



ECONOMIC AND SOCIAL MOBILITY

The Role of Business in Improving Outcomes

Citi GPS: Global Perspectives & Solutions

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With thanks to:



ECONOMIC AND SOCIAL MOBILITY

The Role of Business in Improving Outcomes

Andrew Pitt

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Clients Group
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Previous Citi GPS reports have underlined the economic imperative for gender and racial equality.¹ We have shown that delivering greater equality is not only socially and morally the right thing to do, but also smart economically — for governments, corporates, and investors. There is now a growing awareness of the potential that greater economic and social mobility could bring, with some of the most significant initiatives currently taking place in the UK. This report builds on our previous body of work addressing issues of equality by outlining the benefits that a stricter focus on social mobility could yield at multiple levels. In preparing this report, we have conducted a thorough literature review, run a workshop with a panel of experts from academia and research institutes, and conducted a series of in-depth interviews with 24 human resource (HR) leaders and social-mobility champions at firms across industries in the UK.

The basic notion of social mobility is the idea that our background should not determine our success. But occupational class is sticky, especially at the floor and the ceiling, such that children born to parents of a particular occupational class are very likely to end up in that same occupational class themselves. A 2020 report on social mobility from the World Economic Forum (WEF) noted that very few countries have the right conditions to support social mobility.² Instead, inequalities are often entrenched and persist across multiple generations. At a global level, this report — which launched the WEF's Global Social Mobility Index (GSMI) — calls social mobility a “*new economic imperative*” and estimates that the economic growth linked with a 10-point increase in each of the Index countries' GSMI score could add over half a trillion dollars to the global economy. The economics of social mobility have also been established in various geographies with, for example, research from the U.S. looking at the rate of innovation by socioeconomic background; meanwhile, an important analysis of the UK has suggested that through better job matching, improvements in social mobility could drive a 2% annual increase in national GDP.³

We start this report by defining social mobility and surveying the current global literature on the topic, which focuses heavily on a number of advanced economies, and especially on the UK. Social mobility is a complex topic to pin down. In law, it is not a protected characteristic, like gender or race, and it lacks a simple definition. Individuals can experience mobility simply through rising higher in the income distribution than their parents, but mobility can equally come through the quality and status of an individual's occupation as well as through the achievement of a higher level of education. In this report, we focus on the concept of relative mobility — or how individuals progress relative to their parents, while accounting for population-wide increases in income — as the clearest link to equality of opportunity. This concept also seems to be the primary focus of the employers addressing social mobility to whom we have spoken.

¹ See Citi GPS, “[Women in the Economy Series](#)” and Citi GPS, “[Closing the Racial Inequality Gaps](#),” September 1, 2020.

² World Economic Forum, *The Global Social Mobility Report 2020: Equality, Opportunity, and a New Economic Imperative*, January 2020.

³ Alex Bell et al., “Who Becomes an Inventor in America? The Importance of Exposure to Innovation,” CEP Discussion Paper 1519, December 2017; Helen Jenkins et al., “Social Mobility and Economic Success: How Social Mobility Boosts the Economy,” Oxera Consulting for The Sutton Trust, July 2017.

We show that economic mobility is low in the U.S. and Europe and that there could be very significant economic benefits if it were enhanced. As with other measures of “equality,” the Nordic countries stand out as more progressive than the rest of Europe. Almost everywhere, however, women appear less likely to experience social mobility than men. We believe that it is important to take an intersectional approach to the relationship between gender and mobility. Marginalized class and gender positions intersect and often compound each other. We can see this in recent research on pay in top UK jobs, which shows that while there is a class pay gap (those from working-class origins earn less) and a gender pay gap, the pay gap is even wider for working-class women.⁴

For most countries, national averages also obscure a high level of geographical divergence in the rate of economic mobility, something which has become a focus of the so-called “levelling up” agenda in the UK. The U.S. also has very significant variations in intergenerational mobility both between and within regions, while Italy has been shown to have a steep North-South gradient in measures of economic mobility: Rates of mobility in the North of Italy are comparable with Nordic countries, while the least mobile cities in the South are comparable with the least mobile cities in the U.S.⁵

We believe that there is now sufficient evidence of the economic importance for the topic of social mobility to move up the global political agenda. Yet, cultivating the conditions for mobility is not a task only for policymakers: Employers can play a significant role in ensuring fair access to the labor market. The role of employers is the central focus of this report.

The second chapter of this report is an extended case study on the current status of social mobility in the UK and is followed by a third chapter that examines the interventions now being undertaken by a selection of UK employers to promote socioeconomic diversity within their own workforces and, in some cases, more broadly. While many other countries (including China and the U.S.) perform poorly on metrics of social mobility, we have chosen the UK as a case study because the UK has one of the poorest rates of social mobility in the developed world; however, it is also now a country where the data is adequate for an effective analysis and where employers have started to explicitly focus on social mobility as part of their diversity, equity, and inclusion strategies. Our contribution to the existing literature on the UK is to reveal the role that UK-based employers are now playing in improving social mobility, their motivations for addressing this issue, the challenges that they are facing in doing so, and the support that they need to go further and faster.

We find that employers are largely focused on early career access to the labor market for young people, reflecting a wider ecosystem interest in intergenerational mobility. Employers are delivering a wide range of interventions, which broadly fall into three categories:

- Philanthropic programs that are largely unconnected to the recruitment process.
- Organized schemes for applicants from lower socioeconomic backgrounds.

⁴ Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged*, (Bristol: Bristol University Press, 2019).

⁵ Paolo Acciari, Alberto Polo, and Giovanni L. Violante, “And Yet It Moves: Intergenerational Mobility in Italy,” *American Economic Journal*, Vol. 14, No. 3, July 2022.

- System change, including culture change, to facilitate interaction with an organization regardless of socioeconomic background.

Employers face multiple challenges to improving social mobility, but two appear particularly common: data challenges (which we discuss more broadly throughout this report), and attitudinal difficulties in convincing management and staff that social mobility is a worthy issue. However, even if employers are not convinced of the benefits of trying to recruit and retain a more socioeconomically diverse workforce, we show in this report that an approach to diversity that is grounded in social mobility can better support existing race and gender goals.

As Dr. Eve Worth notes in her interview in this report, “*social mobility is about not simply getting your foot in the door, but what happens once you are there.*” We must view social mobility as an ongoing process, and this matters even more for women than men because their lives are generally less linear than men’s, with more moments of precarity. As employers bring socially mobile employees, and particularly women, into their workforce, it is not enough to look only at the entry-level. Plans to support these employees should take a longer-term view.

In general, a greater focus on social mobility as a corporate recruitment and business strategy can improve diversity of thought and its impact on management and innovation. For businesses in many sectors, a social mobility strategy can also create the advantage of building an employee base that reflects an employer’s client and customer base, increases staff engagement, and improves the supply of talent. We also detect that employers are seeing increased pressure to act on social mobility from certain clients and their supply chains, from groups of their own employees, and from investors as part of the “S” in the ESG (environmental, social, and governance) framework.

In this report, we have focused on a case study of social mobility in the UK, but there is need to address social mobility far beyond the UK, and most of the findings within this report are globally applicable. Moreover, since many employers acting on social mobility have a global workforce, there is a particular need to understand what social mobility means globally.




By aggregating insights from interviews with UK employers, we hope that this report will begin to facilitate collective learning among those who have already begun to improve the socioeconomic diversity of their workforce and that it will ignite interest in those who are yet to focus on this issue. The final chapter of this report builds on the analysis of the previous chapters to conclude with recommendations for both employers and policymakers to elevate the profile of social mobility. This report is thus also a resource for the public sector in considering how to support and incentivize employers to contribute to unlocking the economic benefits of improved social mobility.

