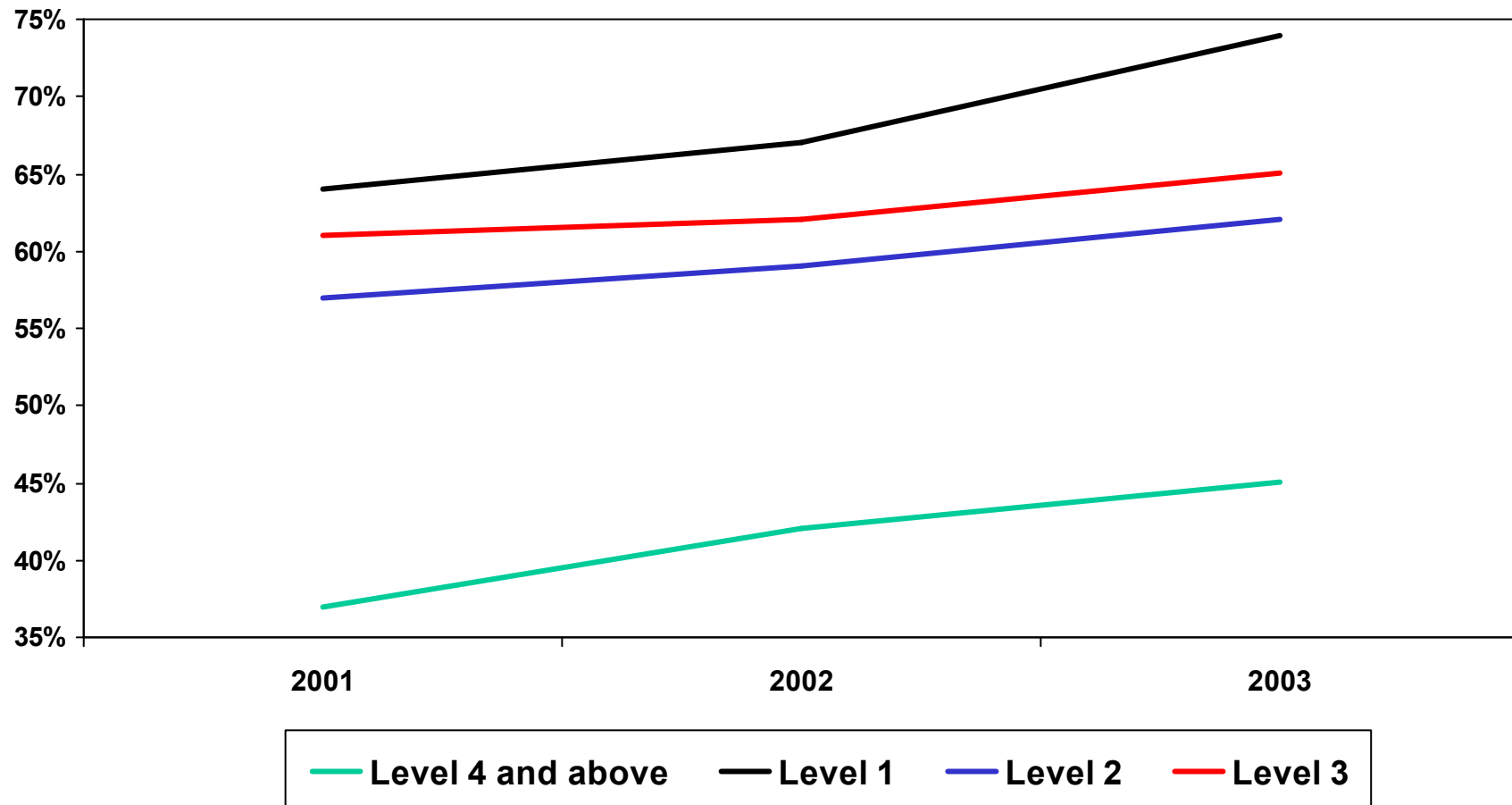
There are significant disparities in Level 4 achievement



In the FE sector there has been an upturn in qualification achievement rates



Success rates of FE enrolments in the West Midlands

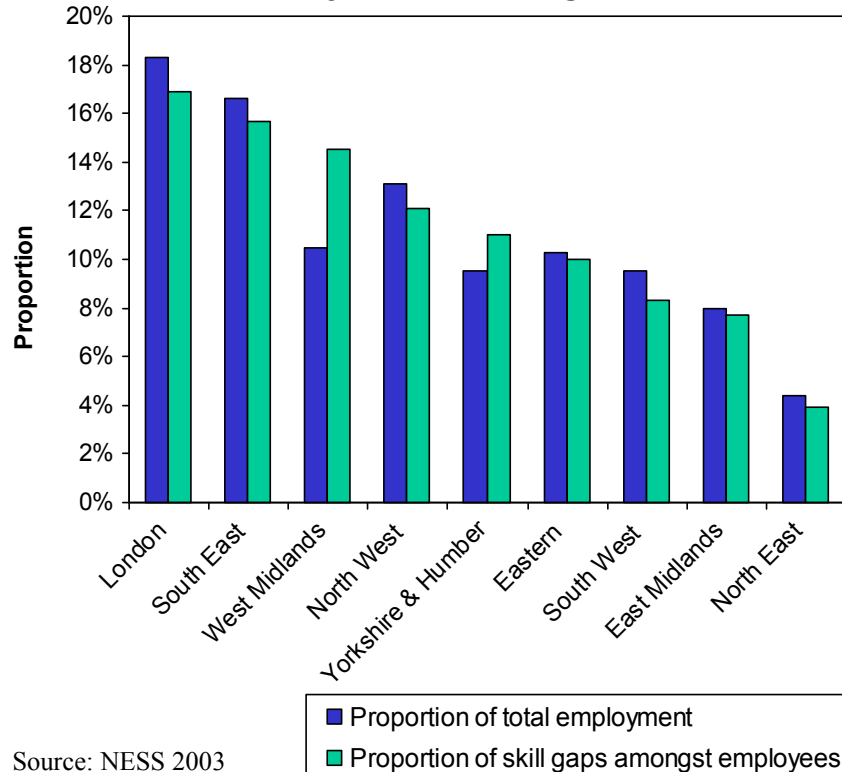


The West Midlands has the greatest incidence of reported skill gaps of any English region



The Region's share of skill gaps is disproportionately high

Regional shares of total employment and employees with skill gaps



The proportion of employees reported to have skill gaps is the highest of any English Region

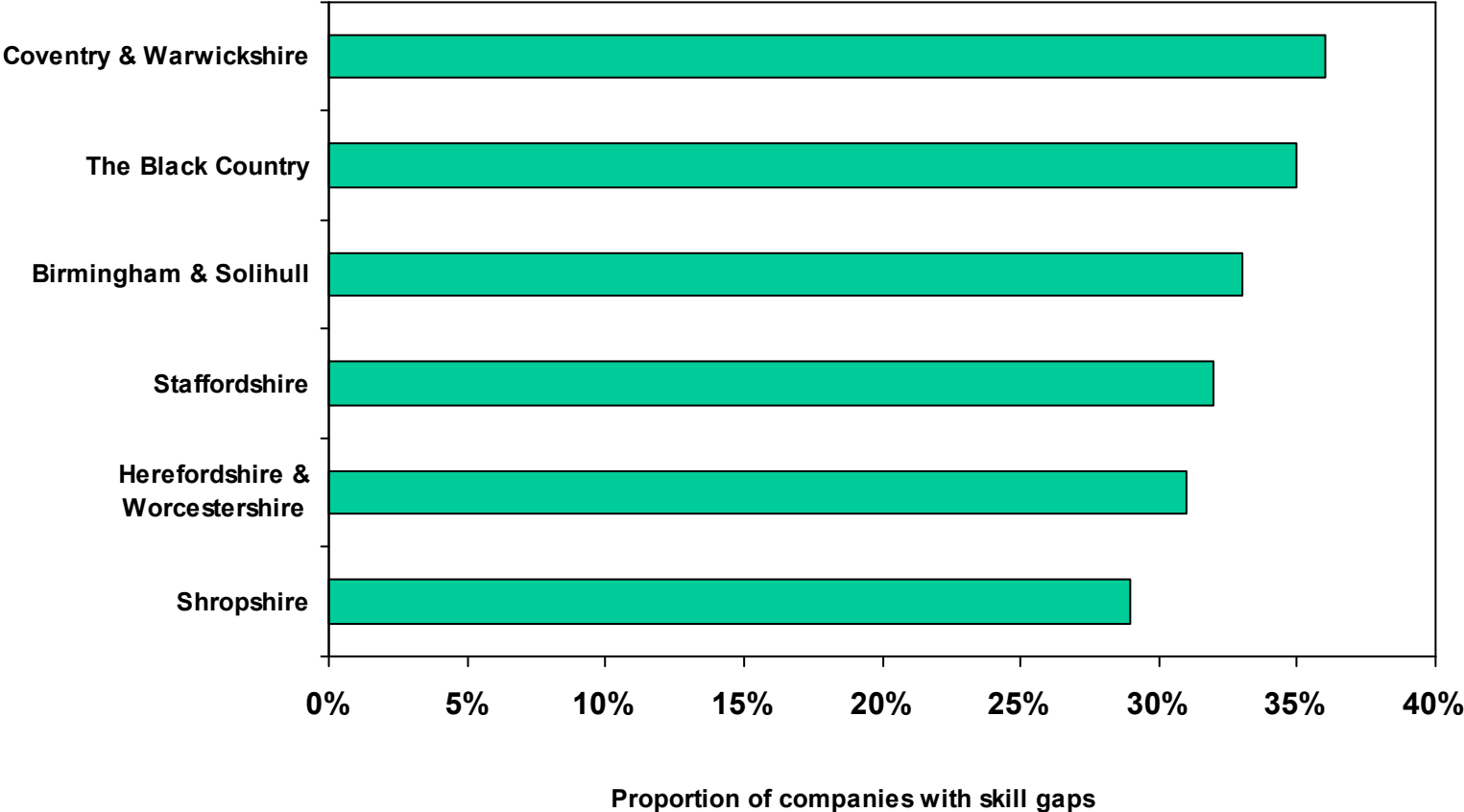
Proportion of employees with skill gaps by Region



Skill gaps are most prevalent in Coventry & Warwickshire & Warwickshire and the Black Country



Proportion of companies with skill gaps

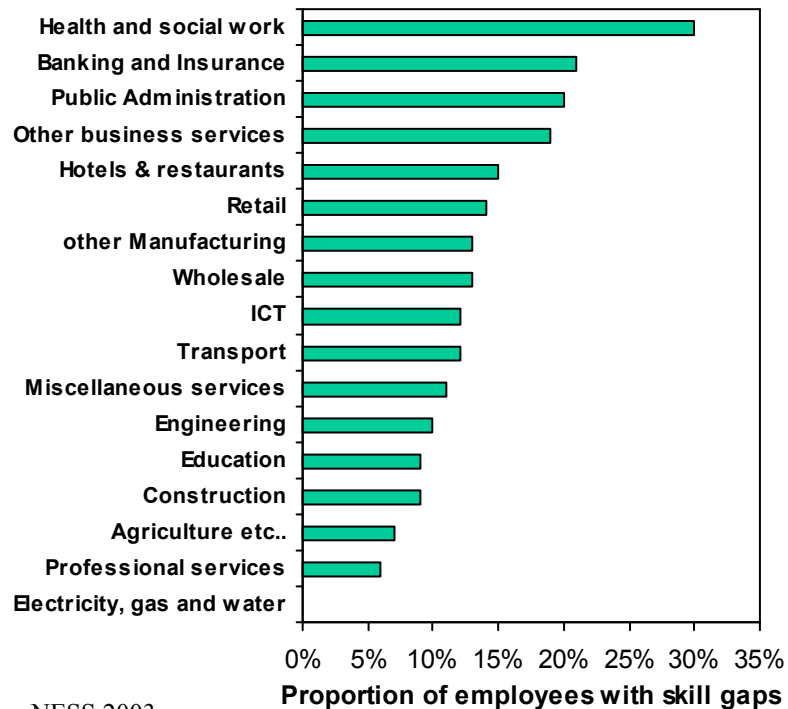


The workforce in a number of key sectors is deficient in vital skills



Several sectors have high proportions of employees with reported skill gaps

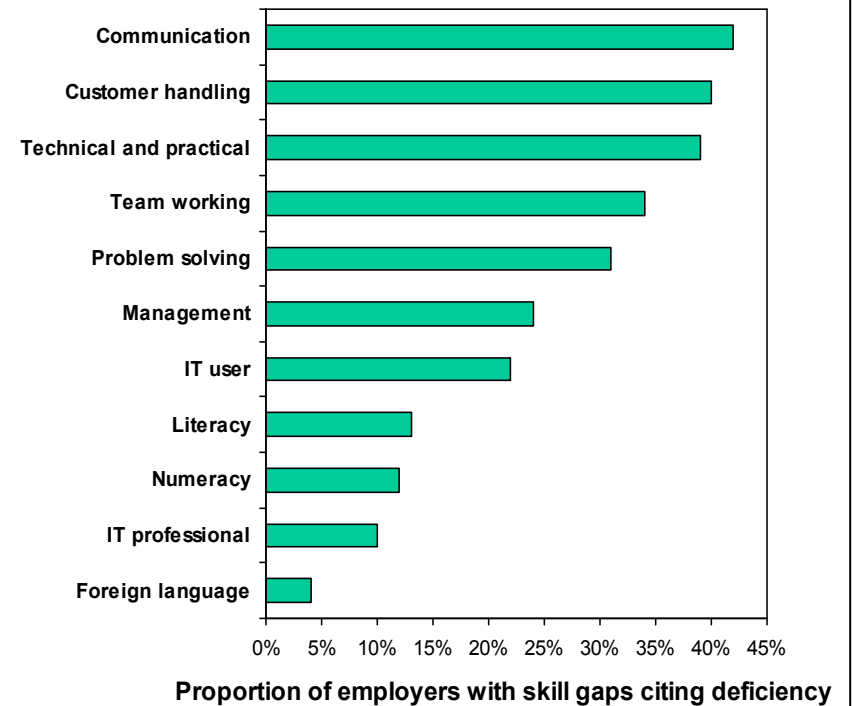
Proportion of employees with reported skill gaps



Source: NESS 2003

Deficiencies relate to both technical/job-specific and generic/transferrable skills

