

# LMI Myth Busters

Have you ever considered that your knowledge of the job market may be out of date or simply wrong?

Have a look at these common perceptions.

## 1. The UK does not make anything anymore!

Wrong: the UK is the ninth largest manufacturing economy in the world and Wales is a big part of that.

**According to the Institute of Mechanical Engineers “*the UK has one of the leanest and most efficient manufacturing sectors in the world*” and accounts for around 12% of the UK’s wealth and 60% of UK exports.**

Source: [EEF and Institute of Mechanical Engineers](http://www.eef.org.uk/NR/rdonlyres/1EC00841-E738-44A3-A837-DFBEC00DF99B/20520/EEF_FactCard_2012.pdf)  
[http://www.eef.org.uk/NR/rdonlyres/1EC00841-E738-44A3-A837-DFBEC00DF99B/20520/EEF\\_FactCard\\_2012.pdf](http://www.eef.org.uk/NR/rdonlyres/1EC00841-E738-44A3-A837-DFBEC00DF99B/20520/EEF_FactCard_2012.pdf)  
[http://www.imeche.org/Libraries/Public\\_Affairs/IMechE\\_Manufacturing\\_2012\\_Final.sflb.ashx](http://www.imeche.org/Libraries/Public_Affairs/IMechE_Manufacturing_2012_Final.sflb.ashx)

## 2. Hardly anyone works in manufacturing anymore!

Wrong: more than one in ten people in employment in Wales work in manufacturing.

**In Wales 10.8% of jobs are in manufacturing. This equates to 153,000 jobs. In the UK as a whole 8.1% of jobs are in manufacturing, equating to around 2,596,000 jobs. In addition, there are many jobs in services which rely on the manufacturing sector to support them. So manufacturing remains a vital part of the Welsh and UK economies.**

Source: [workforce jobs](#), Office for National Statistics

## 3. The UK must have the worst unemployment rate in Europe!

Wrong: the unemployment rate for the UK and Wales is actually lower than the EU average.

**According to figures from Eurostat, the UK’s unemployment rate is 7.7% and 8.6% for Wales\*. This compares with France (10.4%), Italy (11.2%), Spain (26.2%) and an average across the EU (15 countries) of 10.9%.**

Source: [Eurostat and StatWales](#)  
<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=teilm020&tableSelection=1&plugin=1>

\*Note: Unemployment in Wales for Q4 2012, was 8.6% and was 7.7% for the UK (source: StatsWales). The Eurostat figures are almost identical for the UK, so Wales is comparable. All other figures are for November 2012 and come from Eurostat.

<https://statswales.wales.gov.uk/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Unemployment/ILO-Unemployment/ILOUnemploymentRates-by-UKCountry-EnglandRegion-Quarter>

#### **4. There are not as many people in work as there used to be!**

Wrong: there are almost 30 million people in employment in the UK. This is around the highest ever recorded.

**Despite the economic downturn official figures show that the number of people in work is around its highest level than at any time since current records began in 1971.**

Source: Office for National Statistics

<http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/march-2013/index.html>

#### **5. Government cuts mean that there will be no chance of a job in the public sector!**

Wrong: the public sector will need to fill over 1.5 million vacancies in the next five years across the UK.

**It is true that the public sector will continue to reduce its workforce over the next few years and so the total number of people employed in the public sector will fall. However, there is still a need to replace workers who retire and this means that there will be opportunities for new workers to join the public sector too. Indeed, according to the Centre for Economics and Business Research the public sector will need to fill over 1.5 million vacancies in the next five years across the UK. This research has been published in a report called *Bridging the Gap* by the Centre for Economics and Business Research and Totaljobs.com.**

Source: Centre for Economics and Business Research and Totaljobs.com

<http://press.totaljobs.com/release/private-sector-pay-expected-to-exceed-public-sector-by-2016/>

#### **6. Some people say I am wasting my time going to University!**

Wrong: Graduates have better employment prospects and on average graduates do earn more than non-graduates over a working lifetime.

**Up until the 1970s only around 5% or 6% of young people in the UK went to university. However, we now live in an age of mass higher education and there are many more graduates now than there used to be. Graduates do face a tough jobs market because of the economic downturn and increased competition for jobs. However, research from the Warwick Institute for Employment Research highlights that**

**graduates still have better job prospects and can earn higher pay than non-graduates. Once more, the move towards a higher skilled and knowledge based economy means that there are an increasing number of jobs which require graduates.**

Source Warwick Institute for Employment Research

[http://www2.warwick.ac.uk/fac/soc/ier/futuretrack/findings/ft\\_report\\_22\\_11\\_12.pdf](http://www2.warwick.ac.uk/fac/soc/ier/futuretrack/findings/ft_report_22_11_12.pdf)

## **7. We no longer have an Apprenticeship programme in the UK!**

Wrong: the UK still has a successful and growing Apprenticeship programme covering over 1,400 job roles.

**The vast majority of employers that take on apprentices believe that they bring positive benefits including a more motivated, satisfied and productive workforce. Apprenticeships offer a viable alternative to university for many young people and 12% of employers in Wales offer Apprenticeships.\***

Source: The Apprenticeship Service

<http://www.apprenticeships.org.uk/Be-An-Apprentice/The-Basics.aspx>

\*<http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-79-ukces-employer-perspectives-survey-2012-full-report.pdf>

## **8. No one invests in the UK or Wales anymore!**

Wrong: the UK is the number one location in Europe for foreign investment and one in five of all foreign invests in the EU come to the UK.

**The UK has for many years been the number one location in Europe for foreign investment. This helps to create and sustain jobs across the UK, including Wales. Ernst & Young highlight that the USA is the biggest investor in the UK, followed by Germany, India, France and China. In total some 14.6%\* of Welsh private sector employees work for foreign owned businesses, suggesting that Wales has been a major beneficiary of inward investment.**

Source: Ernst & Young

<http://www.ey.com/UK/en/Issues/Business-environment/2012-UK-attractiveness-survey>

\*<http://wales.gov.uk/topics/statistics/headlines/economy2012/121025/>

## **9. The Credit Crunch means there are no jobs in banking and finance anymore!**

Wrong: financial services remain an important part of the UK and Welsh economies.

**Official statistics show that there were 32,000 jobs in Wales were in the financial and insurance activities sector in 2012 quarter 3 – this is up 3,000 from 2010 quarter 3.**

Source: Workforce jobs, Office for National Statistics: [www.w.nomisweb.co.uk](http://www.nomisweb.co.uk)