We would like to thank the many experts and employers who have supported the production of this report. The report includes extracts from a number of interviews with experts dispersed throughout the text. We plan to continue the conversation on social mobility by organizing roundtables and events for practitioners across industries to gather and share their insights.

LIFTING THE NEXT GENERATION UP

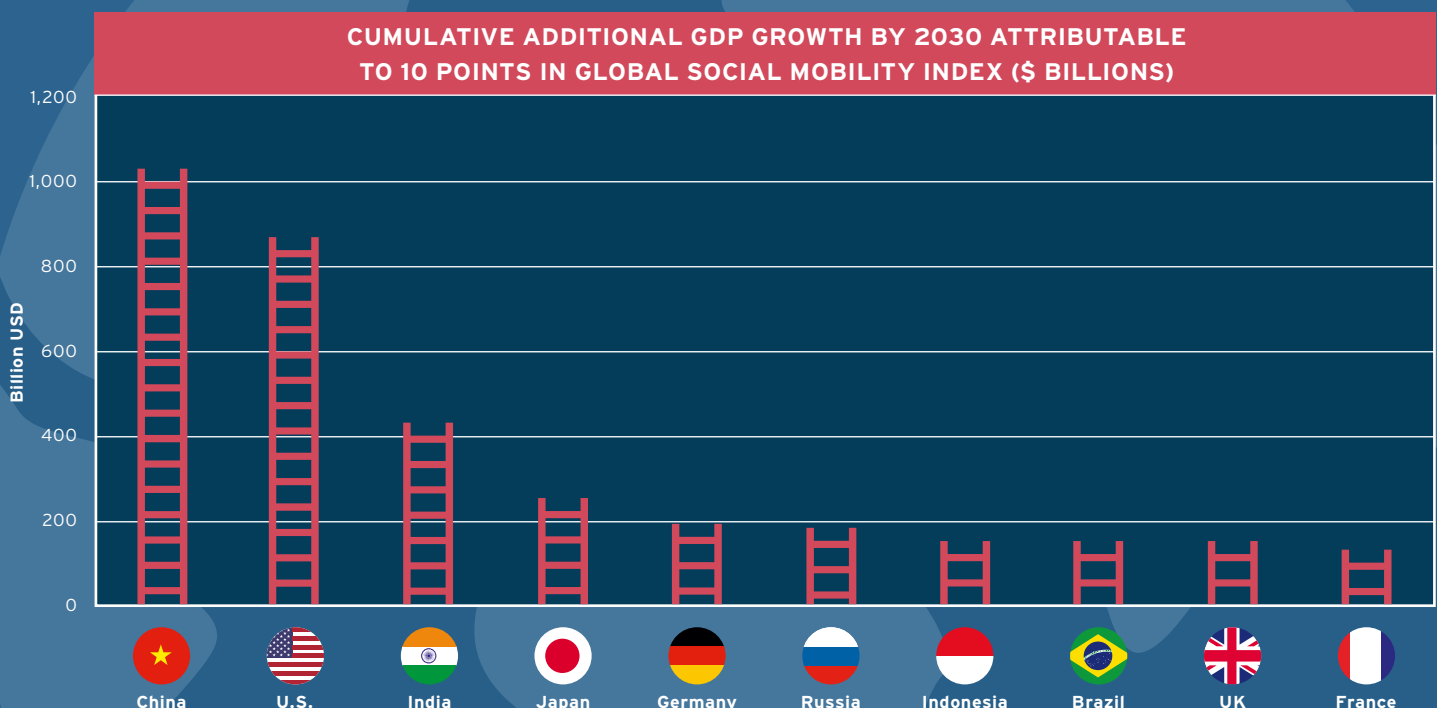
INTERGENERATIONAL SOCIAL MOBILITY

Intergenerational social mobility – the extent to which an individual's socioeconomic status persists over time – can be a factor of economic mobility (income and wealth), position in the occupational structure, or level of education. It can also be absolute or relative.

	ABSOLUTE SOCIAL MOBILITY	RELATIVE SOCIAL MOBILITY
 ECONOMIC MOBILITY	An individual earns more than their parents did.	An individual is higher in the income distribution than their parents were, i.e., accounting for population-wide increases in income.
 OCCUPATIONAL MOBILITY	An individual has a higher class of job than their parents did.	An individual has a higher class of job compared with their cohort than their parents did compared with their own cohort, i.e., accounting for changes in the occupational structure.
 EDUCATIONAL MOBILITY	An individual achieves a higher level of education than their parents did.	An individual achieves a higher level of education compared with their cohort than their parents did compared with their own cohort, i.e., accounting for population-wide increases in educational achievement.

ECONOMIC POTENTIAL OF IMPROVING INTERGENERATIONAL SOCIAL MOBILITY

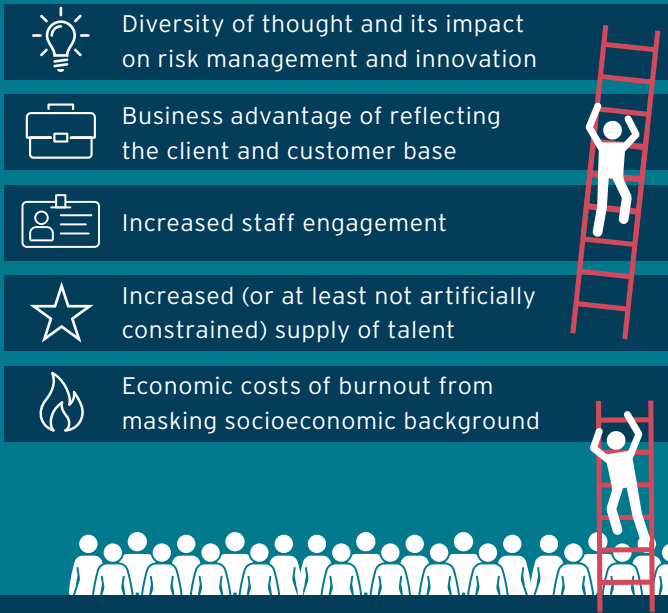
Social mobility is a challenge across many countries. From an economic view, the World Economic Forum found \$514 billion could be added to the global economy if the countries in their study increased rankings in the Global Social Mobility Index by 10 points. In addition to the moral and business case, arguments for focusing on social mobility at both the national and global levels include that (1) poor prospects for social mobility weigh on economic growth, and (2) social immobility risks political unrest and undermines social cohesion.



COMPLEX MOTIVATIONS FOR EMPLOYERS TO ACT ON SOCIAL MOBILITY

In interviews with UK corporate HR leaders and in-business champions for social mobility, a “moral” motivation to improve social mobility dominated. However, when asked, all employers saw a business benefit to increasing social mobility. The reasons employers cited for acting on social mobility fell into two groups: direct economic factors and ecosystem development.