Specific skill deficiencies cited by employers with skill gaps

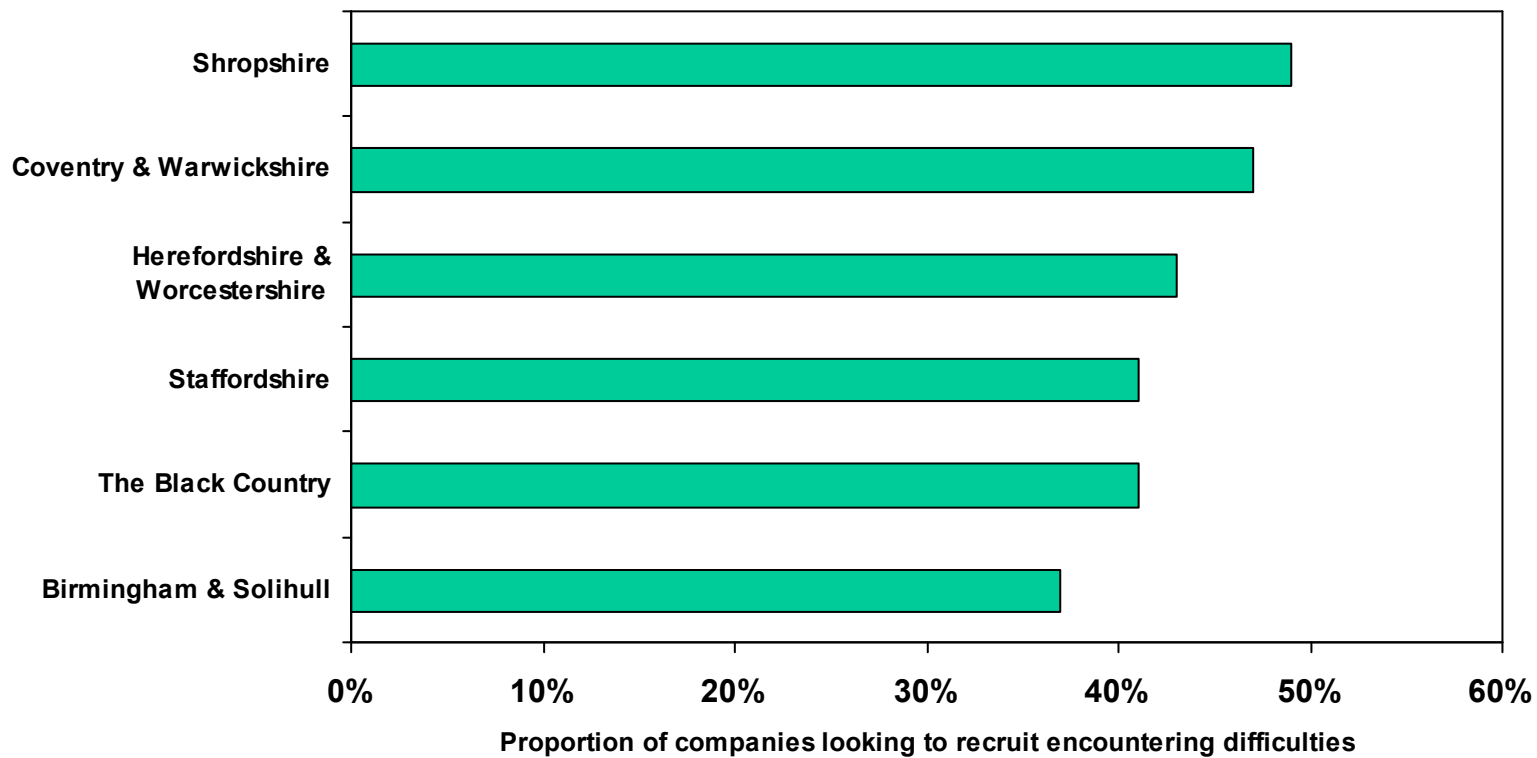


Source: NESS 2003

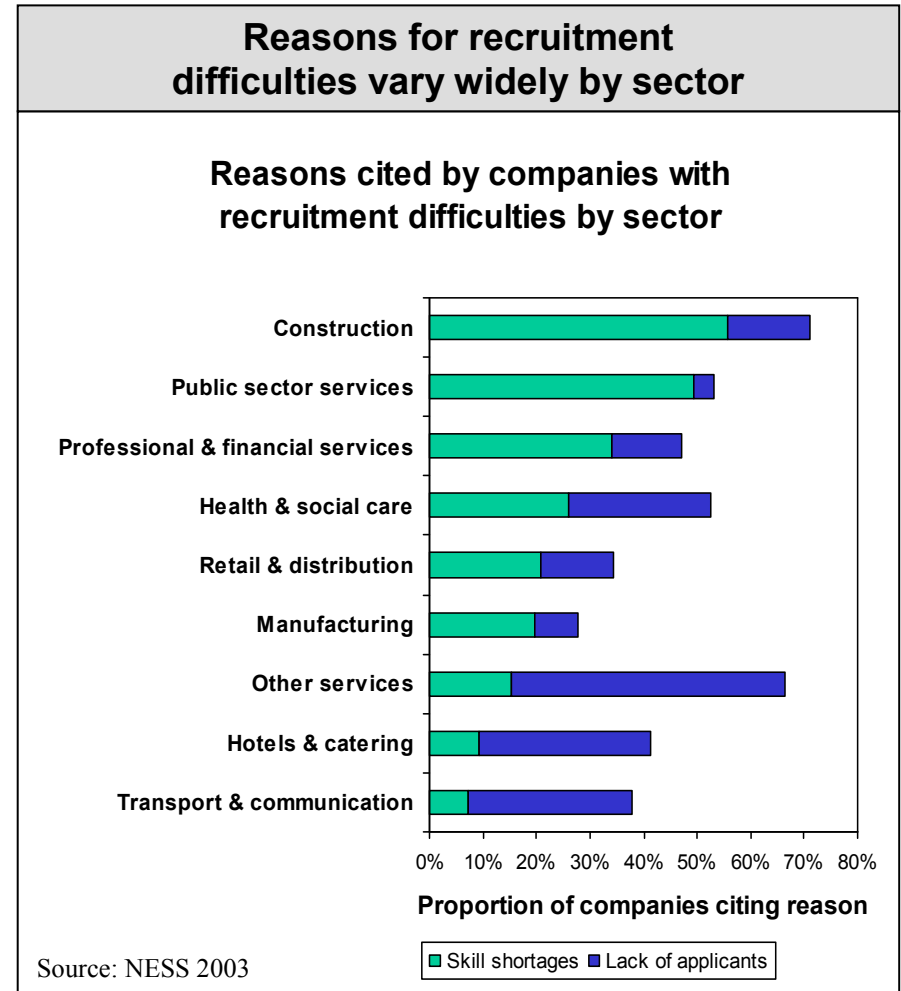
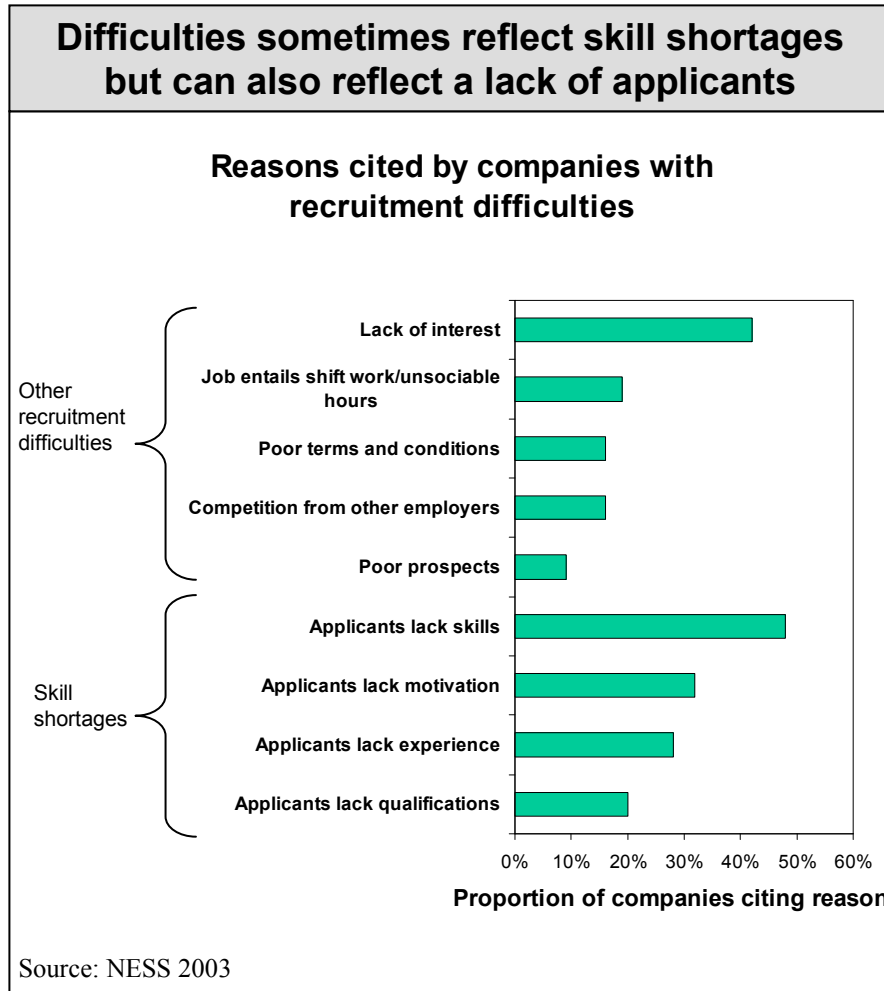
Recruitment difficulties are most prevalent in Shropshire and Coventry & Warwickshire



Proportion of companies looking to recruit encountering difficulties



Recruitment problems may reflect skill shortages or a range of other factors

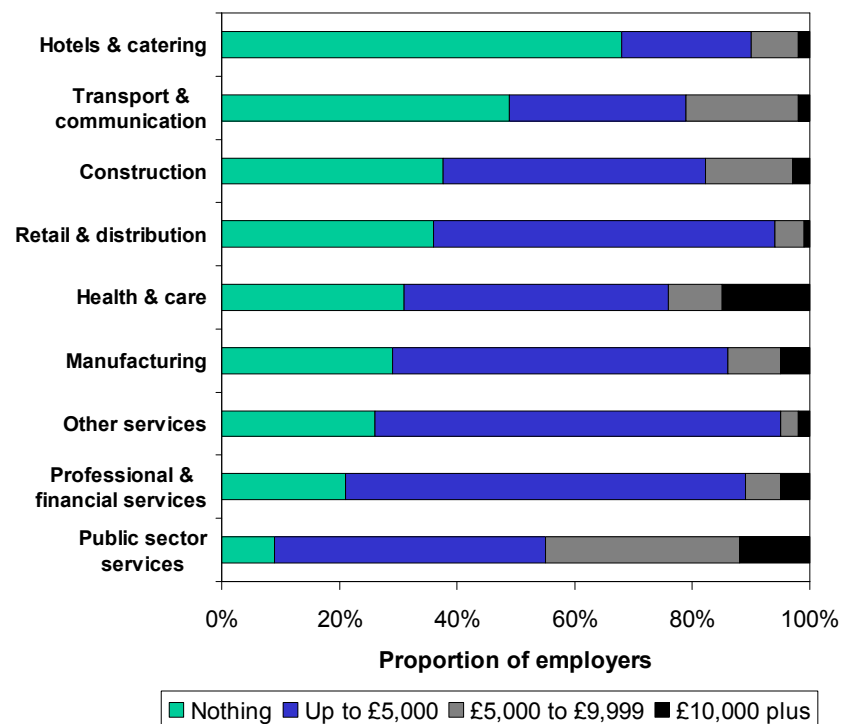


Investment in training is uneven across sectors and sizes of company



70% of hotels & catering employers and 50% of transport employers spend nothing on training

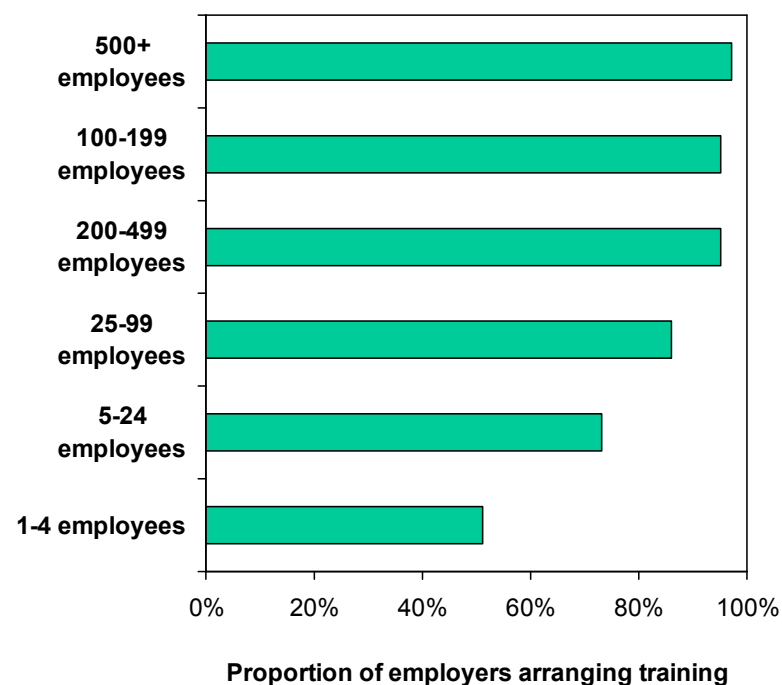
Proportion of employers arranging training over the last 12 months by sector