DIRECT ECONOMIC FACTORS

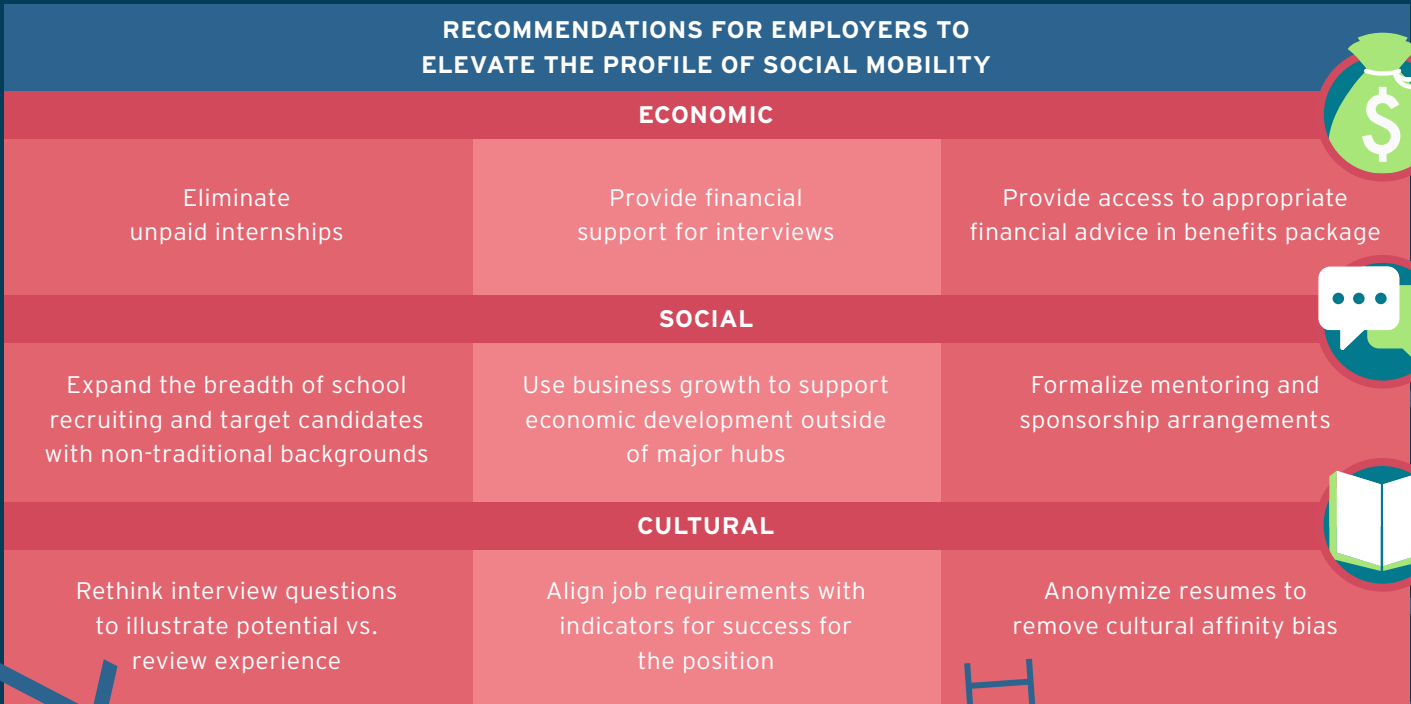


ECOSYSTEM DEVELOPMENT



CATALYZING SOCIAL MOBILITY THROUGH EMPLOYERS

Although education is often tasked with improving social mobility, employers play a significant role in solving the social mobility challenge. Employers are delivering a wide range of interventions – philanthropic programs, organized schemes for applicants from lower socioeconomic backgrounds, and system change to facilitate interaction with an organization regardless of socioeconomic background. Employers can further mitigate the impact of a lack of economic, social, and cultural capital.



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Understanding Social Mobility and Its Landscape

Social mobility is the idea of the American Dream: that opportunity should be afforded to each of us in accordance not with our background but with our ability. In other words, our chances to succeed should be determined not by the circumstances of our birth but by our own efforts. As the World Economic Forum puts it: “economies with greater social mobility provide [...] an equal and meritocratic footing irrespective of socio-economic background, geographic location, gender or origin.”⁶ While many aim for this, in most countries, mobility remains a challenge, and where you come from does significantly impact your lifetime outcomes. In this chapter, we define social mobility and review the global landscape.

Social Mobility or Social Mobilities: Defining the Concept

The term “social mobility” can refer to many things. At the broadest level, we understand it as the extent to which an individual’s socioeconomic status persists over time. This idea of socioeconomic status can be unpacked to unravel different types of mobility, each with a varying focus on the persistence of income and wealth, position in the occupational structure, or level of education.

Within each of these, mobility can be either relative or absolute. For example, an individual can earn more than their parents (absolute mobility) while remaining at the same position in the income distribution that their parents were (relative immobility). Lee Elliot Major and Stephen Machin illustrate this distinction with a metaphor supposing that a country’s population is walking across the desert. An increase in absolute mobility means that everyone reaches their destination more quickly, but in the same order as they set off. An increase in relative mobility sees those at the rear overtaking the people in front of them, changing the order between the beginning and end of the hike.⁷ Combined, these two distinctions produce six types of social mobility (Figure 1).

Figure 1. Types of Intergenerational Social Mobility

	Absolute Social Mobility	Relative Social Mobility
Economic Mobility	An individual earns more than their parents did.	An individual is higher in the income distribution than their parents were (i.e., accounting for population-wide increases in income).
Occupational Mobility	An individual has a higher class of job than their parents did.	An individual has a higher class of job compared with their cohort than their parents did compared with their own cohort (i.e., accounting for changes in the occupational structure).
Educational Mobility	An individual achieves a higher level of education than their parents did.	An individual achieves a higher level of education compared with their cohort than their parents did compared with their own cohort (i.e., accounting for population-wide increases in educational achievement).

Source: Citi GPS

⁶ World Economic Forum, *The Global Social Mobility Report 2020: Equality, Opportunity, and a New Economic Imperative*, January 2020.

⁷ Lee Elliot Major and Stephen Machin, *Social Mobility and its Enemies*, (Penguin UK, 2018).

The mobilities summarized in Figure 1 are all intergenerational, i.e., they describe mobility between generations of a family, or the opportunity for an individual to do better than their parents. A related but distinct issue is intragenerational mobility, or mobility within a generation, which concerns whether individuals who start their career in the lowest or lower income groups remain there. This is closely tied to persistent poverty and the difficulty of moving both into any work, and into work that might bring better pay and conditions. This report echoes the focus of the business community (as discussed in the section, “How Are UK Employers Improving Social Mobility”) on relative intergenerational mobility.

Why Social Mobility Matters: The Consequences of Immobility

Social mobility is an idea with broad appeal. In the 21st century, very few have objected to the notions of meritocracy and equal access to opportunities that the concept implies.⁸ Moreover, setting aside both the moral case and the business case (see section, “How Are UK Employers Improving Social Mobility”), there are two arguments for a focus on social mobility at both the national and global levels:

1. Poor prospects for social mobility weigh on economic growth.
2. Social immobility risks political unrest and undermines social cohesion.

Supporting the first argument, a WEF index produced in 2020 suggests that if the 82 countries in their report were to increase their index ranking by 10 points, \$514 billion could be added to the global economy.⁹ In other words, there is a macroeconomic case for supporting social mobility. Figure 2 shows the top 10 countries that stand to see the greatest add to GDP in absolute terms. These include China, the U.S., and the UK.

Notably, China ranks at the top of this list, with the greatest potential increase in productivity from improvements in its Global Social Mobility Index score. Part of this may be because it is a middle-income country. The relative add as a share of GDP is greatest in middle-income countries, though this may be because the metric includes broader indicators of development, like the share of the population not in education, employment, or training, the consequences of which would be broader than just increased mobility. This may partly account for China's position in the absolute-terms ranking, too. In this report, we focus on high-income countries, where economic and social mobility — as distinct from broader questions of development — play a more prominent role.

⁸ For an objection to the concept of meritocracy, see Michael J. Sandel, *The Tyranny of Merit: What's Become of the Common Good?* (Allen Lane, 2020). And for broader questioning of the normative status of social mobility, see Diane Reay, “The Working Classes and Higher Education: Meritocratic Fallacies of Upward Mobility in the United Kingdom,” *European Journal of Education*, Vol. 56, No. 1, March 2021.

⁹ World Economic Forum, *The Global Social Mobility Report: Equality, Opportunity, and the New Economic Imperative*, January 2020.

Figure 2. Cumulative Additional GDP to 2030 Attributable to +10 points Movement in WEF Global Social Mobility Index



Note: Selected countries only.

Source: Citi GPS, World Economic Forum

The explanation for a link between economic output and social mobility is contested, however. It could be:

- **Job matching:** When societies are socially mobile, individuals move into roles that are the best match for their skills or personality rather than merely what the circumstances of their birth determine. One study of the UK suggests that improved job matching could add 2% to national GDP.¹⁰
- **Innovation:** According to one analysis of the U.S., unlocking the lost potential of children from lower-income backgrounds who would go on to develop high-impact innovations if the circumstances of their birth were different, or “lost Einsteins” as the paper calls them, could drive a fourfold increase in the rate of innovation.¹¹ This has consequences for growth.

Supporting the second argument, on social cohesion, the WEF describes how poor mobility is accompanied by “a growing sense of unfairness, precarity, perceived loss of identity and dignity, weakening social fabric, eroding trust in institutions, disenchantment with political processes, and an erosion of the social contract.”¹² It has also recently been shown that poor mobility, or a sense that opportunity is not equally distributed, correlates with measures of populism.¹³ In other words, social mobility is a pre-requisite of social cohesion and trust in governments. Although this is a non-economic argument, things like a weakened social fabric or low trust in institutions, and the other things the WEF names as consequences of poor mobility, clearly have economic consequences.

¹⁰ Helen Jenkins et al., “Social Mobility and Economic Success: How Social Mobility Boosts the Economy,” Oxera Consulting for The Sutton Trust, July 2017.

¹¹ Alex Bell et al., “Who Becomes an Inventor in America? The Importance of Exposure to Innovation,” CEP Discussion Paper 1519, December 2017.

¹² World Economic Forum, “The Global Social Mobility Report: Equality, Opportunity, and the New Economic Imperative,” January 2022.

¹³ Eric Protzer and Paul Summerville, *Reclaiming Populism* (Polity Press, 2022).

Finally, there is a notable correlation between income inequality and social mobility. While the two are sometimes presented in opposition to one another — for example, social mobility is sometimes used to justify high inequality within a country — in practice, greater equality often accompanies increases in social mobility. (see Box 1) This opens the door to a wider range of arguments for mobility: If a country wants to decrease inequality, it can start by improving mobility.

Box 1: Mobility and Inequality: Twin Concepts, Distinct Challenges

Social mobility focuses on those moving up the social ladder but, by definition, someone must be at the bottom — whether those people are always the same or changing. By focusing on the opportunity to move up, we risk ignoring the difficulties faced by those that remain at or fall to the bottom. Underlining this, the author Kerry Hudson describes her upward mobility as an “escape”:

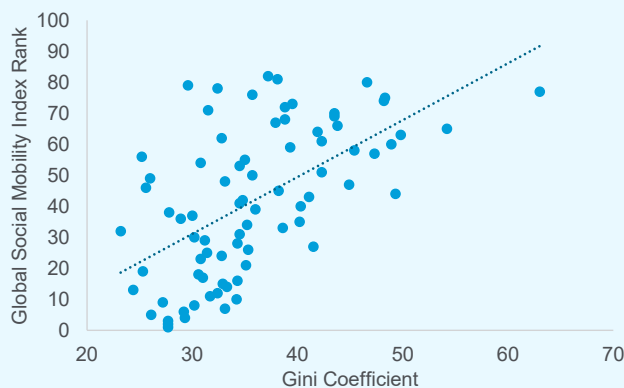
“ Shall we start with a happy ending? I made it. I rose. I escaped poverty. I escaped bad food because that’s all you can afford. [...] I probably escaped the early mortality rates and preventable diseases — we’ll see. I escaped obesity. I escaped the higher rate of domestic abuse. [...] I escaped hopelessness. ”

— KERRY HUDSON, *LOWBORN: GROWING UP, GETTING AWAY, AND RETURNING TO BRITAIN'S POOREST TOWNS*, 2019

Hudson’s book describes her return to the communities left behind, which suffer poverty, early mortality, preventable diseases, obesity — and many other disadvantages. Relative mobility does not eradicate poverty; it merely changes who experiences it. We must therefore be clear that improving social mobility is not an alternative to reducing inequality and addressing other societal challenges.¹⁴

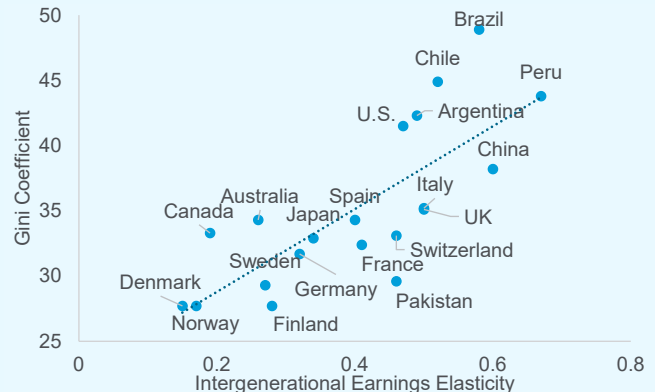
Yet, while inequality and social mobility are conceptually distinct, in practice, they are closely related and often move in tandem. Figure 3 shows the positive correlation between the World Bank’s Gini coefficient (where a higher number indicates greater inequality) and the World Economic Forum’s Global Social Mobility Index or GSMI (where a higher number indicates less social mobility). Less equal societies have poorer social mobility. This is a variant of the “Great Gatsby Curve” described by Alan Krueger, which shows a relationship between income equality and economic mobility.¹⁵ (see Figure 4)

Figure 3. Gini Index vs. GSMI



Source: World Economic Forum (2020), World Bank (2022)

Figure 4. "The Great Gatsby Curve"



Source: Corak (2016), World Bank (2022)

¹⁴ The Citi GPS series has looked at both income inequality and poverty previously — see Citi GPS, [Inequality and Prosperity in the Industrialized World](#), September 2017 and Citi GPS, [Eliminating Poverty](#), February 2022.

¹⁵ Alan B. Krueger, “[The Rise and Consequences of Inequality in the United States](#),” Council of Economic Advisors, January 12, 2012.

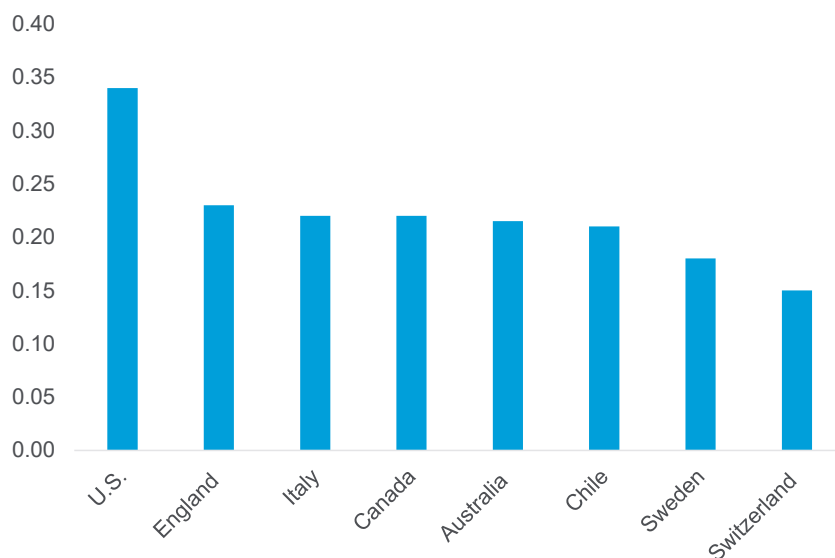
Some countries stand out to illustrate this correlation. Denmark and Norway rank first and second, respectively, in the WEF's GSML metrics and have the lowest persistence of earnings across generations. They also have low levels of inequality and strong social protection policies in addition to ranking favorably by Gini score.¹⁶

Relative Economic Mobility Is Low in Europe and the U.S.