Source: NESS 2003

Only half of micro businesses arrange training for staff

Proportion of employers arranging training over the last 12 months by size

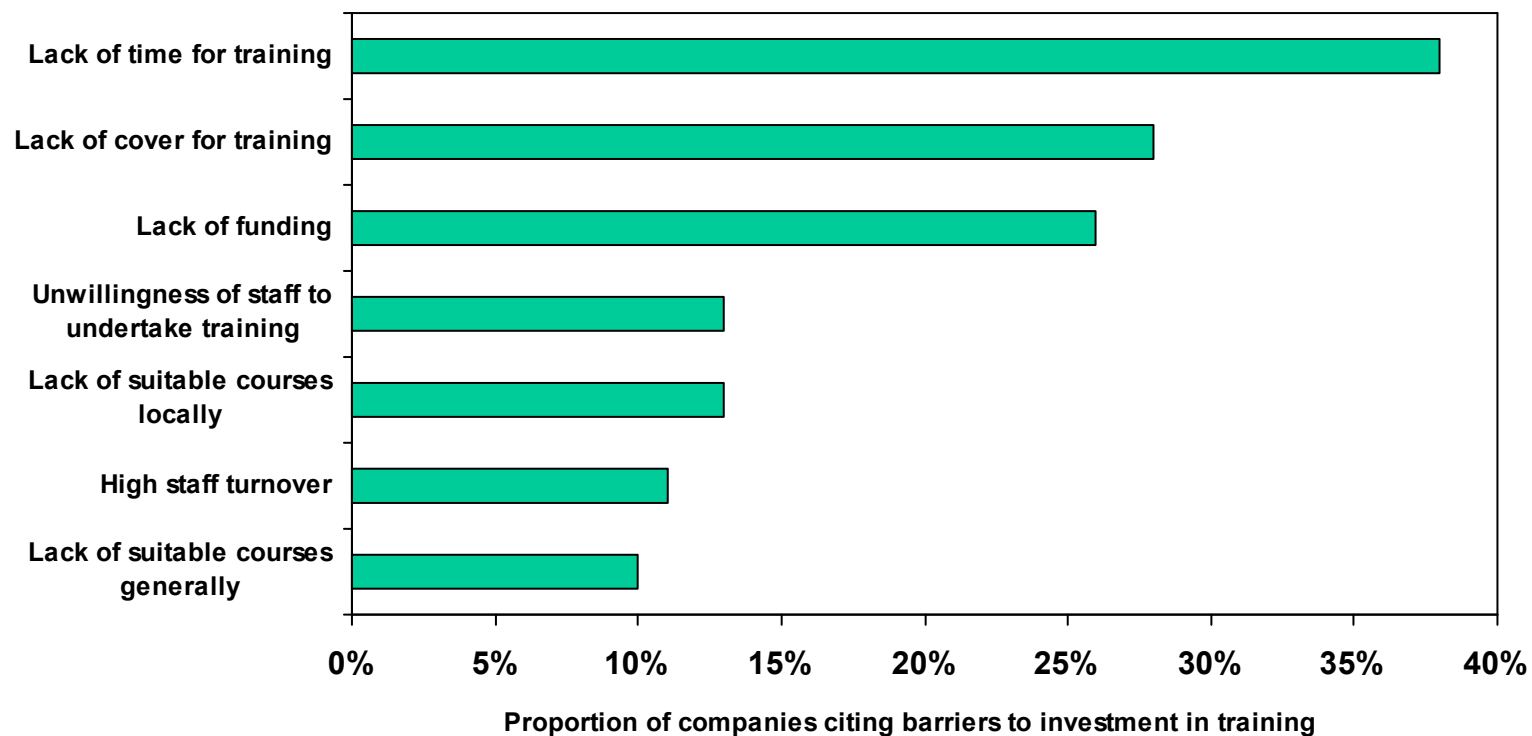


Source: NESS 2003

The principal barriers to training relate to timing and affordability



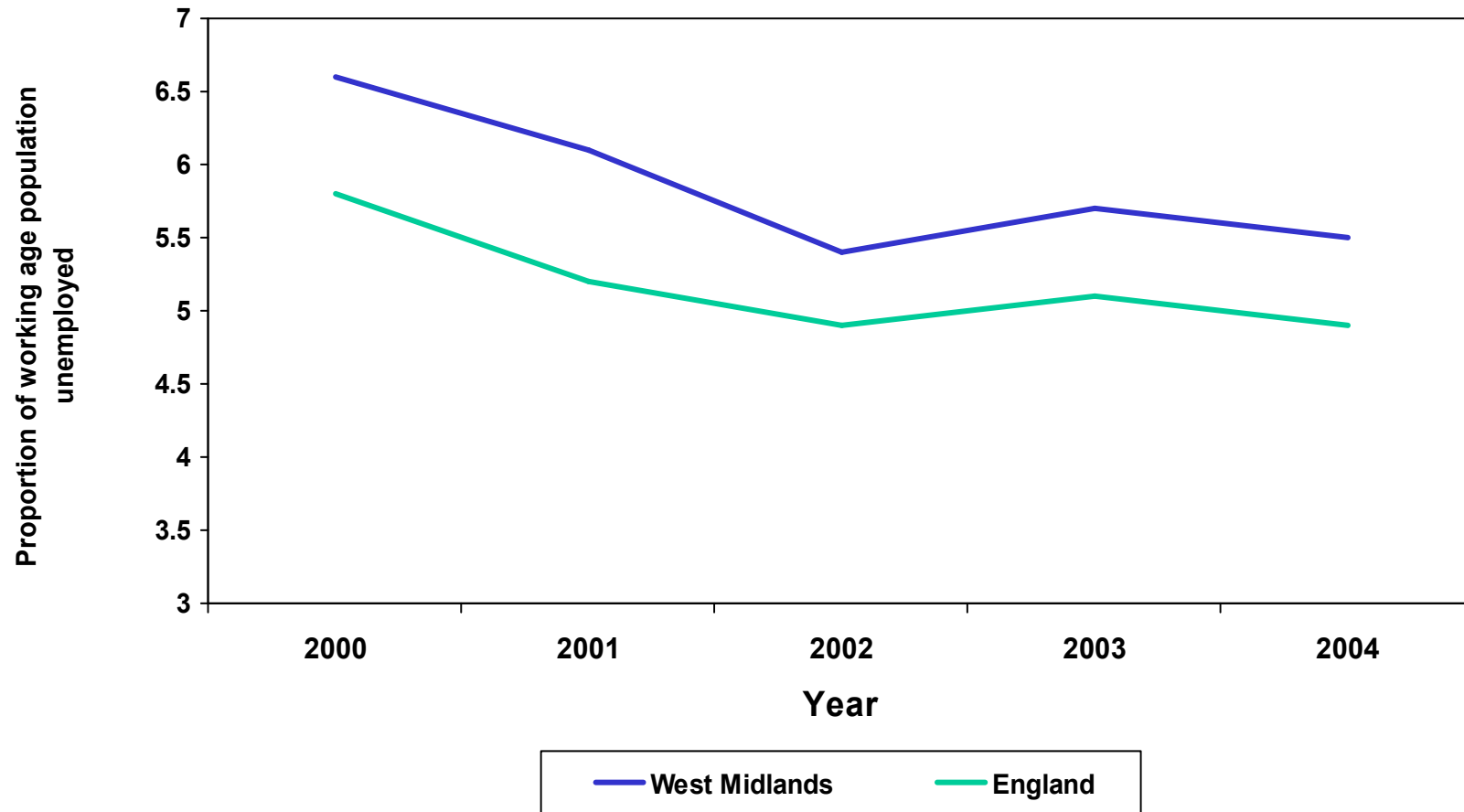
Barriers to investment in training cited by companies with skill gaps



The gap between the regional and national unemployment rate is not closing



Trends in unemployment rates 2000-2004

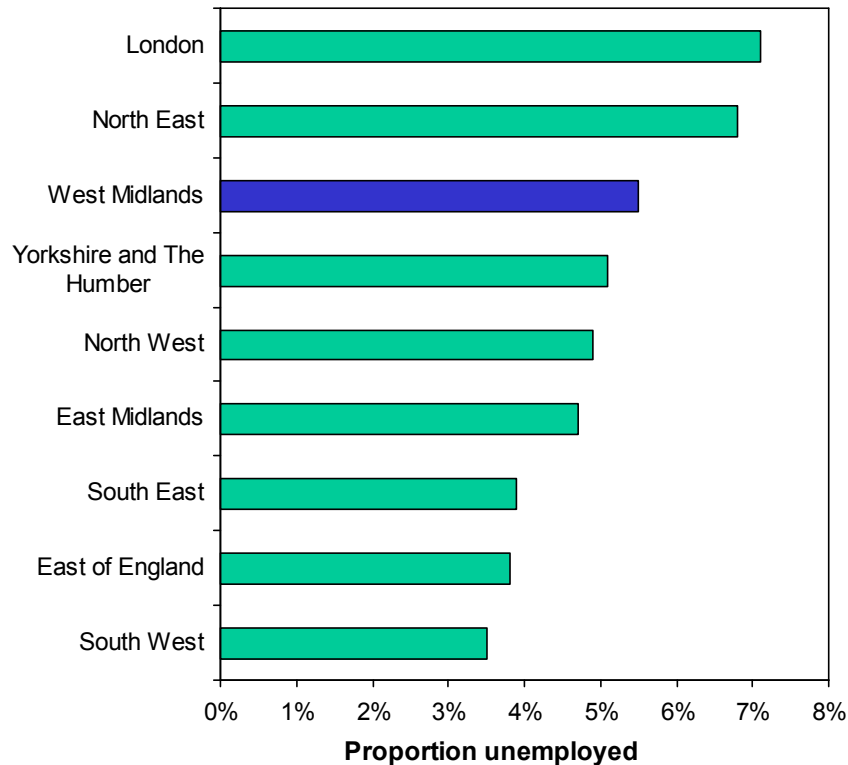


Third highest rates of unemployment and fourth highest economic inactivity in England



West Midlands has third highest unemployment rate in England

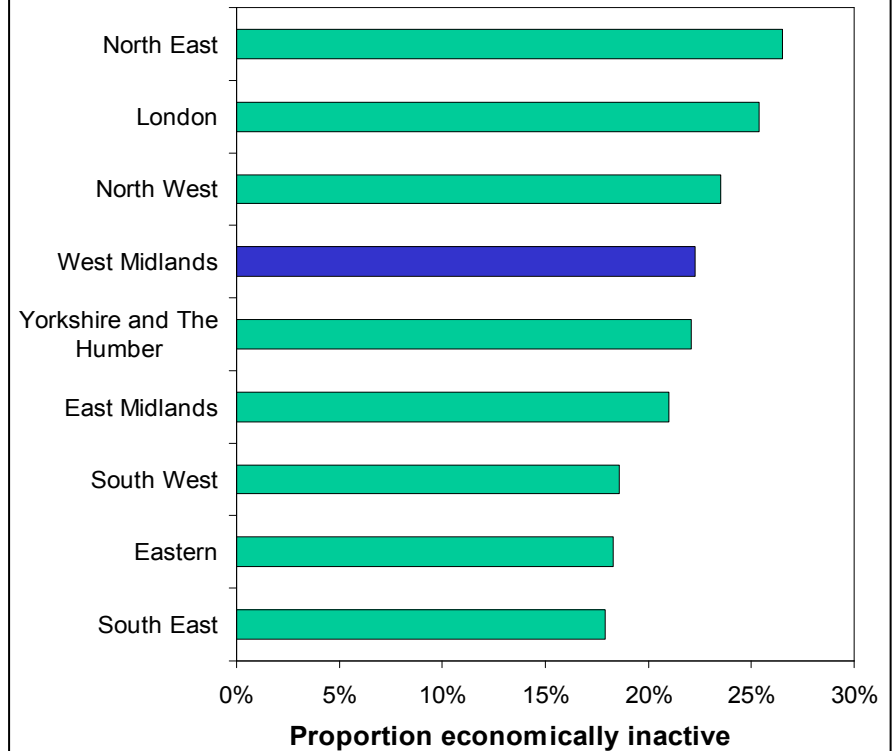
Unemployment Rates by Region



Source: LFS 2004

The Region also has the fourth highest rate of economic inactivity

Economic Inactivity by Region



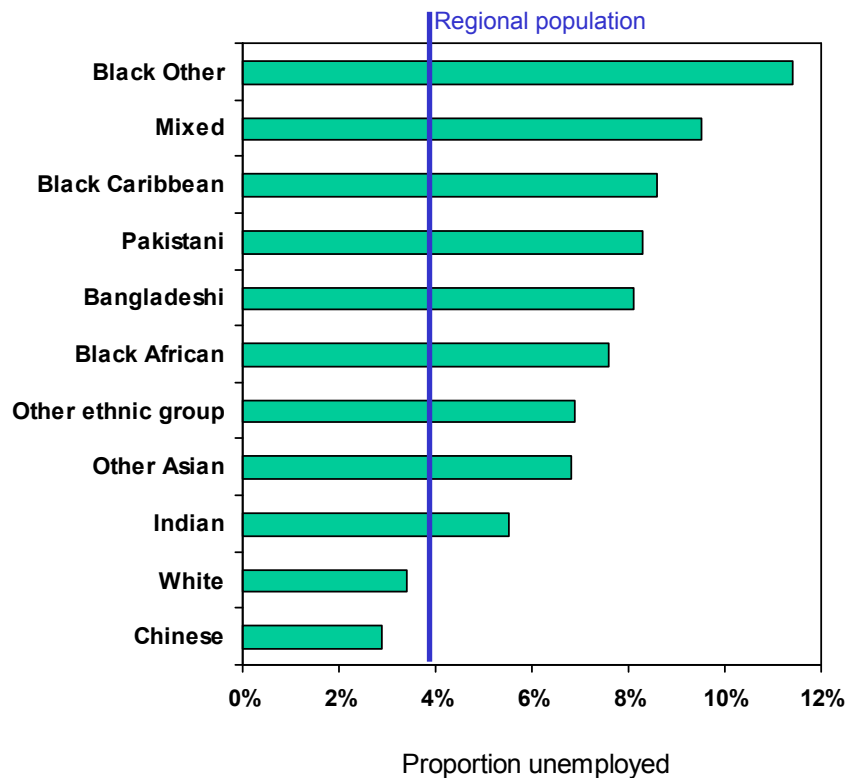
Source: LFS 2004

Labour market disadvantage is concentrated within certain groups and communities



Many ethnic groups have unemployment rates almost three times that of the white population

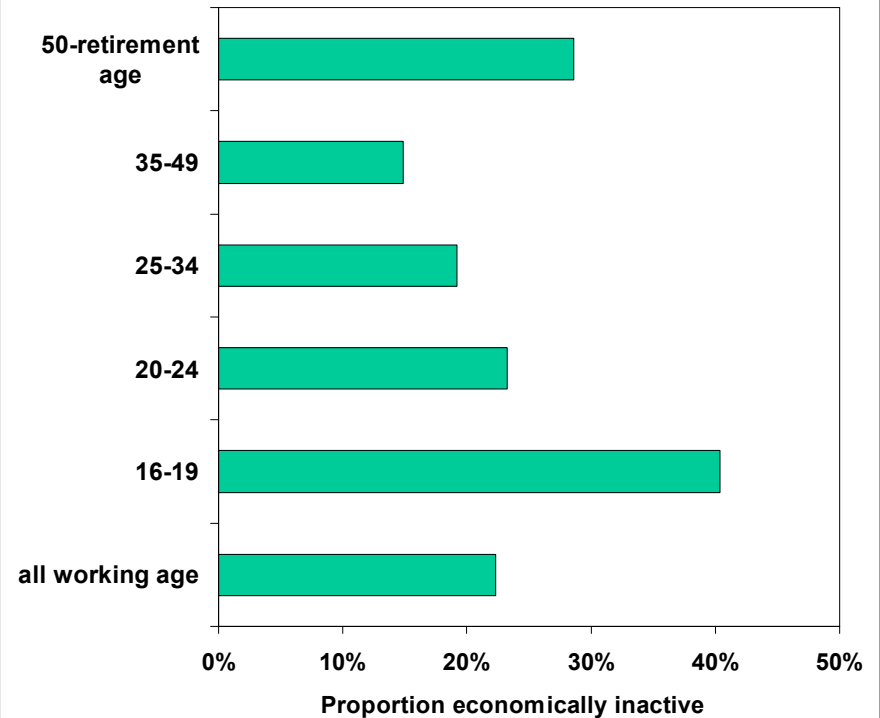
Unemployment and ethnicity in West Midlands



Source: Census 2001

Many young people and older people are not engaging in the labour market

Economic inactivity by age



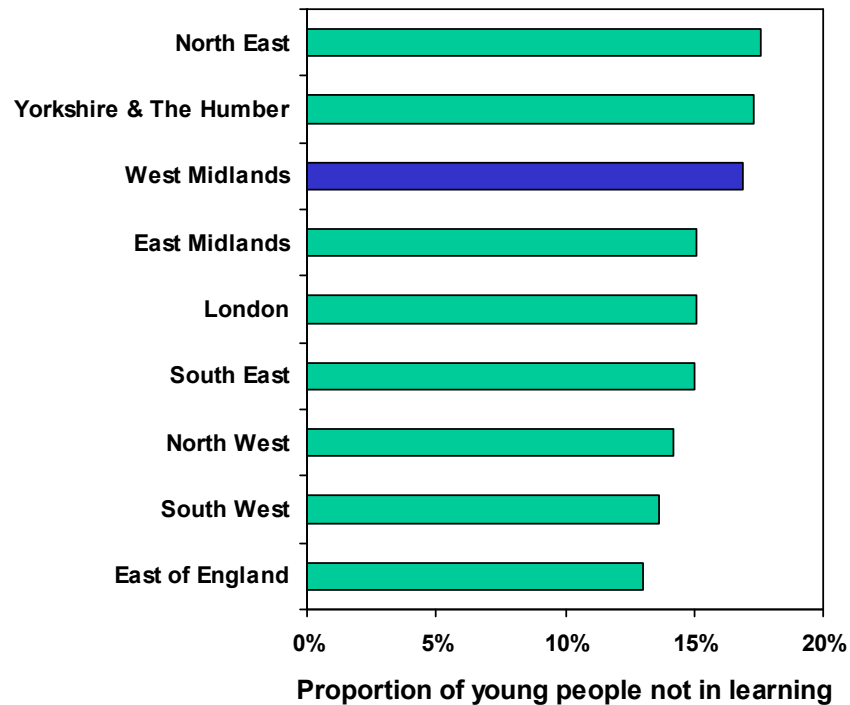
Source: LFS 2004

Many young people are not involved in education or training



West Midlands has third highest level of non-learning among young people

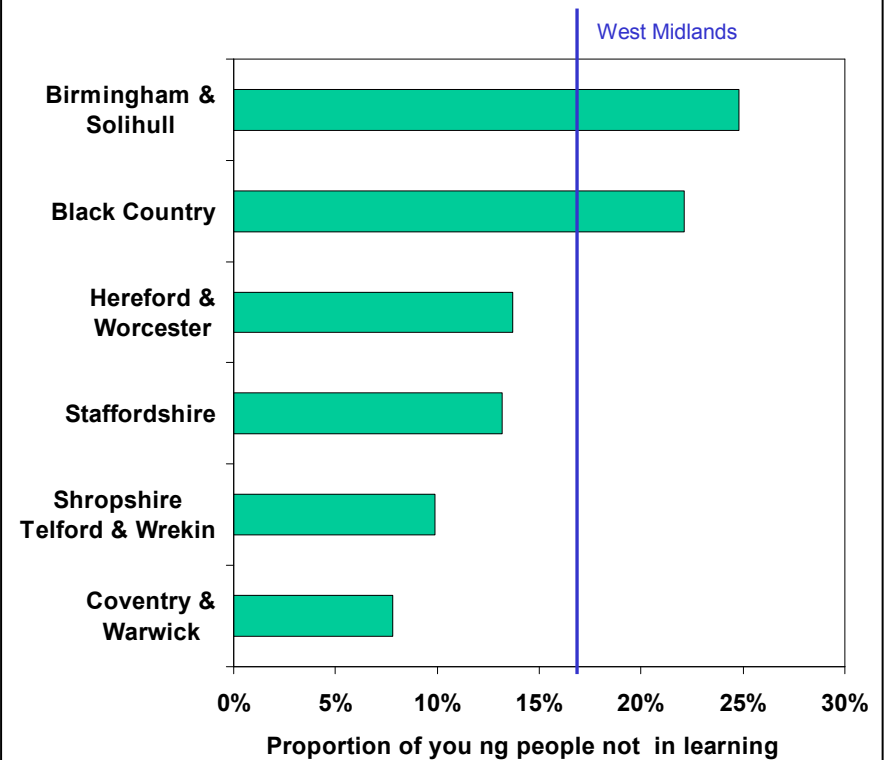
Young people not involved in education or training



Source: Connexions 2004

Exclusion among young people varies by local area

Young people not involved in education or training by sub-region



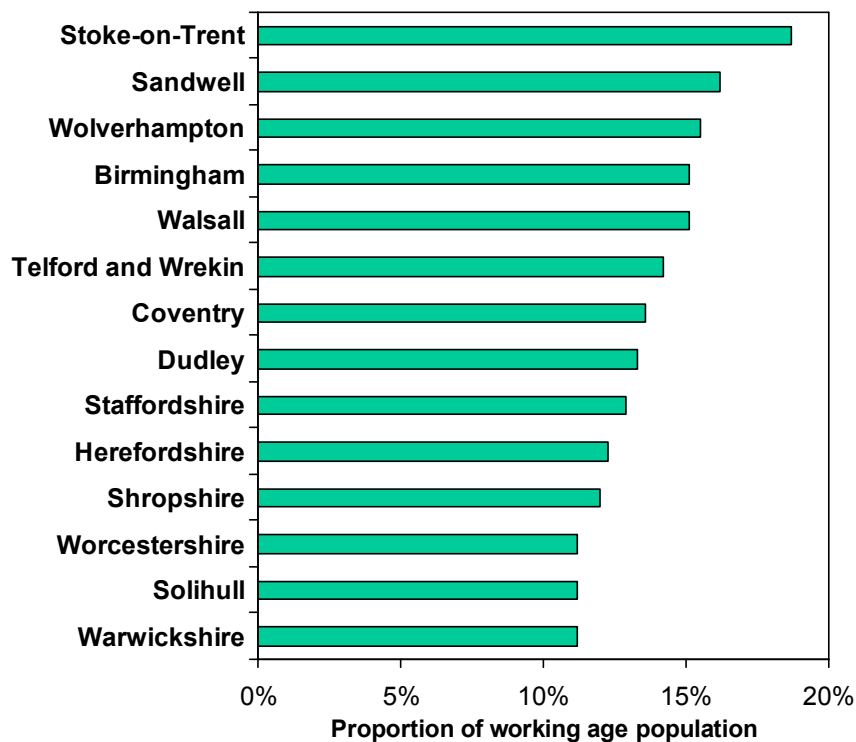
Source: Connexions 2004

Limiting long term illness is a barrier to economic activity



Limiting long-term illness more prevalent in urban areas

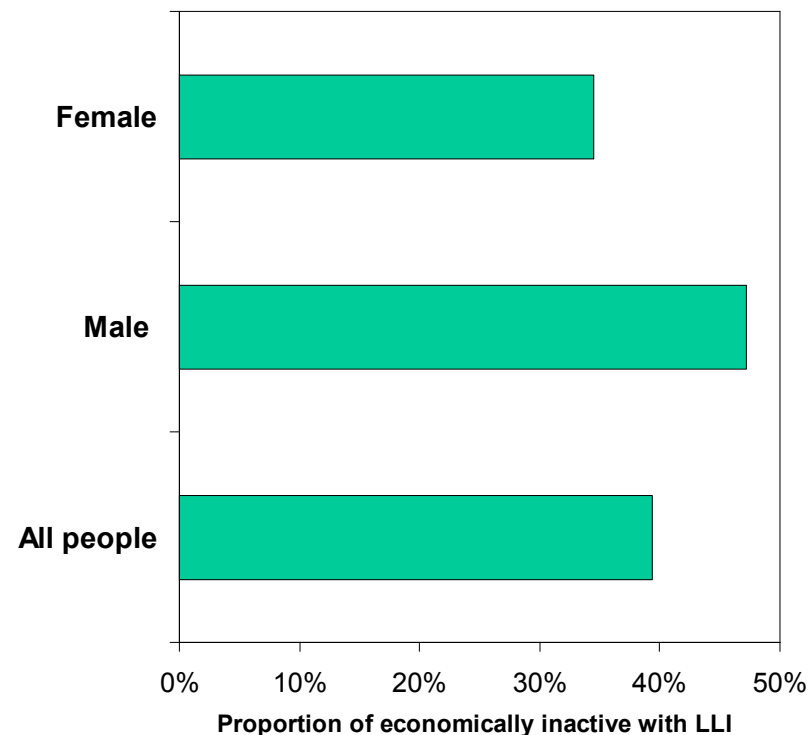
Limiting long-term illness among the working age population



Source: Census 2001

40% of the economically inactive, and 50% of inactive men have a limiting illness