With these clarifications of the concepts involved, we can now turn to the global landscape of social mobility. Let us begin with relative economic mobility, i.e., the opportunity for an individual to move up the income distribution compared with their parents' rank. One measurement of relative economic mobility is "rank-rank slope" (RRS), which evaluates "*the extent of re-ranking between generations*," i.e., the link between an individual's rank in the earnings distribution and that of their children.¹⁷ A lower number indicates a society with more mobility.¹⁸

The global picture of relative economic mobility on this metric is mixed. The U.S. figure is 0.34, meaning that if an individual is 10 percentiles higher in the income distribution than another, the child of the higher-ranking individual will be 3.4 percentiles higher in the income distribution of their own cohort than the child of the lower-ranking individual. At the other end of the spectrum, the figure for Switzerland is less than half of this at 0.15, indicating that there is more relative economic mobility in Switzerland than there is in the U.S. Many countries fall in between. (see Figure 5)

Figure 5. Rank-Rank Slope



Note: Countries represented are based on data availability.

Source: Citi GPS, U.S.: Chetty et al. 2014; Italy: Acciari et al. 2019; Canada: Connolly et al. 2019; England: van der Evre et al. 2022; Sweden: Heidrich 2017; Switzerland: Grassi and Chuard, 2020.

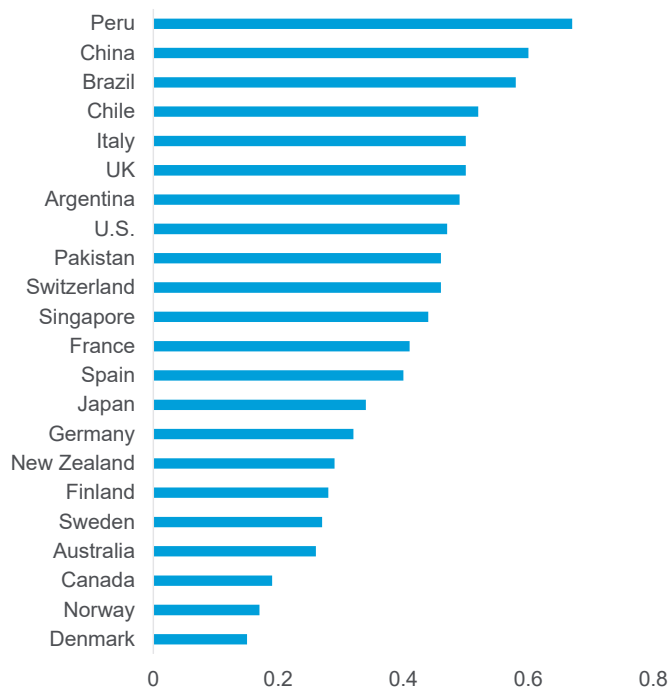
¹⁶ World Economic Forum, "The Global Social Mobility Report: Equality, Opportunity, and the New Economic Imperative," January 2022.

¹⁷ Laura van der Evre et al., "Intergenerational Income Persistence: Evidence for the UK," *Institute for Fiscal Studies (IFS)*, June 29, 2022.

¹⁸ Joanna Venator and Richard R Reeves, "Measuring Relative Mobility, Part 1," *Brookings Institute*. April 27, 2015.

Another metric — intergenerational income elasticity (IGE), presented in Figure 6 — underlines the finding that, of the high-income countries included in Miles Corak's paper, Italy, the UK, and the U.S. are global cold spots for social mobility. IGE refers to the percentage difference between an individual's earnings and that of their parents. For example, the UK figure is 0.5, indicating that if one individual earns 100% more than another, the child of the high-income individual will earn 50% more than the child of their lower-income counterpart.¹⁹ A higher number again indicates less mobility: An IGE of 0 would mean that an individual's economic outcomes are not at all related to their parents' (i.e., perfect mobility).

Figure 6. Intergenerational Income Elasticity Between Father and Son (by Country)



Source: Corak (2016) "Inequality from Generation to Generation: The United States in Comparison," Citi GPS

There are some significant differences in the performance of the same country on the two metrics: For example, RRS data for Chile suggests a strong performance on social mobility, while the same country's IGE puts it in the five worst performers in a larger sample. Explaining these differences is challenging, but the metrics are acknowledged to have different strengths and weaknesses.²⁰ The discrepancy may be a function of the modestly different time frames of calculation or otherwise poor comparability between metrics.²¹ However, a complete picture of mobility requires both metrics, and we can still draw a solid conclusion from the points of overlap: There clearly is more opportunity for economic mobility in Scandinavian countries than in the rest of Europe and in the U.S.

¹⁹ Miles Corak, "Inequality from Generation to Generation: The United States in Comparison," IZA Discussion Paper 9929, May 2016.

²⁰ Paul Gregg, Lindsey Macmillan, and Claudia Vittori, "Moving Towards Estimating Sons' Lifetime Intergenerational Economic Mobility in the UK," *Oxford Bulletin of Economics and Statistics*, Vol. 79, No. 1, February 2017.

²¹ Laura van der Evre et al., "Intergenerational Income Persistence: Evidence for the UK," *Institute for Fiscal Studies (IFS)*, June 29, 2022.

Economic Mobility: Beyond National Averages

There remains a problem with both metrics: They are concerned only with averages, which obscures heterogeneity in the landscape of mobility prospects. Differences between genders and across regions are particularly important factors that go unaccounted for by the traditional metrics.

Questioning Women's Social Mobility

First, although we have framed these metrics as comparing parents' income with that of their children, the figures most often refer to the relationship between the earnings of fathers and sons. As a result, women's social mobility is under-considered in both discussions of, and interventions to improve, social mobility. There are many reasons for this discrepancy:²²

1. Women's **changing rates of participation** in the labor market make intergenerational comparisons challenging.
2. Metrics are based on **lifetime income**, which is usually measured around age 40 when women disproportionately take **career breaks** associated with raising a family.
3. Women from lower-income backgrounds tend to have children at younger ages, meaning **mobility rates vary across the life cycle** between women with variation in childbearing age.

On the limited data that is available, there is no single, global story at the intersection of gender and social mobility, and a desire for a unified global image of daughters' social mobility may be misguided. A 2018 OECD study showed that earnings persistence between fathers and daughters (compared with fathers and sons) varied along national borders (Figure 7, based on IGE metrics): In some places, women are more mobile than men (e.g., Germany), while in others they are less so (e.g., Austria).

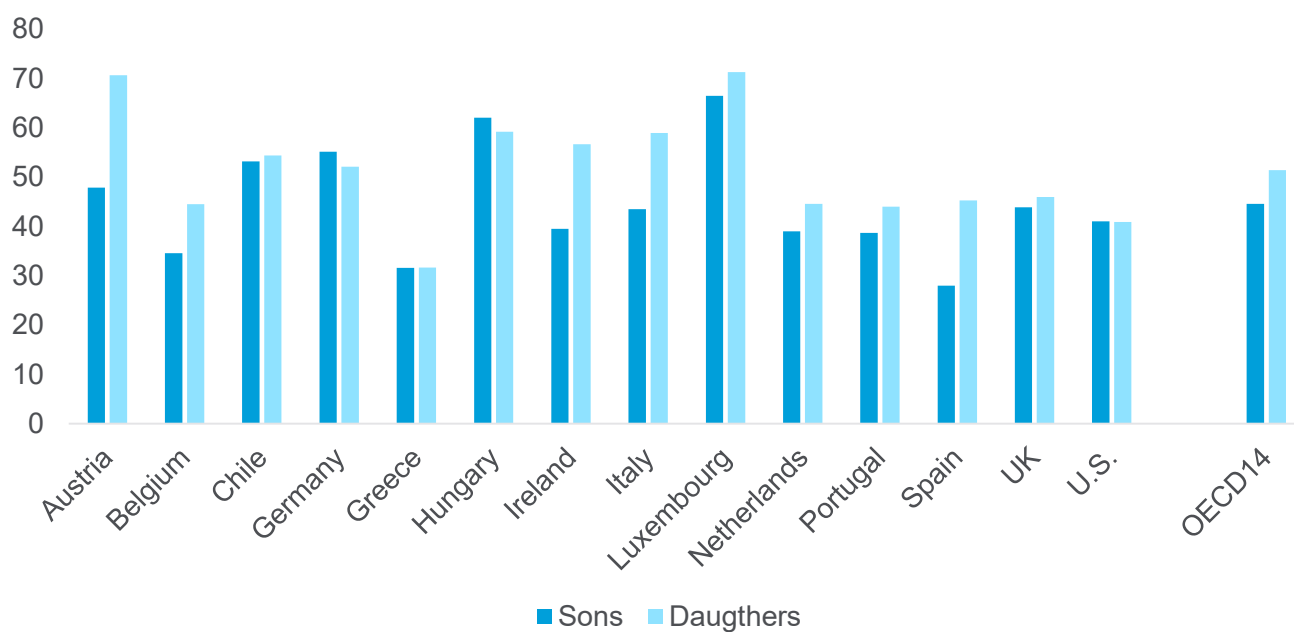
There are also important questions to ask about the type of mobility that women experience. Dr. Eve Worth notes in her interview that, in the UK, *"women are still less likely to experience upward social mobility than men, especially into elite professions in the private sector."* Indeed, a recent study of Italy showed that a boy from a family in the bottom quintile of the earnings distribution is twice as likely to reach the top earning quintile as a girl from the same background.²³ Similarly, a study of Switzerland concludes that men are *"almost three times as likely as women to climb the ladder from the bottom to the top quintile."*²⁴ This long-range mobility may be peculiarly masculine.

²² Social mobility intersects with many other personal characteristics beyond gender and geography, for example, race and ethnicity, which have a complicated relationship with mobility. For discussion, see: Lucinda Platt and Carolina V. Zuccotti, "Social Mobility and Ethnicity," *Institute for Fiscal Studies*, June 29, 2021.

²³ Paolo Acciari, Alberto Polo, and Giovanni L. Violante, "And Yet It Moves: Intergenerational Mobility in Italy," *American Economic Journal*, Vol. 14, No. 3, July 2022.

²⁴ Patrick Chuard and Veronica Grassi, "Switzer-Land of Opportunity: Intergenerational Income Mobility in the Land of Vocational Education," University of St. Gallen, School of Economics and Political Science, July 2020.

Figure 7. IGE of Fathers and Sons vs. Fathers and Daughters



Source: OECD, 2018. A Broken Social Elevator? How to Promote Social Mobility

A Conversation with Dr. Eve Worth on Women's Social Mobility



Dr. Eve Worth
University of Exeter

Dr. Eve Worth is Lecturer in Modern British History at the University of Exeter. Prior to this, she held two postdoctoral research fellowships at the University of Oxford. Her research specialism is the social history of women in Britain, particularly questions of class and social mobility. Her book *The Welfare State Generation: Women, Agency and Class in Britain since 1945* was published by Bloomsbury in early 2022.

Q: How, if at all, does women's social mobility differ from that of men?

Dr. Worth: One important difference is that we simply know far less about women's than men's social mobility. Until recently, it was thought that women did not experience social mobility in their own right. Instead, their class was considered to be determined by their father in childhood and then by their husband once married. Even some policy studies today still primarily measure men's experience and take the patrilineal line as the standard measure. This is despite the fact that when you speak to women, they are very clear about their own agency in their class and mobility journeys. However, this is not to say men's and women's social mobility is the same. Women are still less likely to experience upward social mobility than men, especially into elite professions in the private sector.²⁵ Women from all social backgrounds are underrepresented in top jobs in Britain, so entering these spaces is even harder for women who hail from working-class families. Scholars have found that working-class masculinity carries some value and cultural capital in certain elite workplaces, whereas characteristics associated with working-class femininity have to be suppressed in order for women to advance.²⁶

Social mobility is not a moment but an ongoing process. Over the life course, women's experiences are often less linear than men's, and this is also true of social mobility journeys. Motherhood in particular can lead to downward mobility even after the woman may have achieved upward mobility earlier in her career. I interviewed one woman, born in the 1970s, who said that she tells her young daughters not to have children because "I think that for women, gender and motherhood are greater barriers to social mobility than anything else."

Q: In your recent book, *"The Welfare State Generation: Women, Agency and Class in Britain since 1945,"* you talk about women experiencing shorter-range social mobility than men. This "short" social mobility seems to be a new focus area in the UK. What can be learned from women's historical experience of social mobility to support short mobility today?

Dr. Worth: When we think about social mobility, we often focus on long range trajectories — for example, from a manual working-class background to a professor or CEO. Many of the cultural scripts of these long-range movements are masculine: the "scholarship boy" or the "self-made man." Historically, women have been more likely to experience short-range mobility through the middle of the class structure; perhaps their mother was a secretary, and they became a teacher. The less dramatic nature of women's mobility has contributed to the lack of research on the topic.

²⁵ Geoff Payne, *The New Social Mobility: How the Politicians Got It Wrong?* (Bristol: Policy Press, 2017).

²⁶ Steph Lawler, "'Getting Out and Getting Away': Women's Narratives of Class Mobility," *Feminist Review*, Vol. 63, September 1999; Sam Friedman, "(Not) Bringing Your Whole Self to Work: The Gendered Experience of Upward Mobility in the UK Civil Service," *Gender, Work & Organization*, Vol. 29, No. 2, March 2022.

As you say, this shorter-range mobility is starting to come to the fore in policy discussions. We need to be careful to ensure that a focus on shorter-range mobility does not become a way of suppressing opportunities or ambition. Women often experienced shorter-range mobility because their opportunities were constrained rather than out of choice. However, one benefit of shorter-range mobility can be that it allows people to progress occupationally without being wrenched away from their families and communities. Possibilities should be available to people where they want them rather than being concentrated in the south-east of England. Women's experience of shorter-range mobility also shows us that sometimes being able to make these less extreme moves first provides space for people to think the next move is possible, but if the rungs of the ladder are too far apart, it is hard to envisage the path forward.

Q: You describe the 1970s as “the golden age of social mobility for women.” What made it so? And what can we learn from that era to advance women’s mobility today?

Dr. Worth: During the late 1960s and early 1970s, the welfare state was expanding in a way that provided the important combination of increased post-school educational opportunities and more (semi-)professional roles for women to enter such as nursing, teaching, and social work. Crucially, possibilities opened up to women in their 20s and 30s who may have left school with few qualifications and a sense that they would reduce their commitment to the labor market once they had children. But when these women changed their minds about what they wanted out of life, they were able to return to education without a lot of barriers to entry. Places such as The Open University (founded 1969), the polytechnics, and the expanded adult education colleges had flexible entry requirements, and the local authority would often help with the low fees and living costs. Women could also study part-time or even long distance, which helped them juggle education with caring responsibilities.

What we can learn from this historical moment is firstly that an expansive welfare state tends to accompany eras of high social mobility — it is not only a key provider of education and employment for women, but it provides a social safety net so that risks can be taken. We can also learn that social mobility should not only be about choices that are made when you leave school. People should be able to have different senses of self and desires at different moments in the life course, and it should be made easy for them to act on these new ambitions. Returning to education should not be highly expensive nor involve an onerous set of hoops to jump through to start, and institutions should embrace employing mature students. This is more important than ever in an aging society with the pension age rising and less of a culture of jobs for life. This era also demonstrates that many women in fact become more ambitious *after* having children, and we should seize on this as a key moment of possible mobility on return to the labor market.