Proportion of the economically inactive who have a limiting long term illness

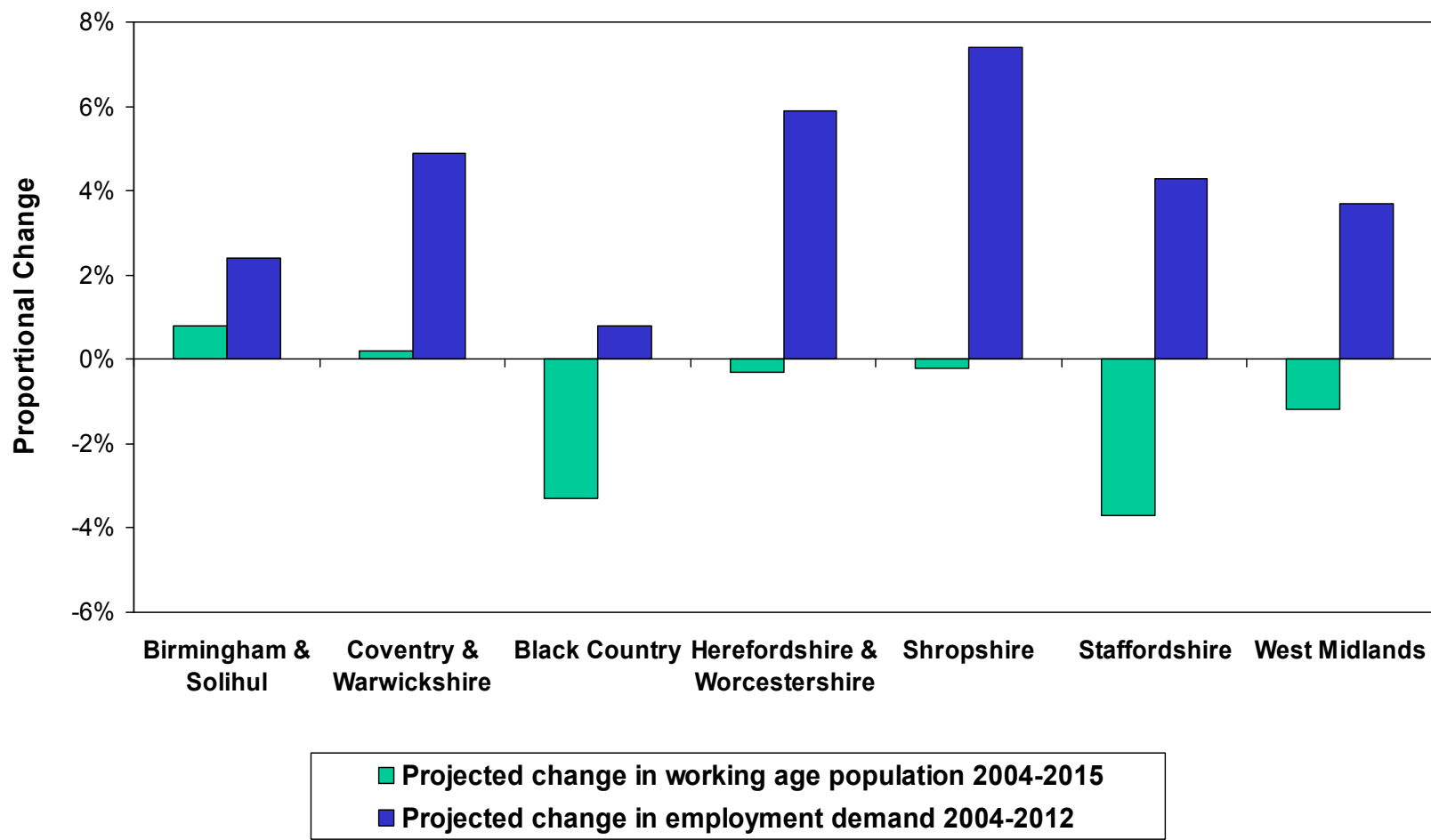


Source: Census 2001

Demographic changes present major challenges in meeting employment demand



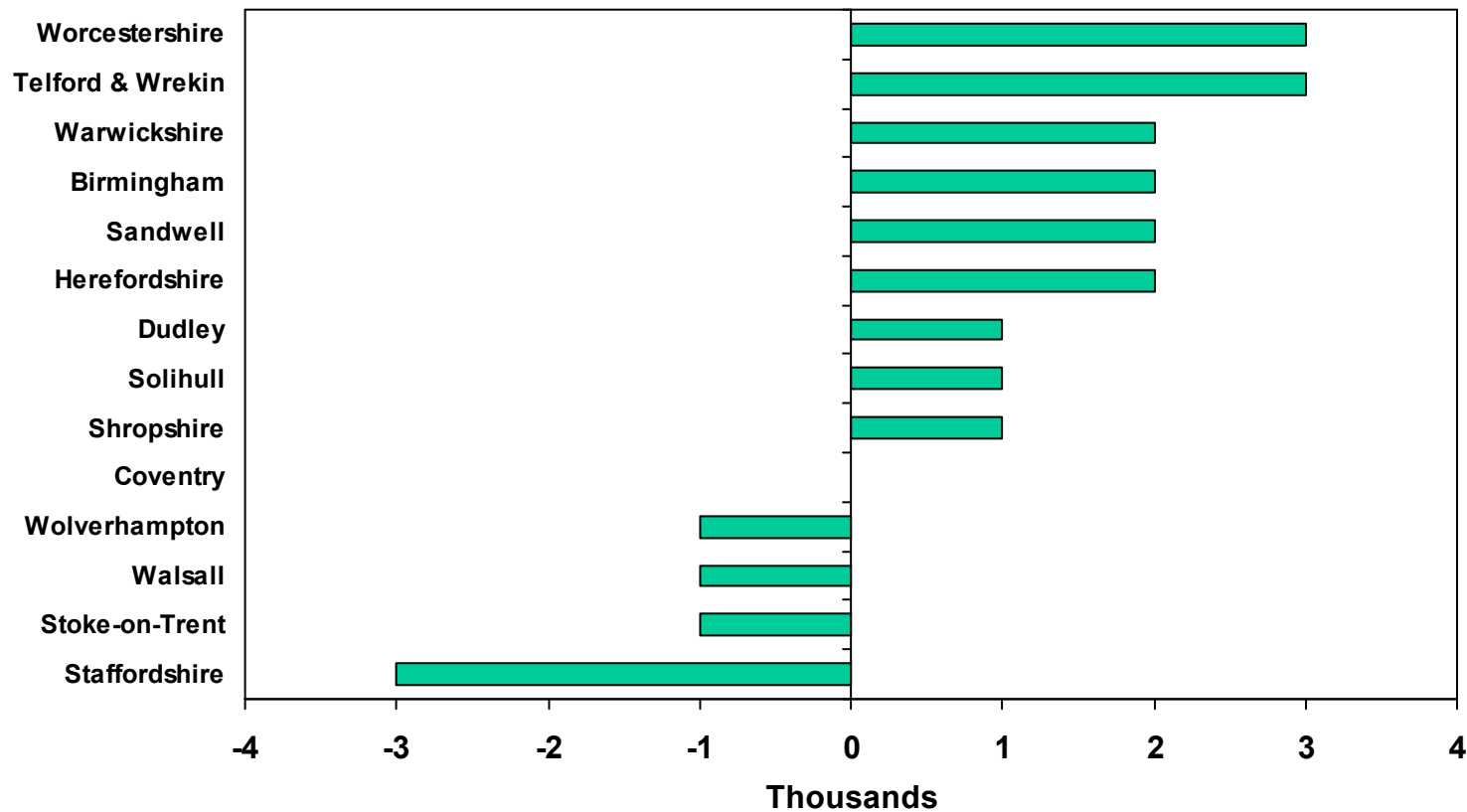
Projected changes in workforce and employment by Sub-region



Numbers of young people will increase only marginally and fall in some sub-regions



Forecast change in numbers of 16-24 year olds by sub region 2001-2016

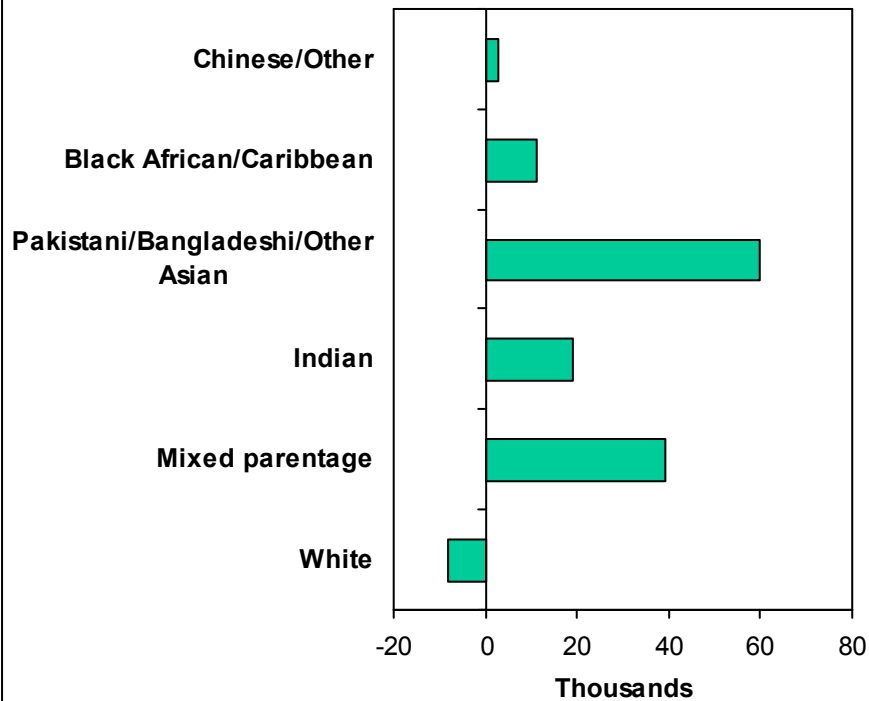


Certain sections of the Region's population represent a growing source of labour and skills



There will be 130,000 more people from ethnic minority communities of working age by 2016

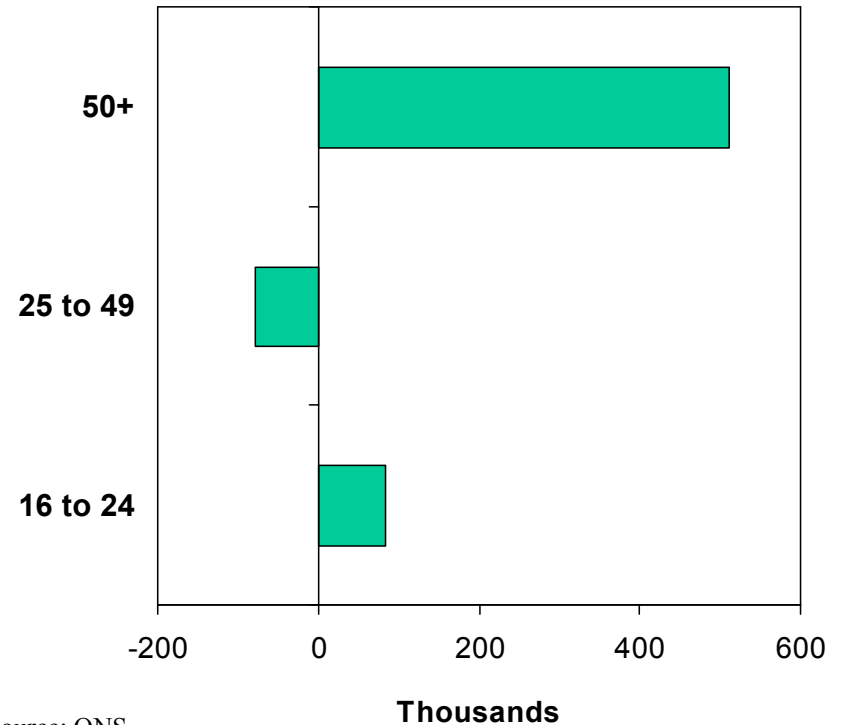
Forecast population change by ethnic group 2001-2016



Source: ONS

There will be half a million more over fifties in the working age population

Forecast Regional population change by age group 2001-2016



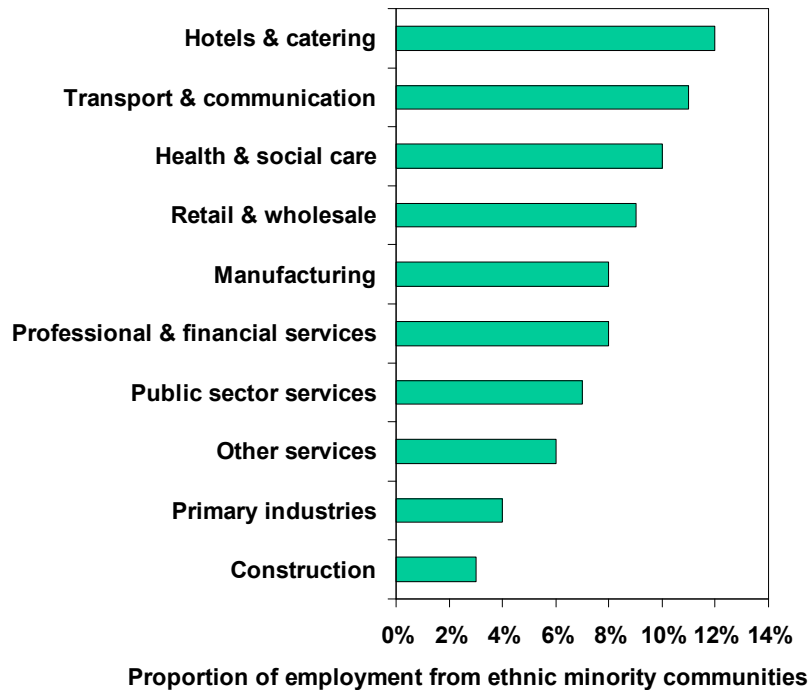
Source: ONS

Employers are not yet taking full advantage of these growing sources of labour and skills



Ethnic minorities account for less than 5% of employment in some sectors

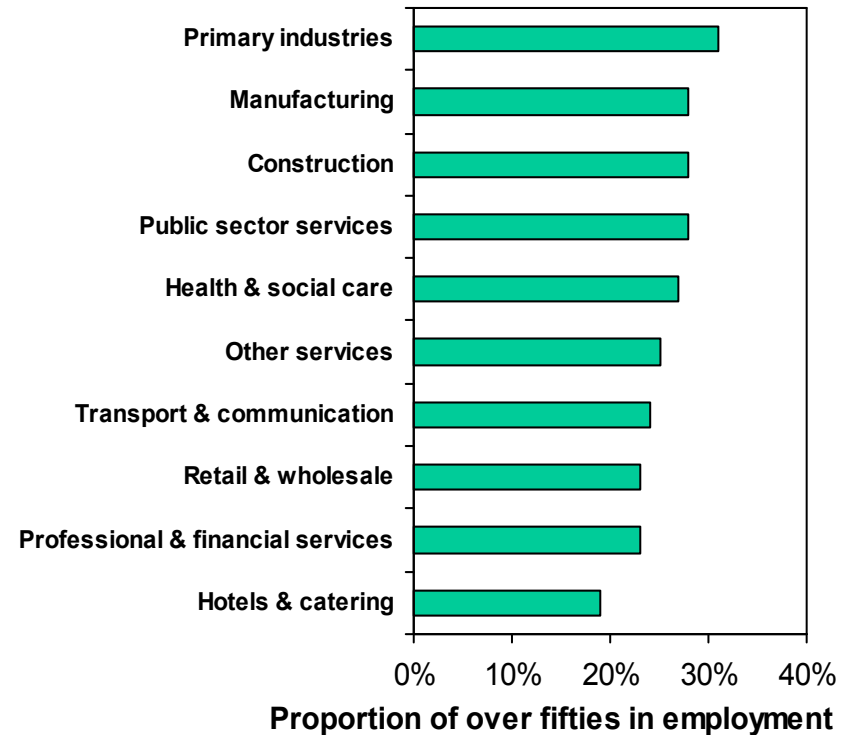
Proportion of people from ethnic minority communities in employment by sector 2001