Q: Education is often championed as the biggest lever to pull in attempts to advance social mobility. Is that true of both men's and women's social mobility?

Dr. Worth: The relationship between education and social mobility is much more complicated than is generally understood. The hyper-focus on education as the key lever of mobility has been called a “folk wisdom” by influential historians.²⁷ This is true even during the famous moment of post-war social mobility, which is often attributed to the rise of the “grammar school.” That moment of mobility actually owed much to the structural expansion of the economy and the increase in white collar jobs, which provided room at the top for some of the working class. In recent years, education has often been the focus of policymakers because it is an easier area in which to intervene. However, changes to education on its own have not produced radical shifts in social mobility, in large part because the British economy has not grown substantially since the 2008 Financial Crisis. Without growth in the economy, there can be little upward movement.

However, it is important to note that education is a more significant lever to pull in women's social mobility journeys than for their male counterparts. Gaining qualifications is often crucial in women's progression because they need “objective” signifiers of their ability in order to get their foot in the door. Women lose out when positions are based on a more “subjective” sense of merit and who “fits in” the best. Qualifications are especially important for women wanting to move into the upper echelons of the professional class structure.

Q: As employers increasingly add social mobility into their diversity and inclusion plans, how should they think of the relationship between gender and social mobility?

Dr. Worth: It is important to take an intersectional approach to the relationship between gender and mobility. Marginalized class and gender positions intersect and often compound each other. We can see this in recent research on pay in top jobs, which shows that while there is a class pay gap (those from working-class origins earn less) and a gender pay gap — this pay gap is even wider for working-class women.²⁸ This finding demonstrates that social mobility is not simply about getting your foot in the door, but what happens once you are there. We have to conceptualize social mobility as an ongoing process: This matters even more for women because their lives are generally less linear than men's, with more moments of precarity. Diversity and inclusion plans that bring in socially mobile women should take a longer-term focus on mapping their careers, and support women in the mid and later stages as well as early on in order to ensure they do not get stuck at a certain point or even leave their career. It is also important to ensure that socially mobile women do not progress primarily in feminized and service-type roles, for example in HR departments. Companies should consider expanding placements so working-class women get the opportunity to try out different positions and are more able to see themselves in those roles. Social mobility is not a favor to the individual: It brings with it vital new insights, ideas, and approaches. Institutions need to fully embrace socially mobile women's differing life experiences in order to bring these untapped benefits to fruition.

²⁷ Peter Mandler, “Educating the Nation III: Social Mobility,” *Transactions of the Royal Historical Society*, Vol. 26, September 29, 2016).

²⁸ Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged*, (Bristol: Bristol University Press, 2019).

Social Mobility Outside Major Economic Hubs

Gender differences are not the only thing obscured by national average estimates of mobility. Many countries also see geographical heterogeneity in the rate of economic mobility. In 2014, a landmark study of the U.S. showed variation in intergenerational mobility both between and within regions. For example, the chance that a child born into the bottom income quintile reaches the top is 12.9% for those born in San Jose, California but only 4.4% in Charlotte, North Carolina.²⁹ The authors conclude that *“the United States is better described as a collection of societies, some of which are ‘lands of opportunity’ with high rates of mobility across generations, and others in which few children escape poverty.”*³⁰

Following this, multiple studies have revealed regional variation in different countries. For example, Italy has been shown to have a steep North-South gradient in measures of economic mobility: Rates of mobility in the North-East are comparable with Scandinavia, while the least mobile cities in the South are comparable with the least mobile cities in the U.S.³¹ Likewise, there is dispersion in the rates of social mobility across Australia. As one paper noted: *“regions with less segregation and higher school attendance rates have weaker intergenerational persistence rates in income.”*³²

The UK is particularly interesting in this context because the unequal spread of opportunities has attracted significant attention, with a recent focus from government and others on *“[creating] more opportunities for more people in more places.”*³³ Social mobility is closely related to this idea, and there has been some attention to the unequal spread of opportunities for mobility in particular over the last decade. For example, a list of social mobility “cold spots” (i.e., local areas that have a very sticky income distribution) was published in 2016.³⁴ A 2020 report highlighted regional disparities in social mobility by mapping pay for people from *“disadvantaged”* backgrounds.³⁵ The report found *“large differences in the pay of disadvantaged sons, depending on where they grew up — compared both with the same group in other authorities and with the most well-off sons in the same area.”*³⁶

²⁹ Chetty et al. ‘Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States,’ *Quarterly Journal of Economics* Vol. 129, Issue 4, November 2014.

³⁰ Ibid.

³¹ Paolo Acciari, Alberto Polo, and Giovanni L. Violante, “And Yet It Moves: Intergenerational Mobility in Italy,” *American Economic Journal*, Vol. 14, No. 3, July 2022.

³² Nathan Deutscher and Bhashkar Mazumder, “Intergenerational Mobility Across Australia and the Stability of Regional Estimates’ *Labour Economics*, Vol. 66, 2020.

³³ UK Social Mobility Commission, *State of the Nation 2022: A Fresh Approach to Social Mobility*, June 23, 2022 (last updated July 21, 2022).

³⁴ K Social Mobility and Child Poverty Commission, *Social Mobility Index*, January 31, 2016 (last updated May 12, 2023).

³⁵ UK Social Mobility Commission, *The Long Shadow of Deprivation*, September 15, 2020 (last updated October 6, 2020).

³⁶ The report does not provide estimates for daughters. See above for discussion of women’s mobility.

For the UK, we can quantify the pay and productivity lost to a poor regional spread of economic mobility. Our analysis of data published by the Social Mobility Commission in 2020 shows that if mobility across England³⁷ could be improved to the level seen in London, those from the least advantaged backgrounds in those places that currently have fewer opportunities for mobility could collectively earn £2 billion (approximately \$2.6 billion as of June 15, 2023) more.³⁸ In other words, the lost wages of the least advantaged in the local authorities with the lowest levels of mobility surpasses £2 billion. Our method is detailed in Appendix I.

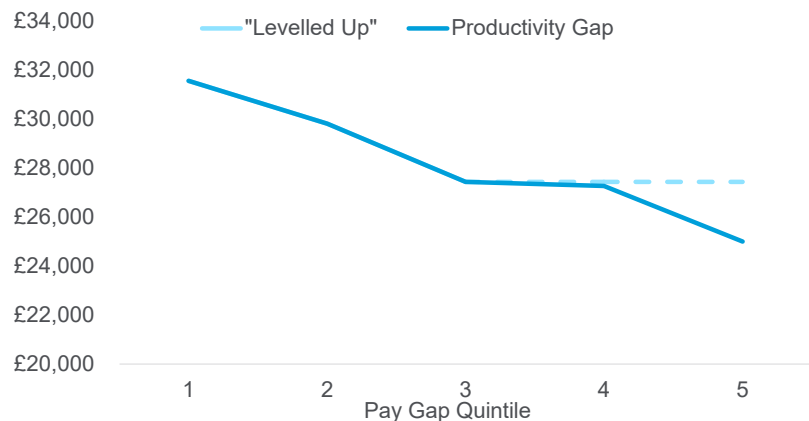
This is a conservative estimate, and it should be a genuine addition to the UK economy rather than cannibalizing existing opportunities. First, the analysis is based on the lost earnings only of those whose parents were very low down the income distribution because the underlying data concerns former recipients of free school meals. As such, unlocking these lost wages involves removing the impediments faced by the least advantaged groups of society, like improving their experience of education and their access to the labor market. Second, this group is very small in number compared with the overall population. The concept of relative mobility implies that for everyone that moves up the income distribution, others must fall. However, for these reasons, this kind of boost to the incomes of a small group that faces the most significant barriers in accessing work can be genuinely additive and need not cannibalize opportunities for others.