Source: 2001 Census

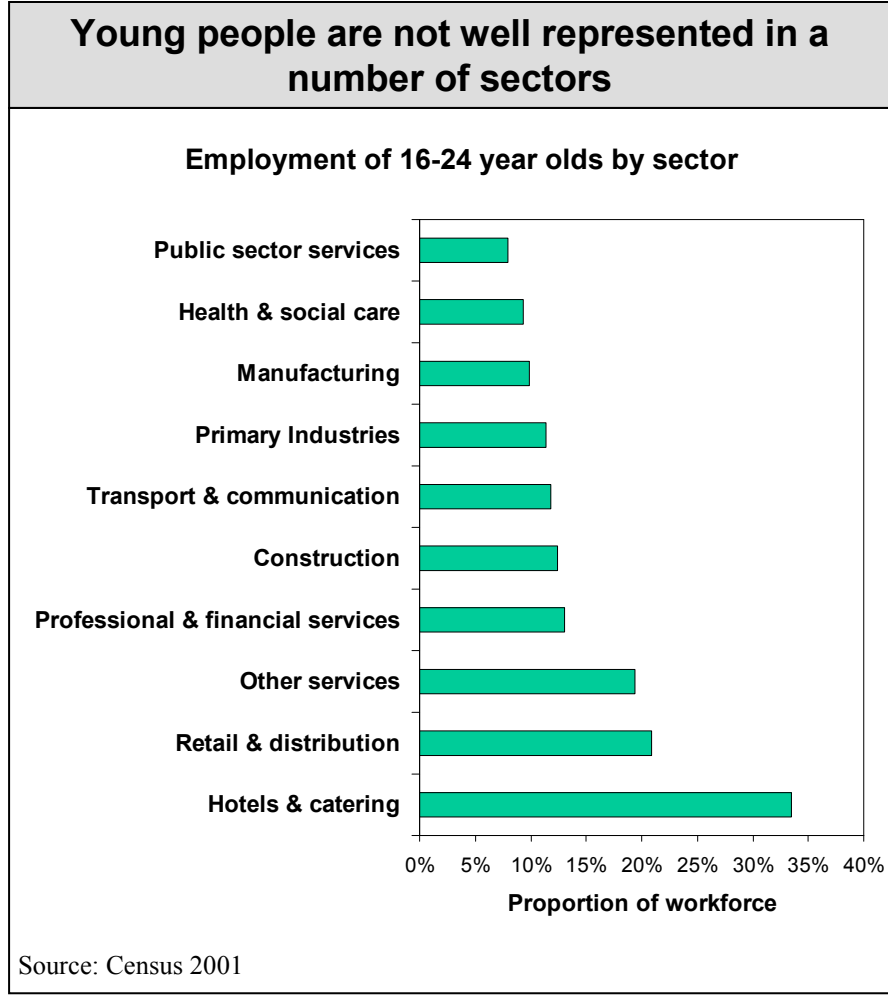
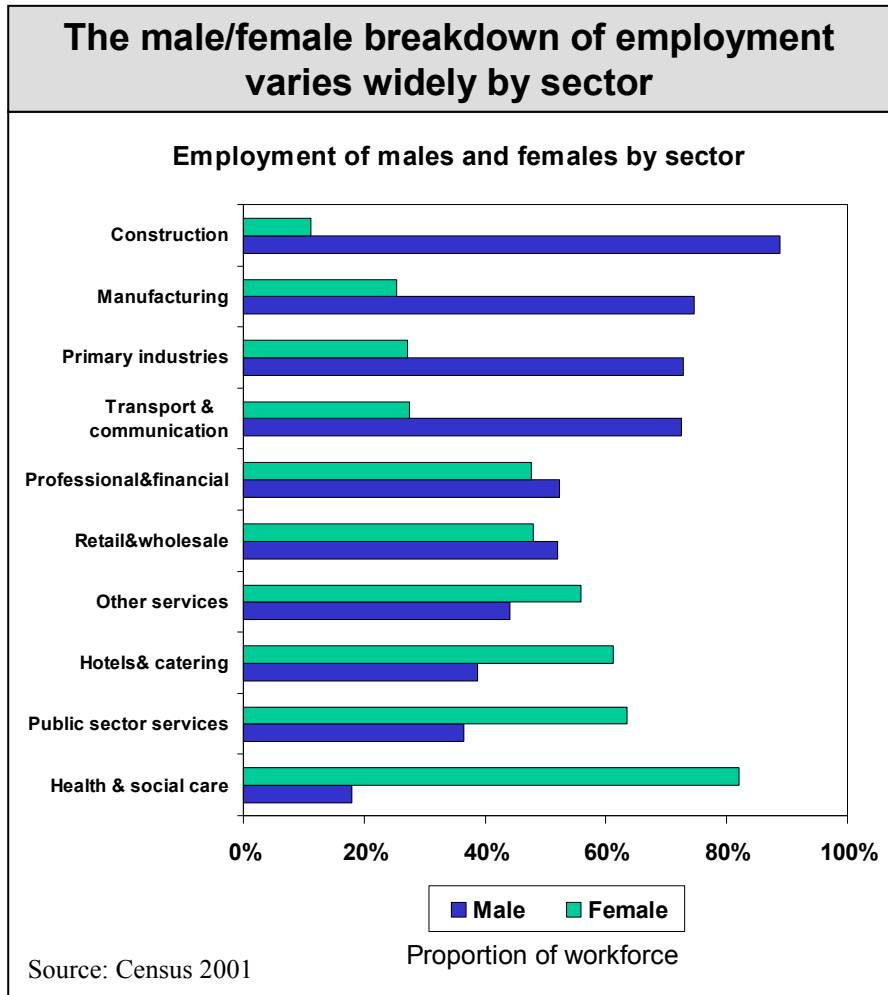
The over fifties account for less than a quarter of staff in five key sectors

Proportion of people aged over fifty in employment by sector 2001



Source: 2001 Census

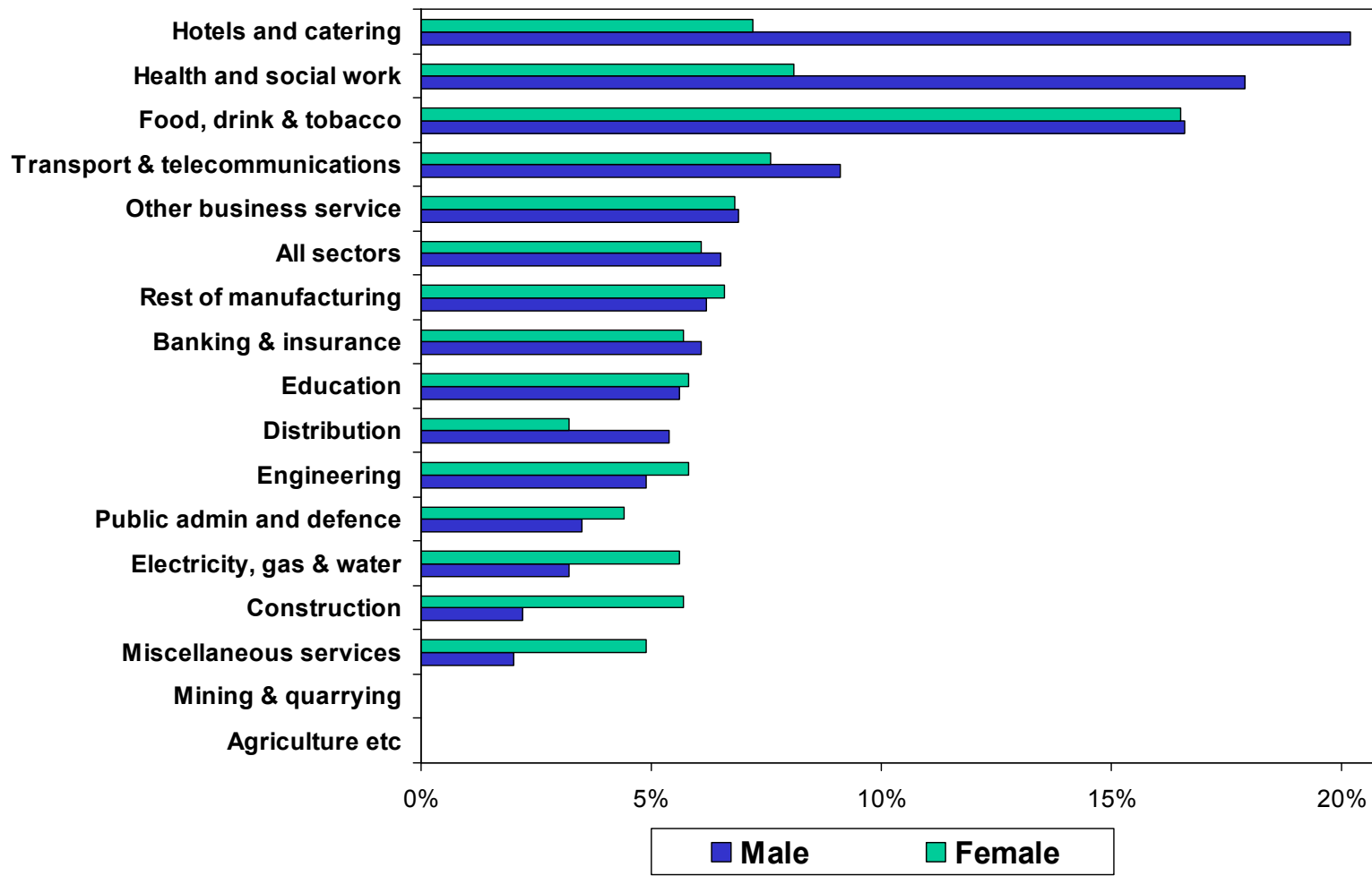
Representation in employment varies by gender, age and sector



Migrant workers are a significant part of the Region's workforce



Proportion of workers in each sector non-UK born by gender, West Midlands 2004

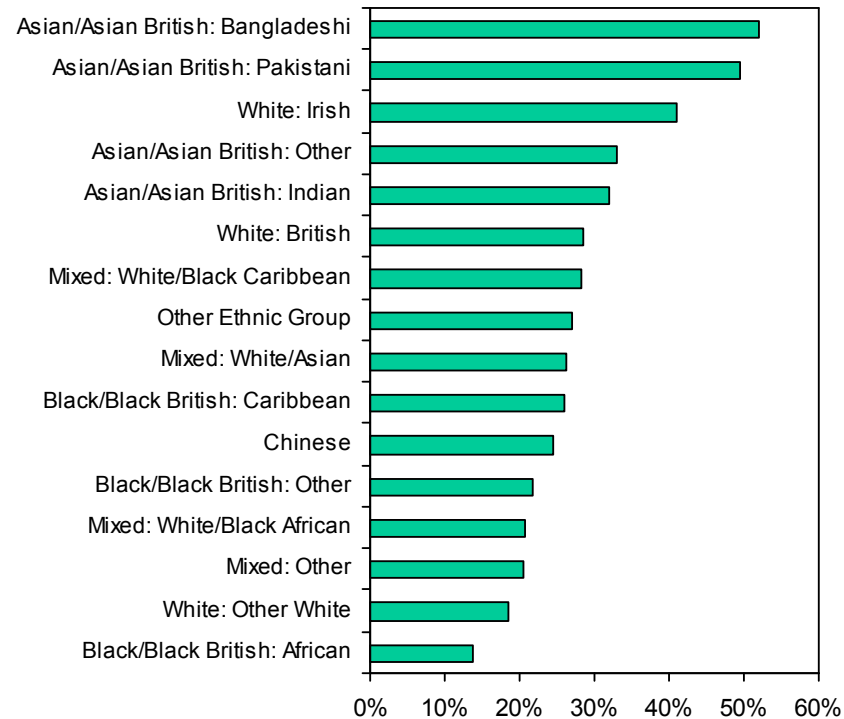


Disadvantaged groups often lack the qualifications required for employment



Half of Pakistani, Bangladeshi and 40% of Irish have no qualifications

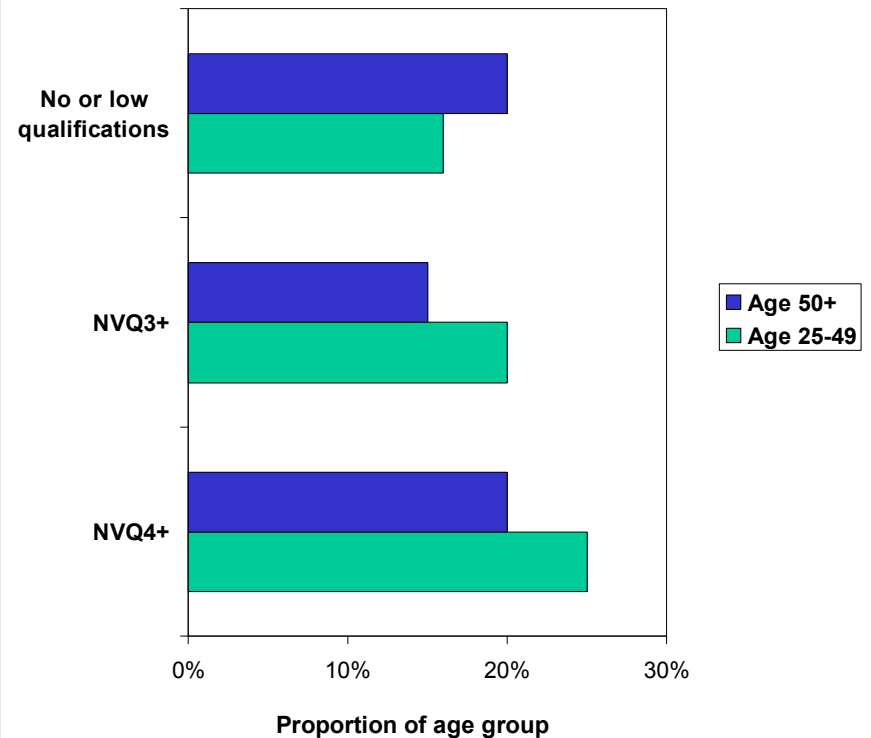
Proportion of the population with no qualifications by ethnicity



Source: Census 2001 **Proportion of population with no qualifications**

Older people are less well qualified than their younger counterparts

Qualification attainment by age

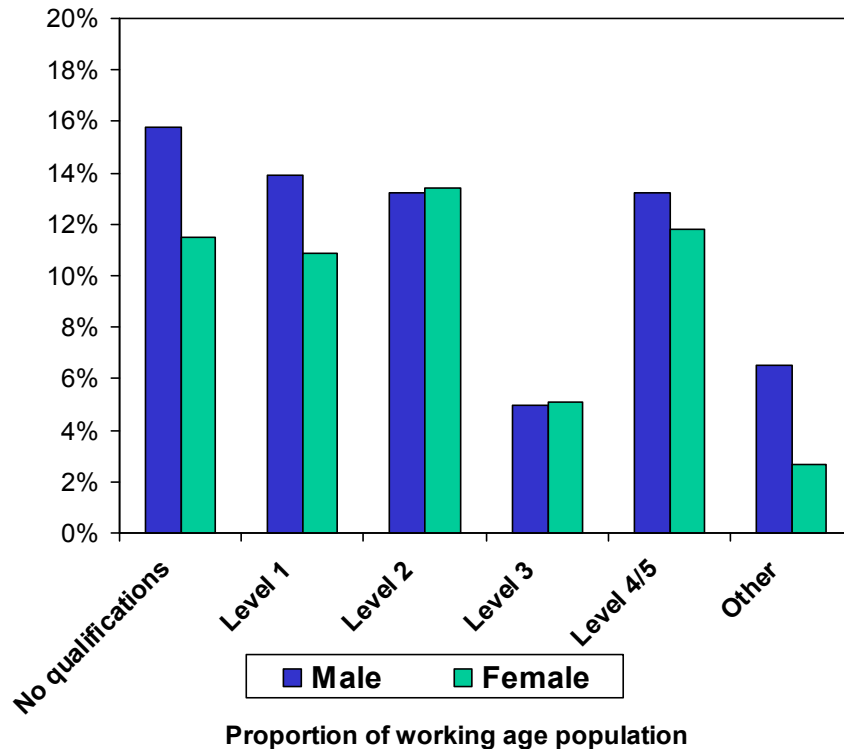


Source: LFS 2004

Women are often well qualified but under-utilised in the workforce

Women less likely to be unqualified than men

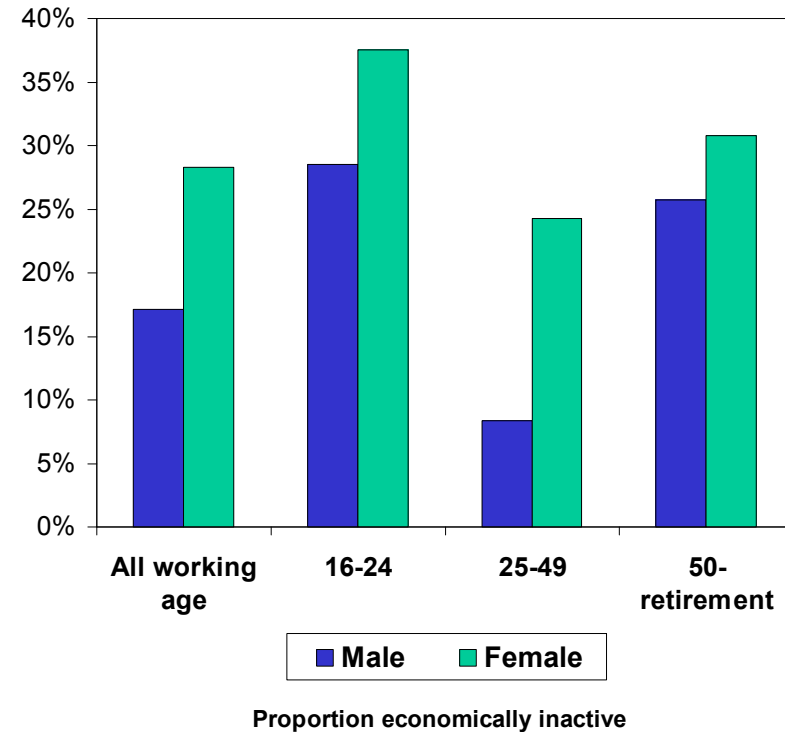
Qualification level by gender



Source: Census 2001

Almost 1 in 3 women economically inactive

Economic inactivity levels of women in the West Midlands by age group

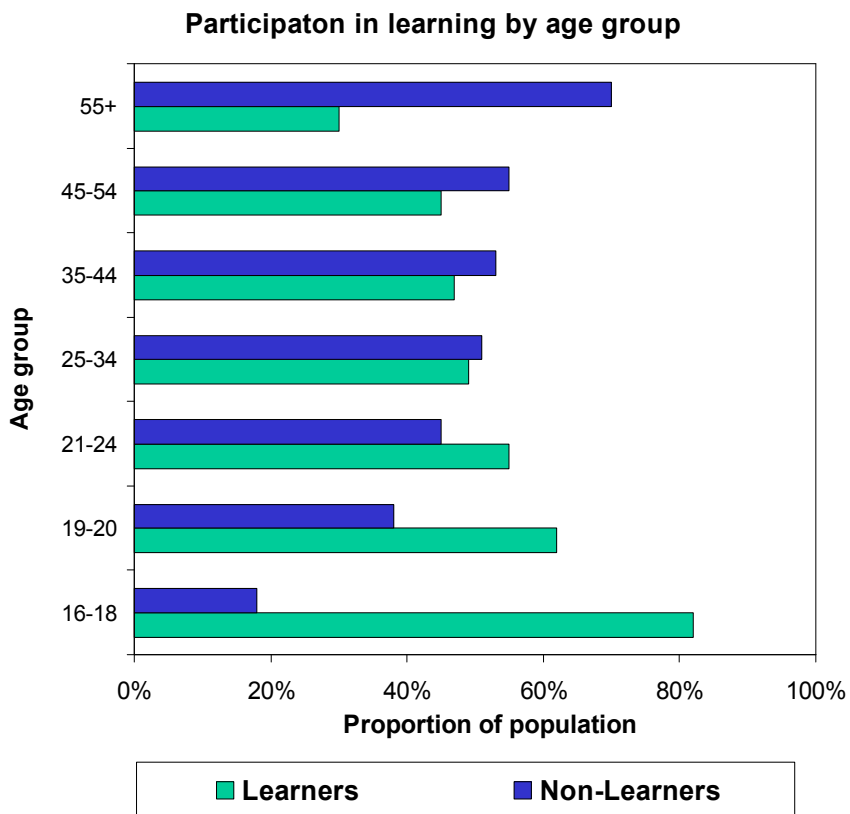


Source: LFS 2004

Older people are less willing learners than their younger counterparts

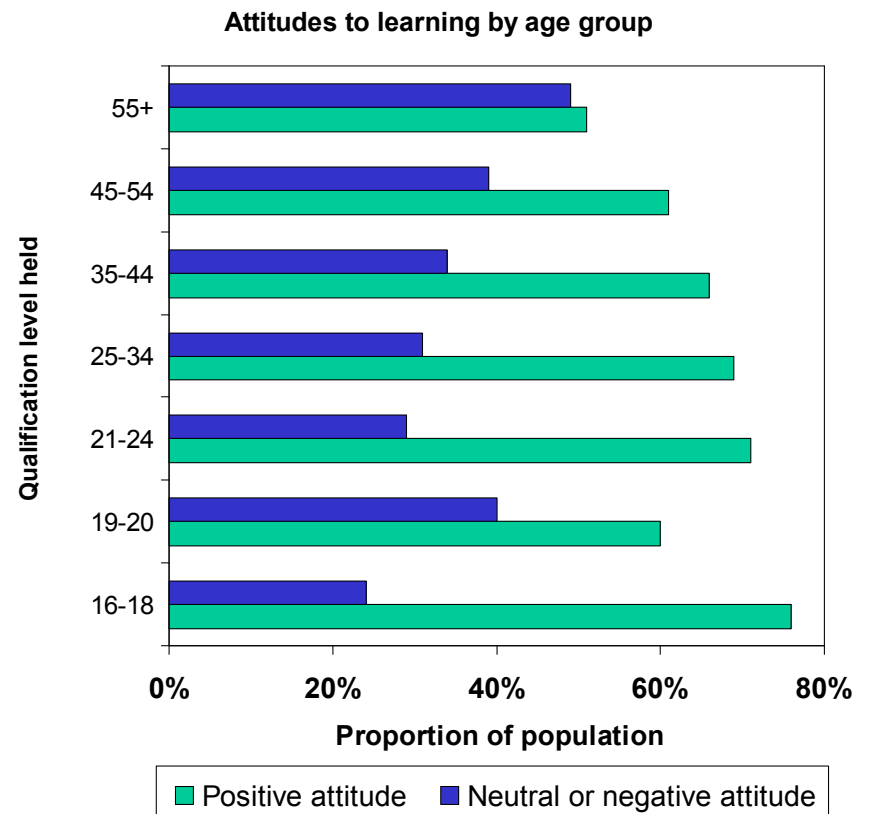


They are less likely to be engaged in learning than their younger counterparts



Source: West Midlands Household Survey 2004

And have a less positive attitude to learning



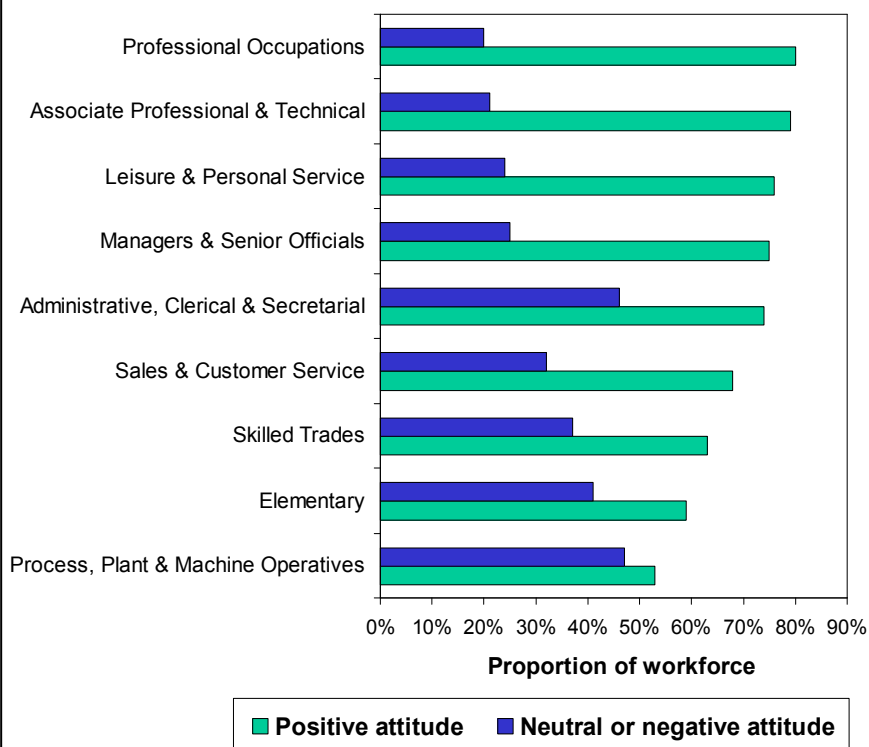
Source: West Midlands Household Survey 2004

Those in most need of training and up-skilling are least likely to understand the benefits



Those in low paid unskilled jobs are least likely to see the benefits of learning

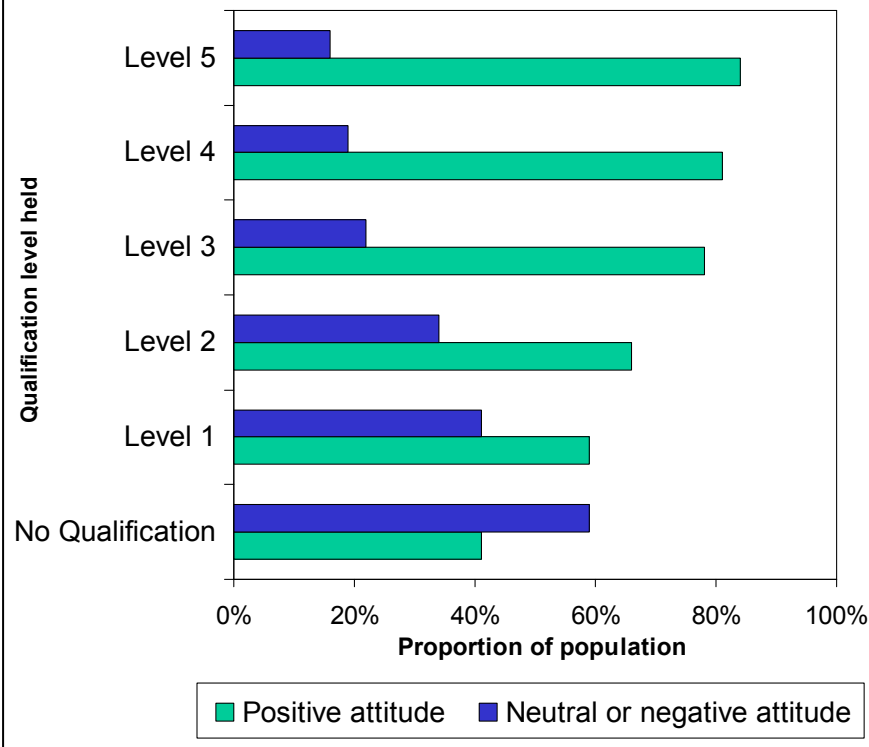
Attitudes to learning by occupation of employment



Source: West Midlands Household Survey 2004

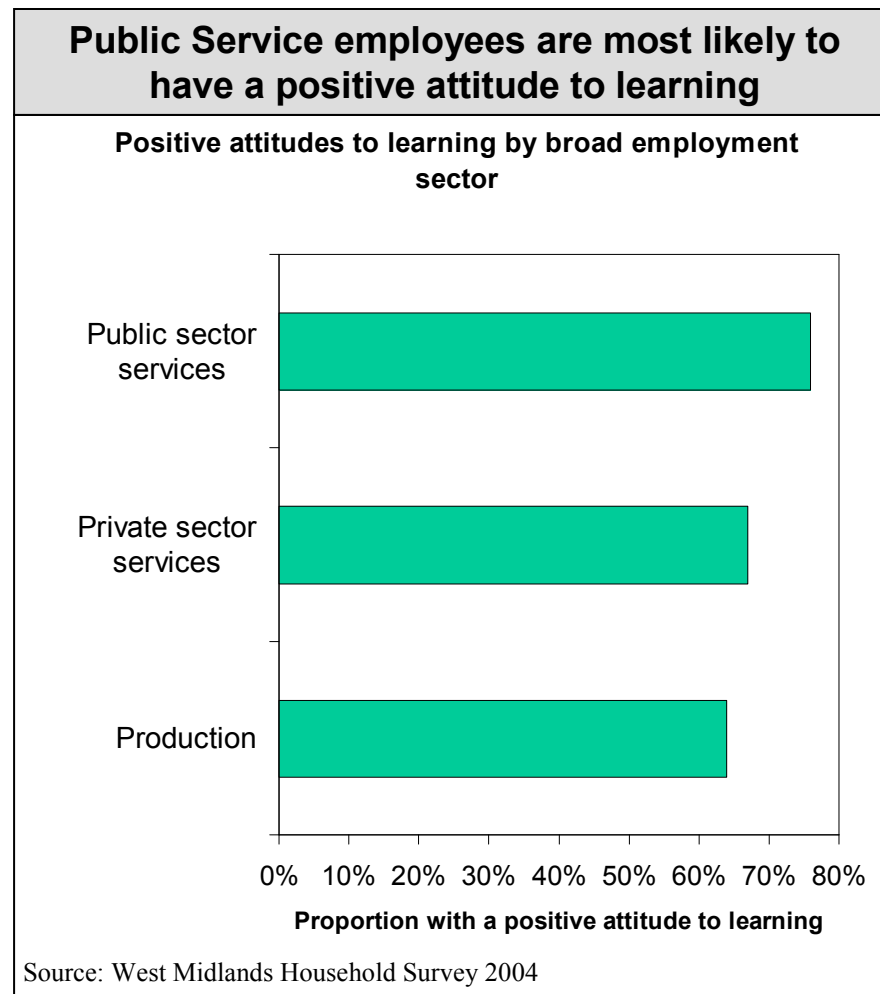
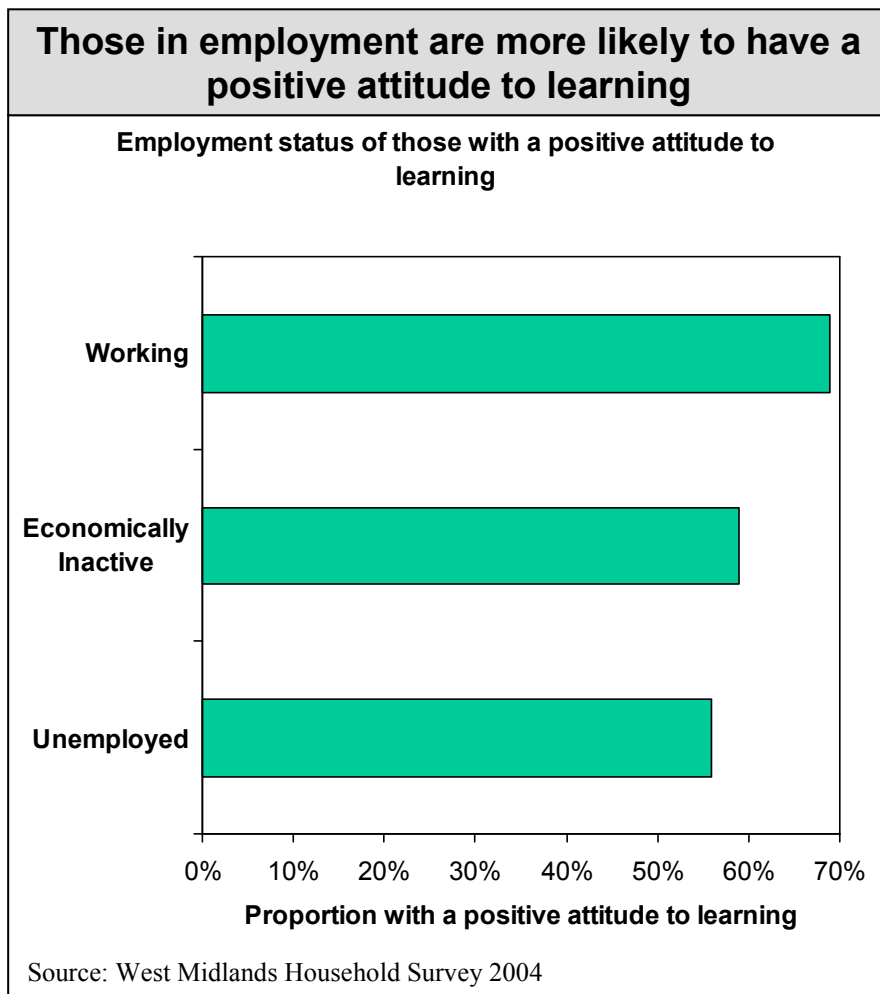
Those with no or low qualifications are least likely to have a positive attitude to learning

Attitudes to learning by qualification level held



Source: West Midlands Household Survey 2004

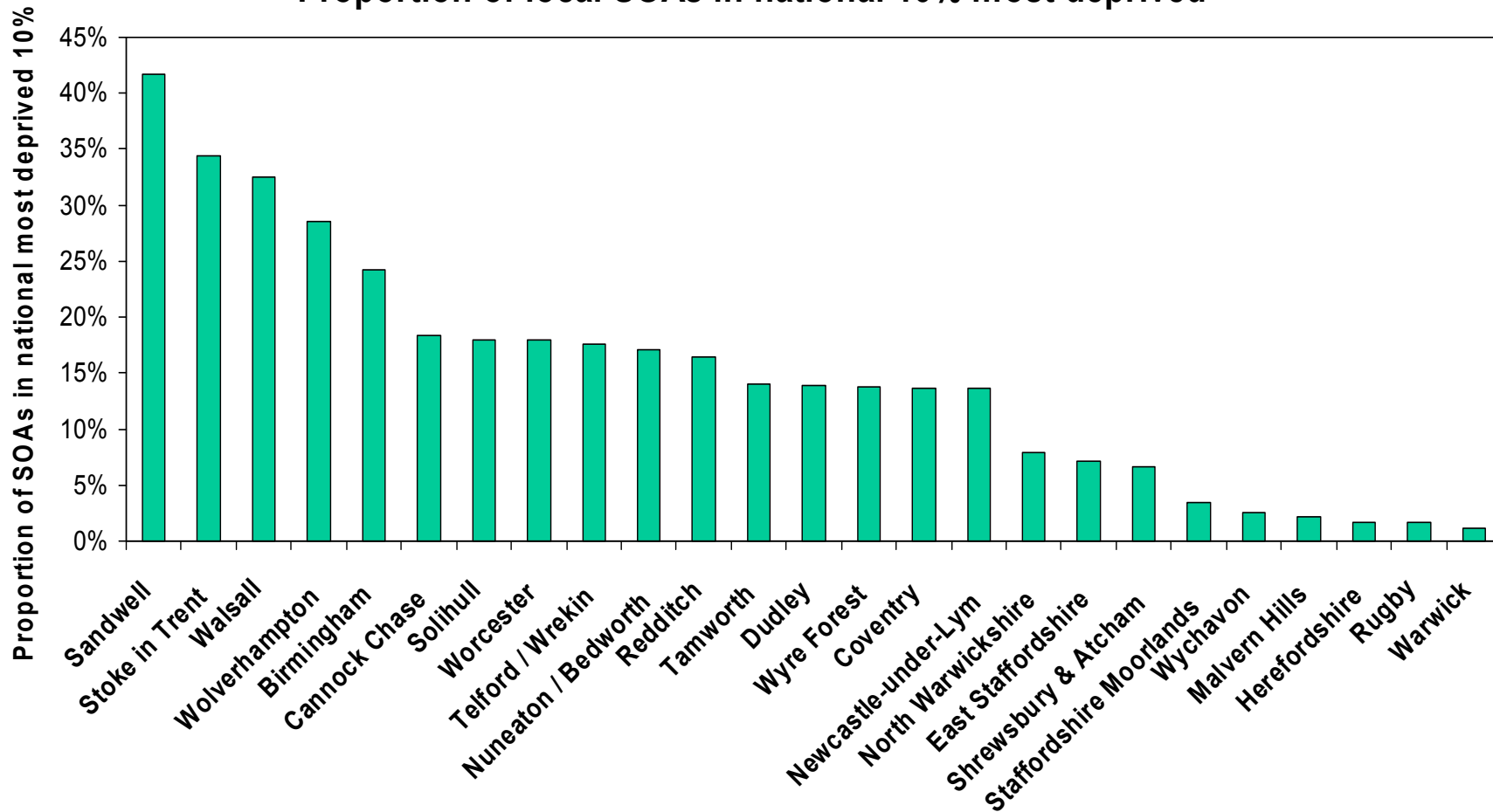
Attitudes to learning vary by sector and employment status



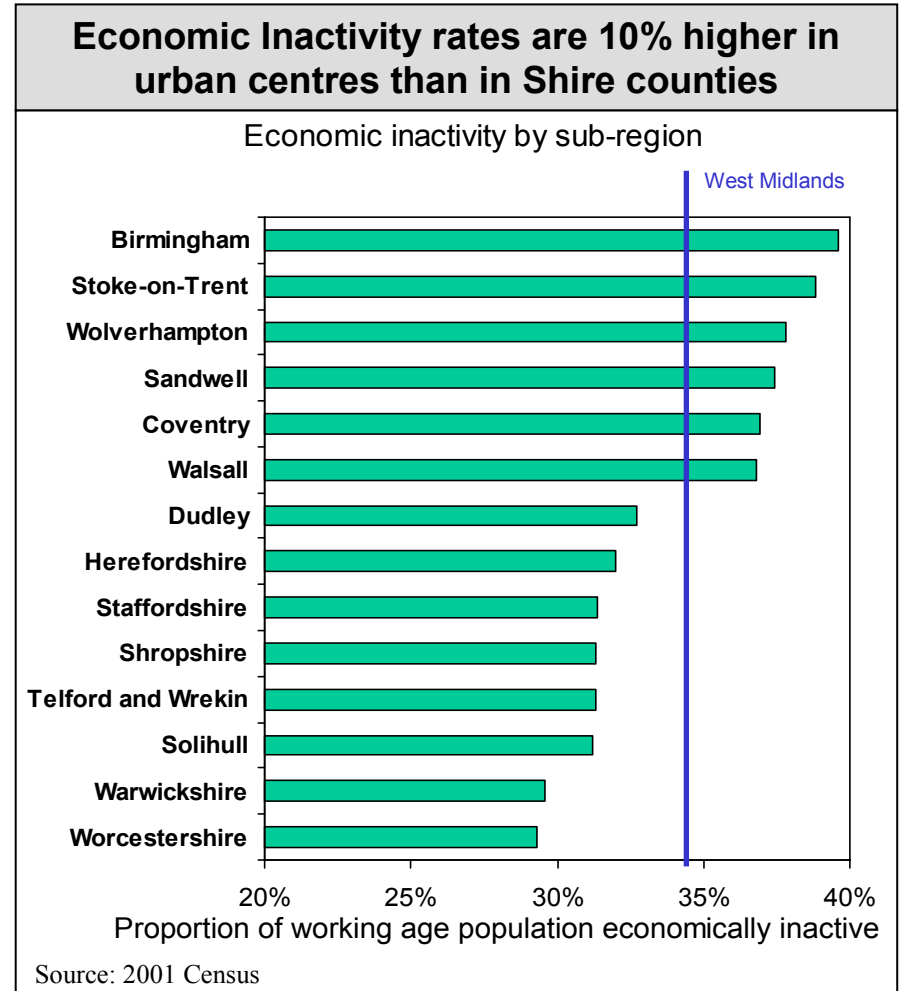
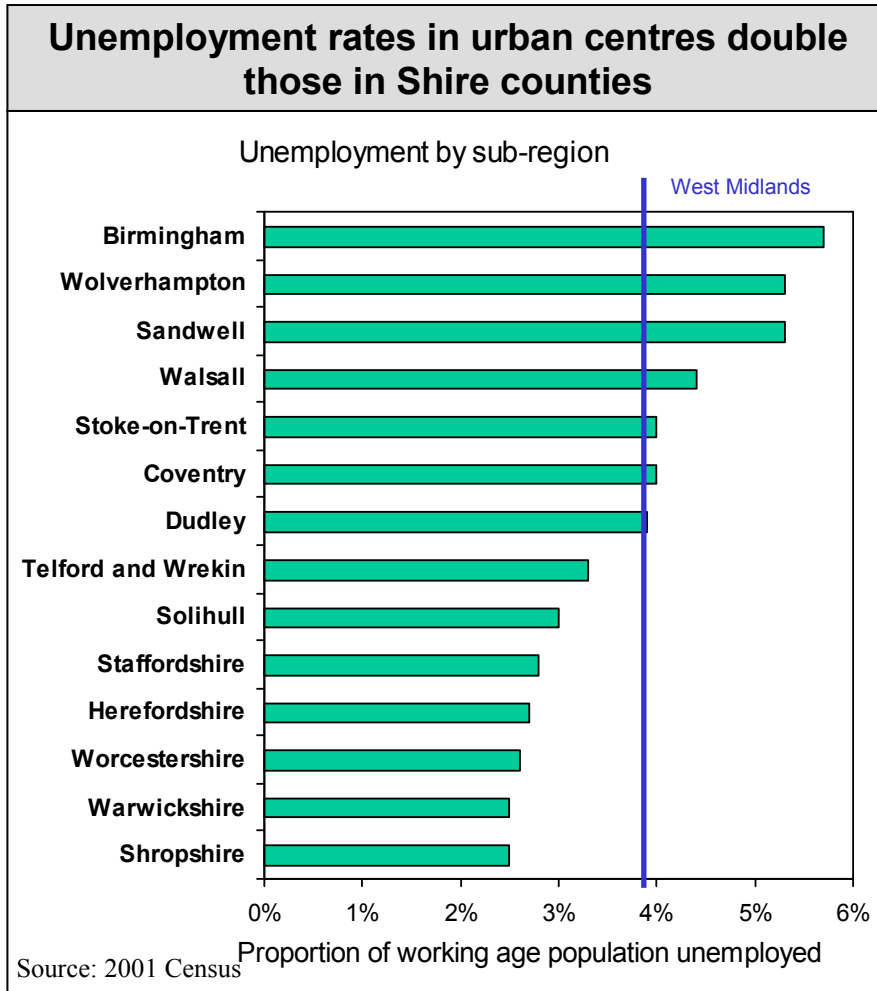
Deprivation is concentrated in the urban core but there are pockets elsewhere



Proportion of local SOAs in national 10% most deprived



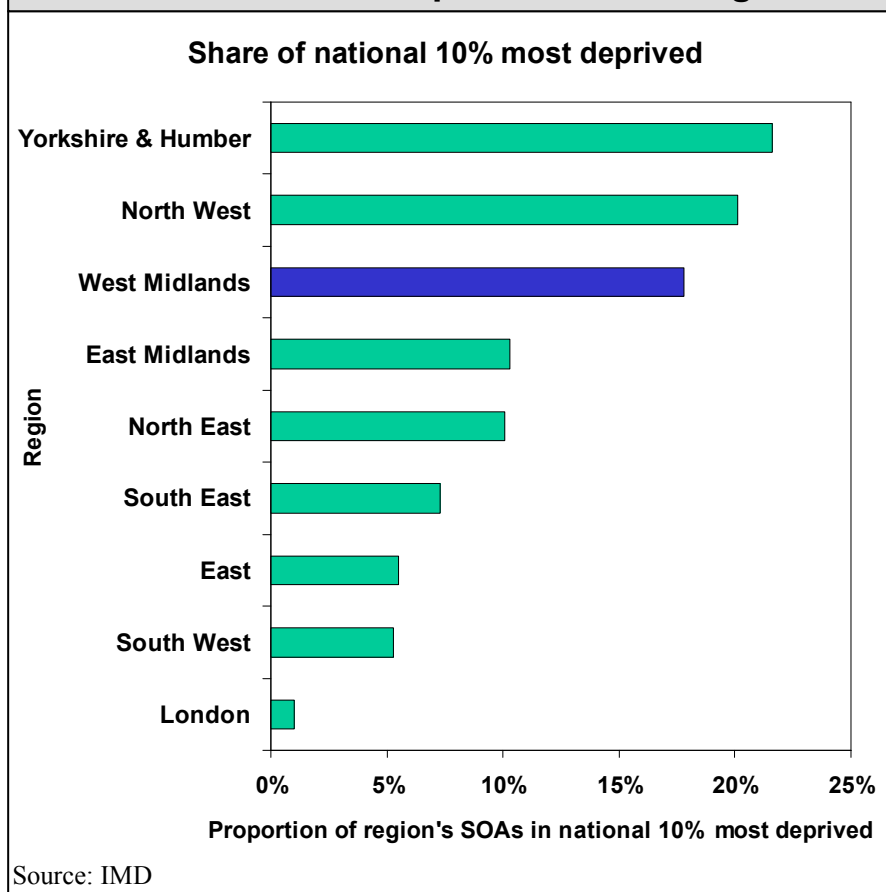
Highest rates of unemployment and economic inactivity are in urban areas



There is significant skills related deprivation in the West Midlands



The Region has the third highest number of SOAs in the most deprived 10% in England



70% of deprived SOAs are in Birmingham & Solihull, the Black Country and Staffordshire