We can take this analysis a step further. We saw earlier that improved mobility is linked with an increase in GDP. This link can also be found in a regional analysis of the UK. Figure 8 shows that local areas with smaller pay gaps between men from the most and least advantaged backgrounds have higher productivity. In other words, where there is more opportunity for mobility, there is more productivity and vice versa.

We are not making a causal claim. The direction of causation between social mobility and economic output is not clear: Increased mobility might lead to higher productivity, or higher productivity might create more opportunities for mobility. Indeed, economic growth has been seen by some as a pre-requisite for social mobility: As Dr. Eve Worth notes in her interview, *“without growth in the economy there can be little upward movement.”*

³⁷ We draw particular attention to the fact that this calculation does not account for levelling up Wales, Scotland, and Northern Ireland. We exclude these other nations only due to a lack of available data.

³⁸ We detail our methodology in Appendix I.

Figure 8. Social Mobility Quintile Compared with Productivity

Source: Social Mobility Commission (2020), ONS (2022), Citi GPS

However, as there is clearly some link between mobility and productivity, we extend our analysis to quantify what sort of increase in UK GDP could be associated with an increase in mobility, either as a consequence or as a pre-requisite. We find that improving opportunities for mobility in the bottom performing 40% of local areas in England and bringing these areas up to the level of mobility seen in the third quintile, when local areas are ranked by mobility, could be associated with an additional £30 billion (approximately \$38.3 billion as of June 15, 2023) in UK GDP, or a 1.3% increase. In Figure 8 this would move quintiles four and five from their actual productivity (the solid line) to a "levelled up" productivity level (the dotted line). This is a conservative estimate — it implies a high level of remaining immobility.

As noted earlier, explanations of the link between productivity and mobility are contested: Some argue that better matching of jobs with individuals' skills plays a role. A causal link may also be mediated by higher rates of innovation. In the context of regional inequalities, there may be another candidate explanation. The most productive cities, many of which provide better opportunities for mobility, have been amply shown to benefit from the agglomeration of highly skilled workers: Bigger cities tend to improve the productivity of both people and companies.³⁹ The same agglomeration that improves productivity may also create opportunities for mobility. In other words, improving mobility might involve cultivating hubs for high-skilled work outside major cities. However, a limitation of this idea is that, at least in the UK, some of the areas that perform the best on social mobility are not cities.⁴⁰

³⁹ Henry G. Overman, "People, Places and Politics: Policy Challenges of the UK's Uneven Economic Geography," *CEP Paper EA047*, March 20, 2020.

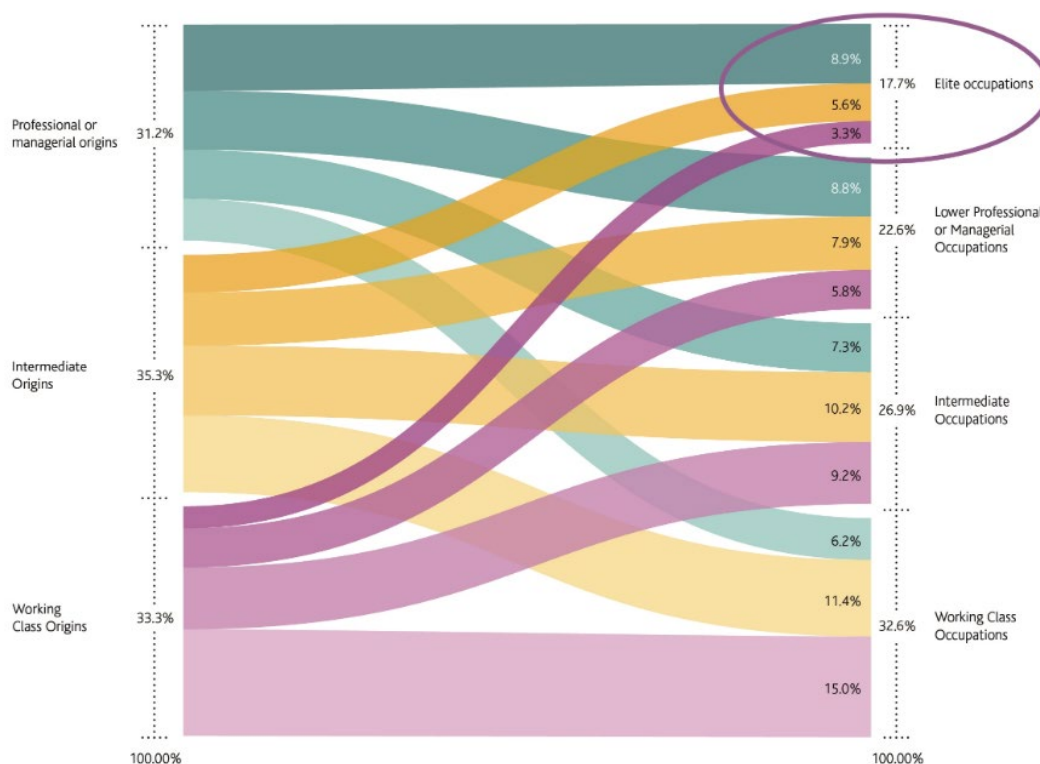
⁴⁰ For example, while Tower Hamlets in London is one of the best performers on social mobility, Eden in Cumbria is also in the top 15 local authorities.

Beyond Economics: Occupational Mobility

So far, we have only discussed economic mobility — i.e., whether the children of low-income parents grow up to be low-income adults — but we noted at the outset that social mobility is broader than economics. Another element is occupational mobility. This is distinct from economic mobility. While nurses are ranked higher in the occupational class structure, they may earn less than plumbers or electricians.⁴¹ Yet, while it may not bring affluence, coming from a family employed in a profession nonetheless brings the benefits of access to a network and knowledge of workplace norms.

Occupational class is sticky, especially at the floor and the ceiling. Children born to parents of a particular occupational class are very likely to end up in that same occupational class themselves. Figure 9 represents the flow of people between occupational classes in the UK: on the left-hand side is the starting (or origin) occupational group of an individual, and on the right is their destination. The chart shows that only 3.3% of the population moves from working class origins to the elite occupations.⁴² Correspondingly, people of working-class origins make up almost half of those with working-class destinations.

Figure 9. Occupational Origin and Occupational Destination for the UK



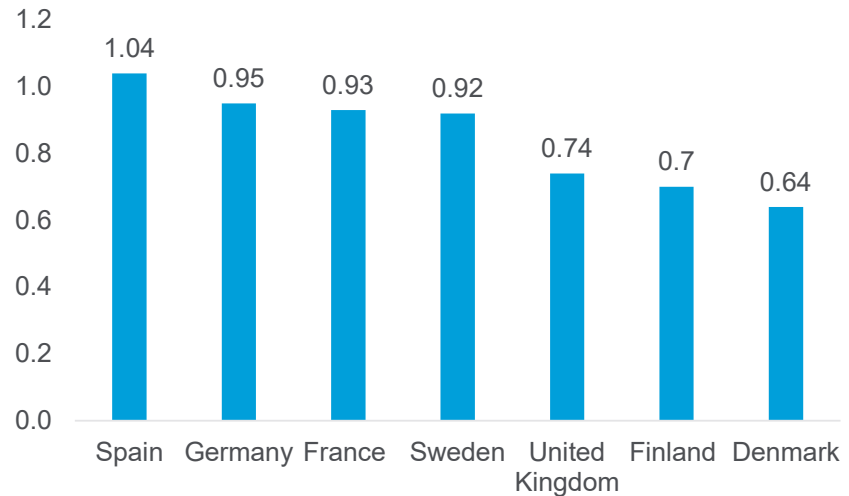
Source: Sam Friedman and Daniel Laurison (2019), *The Class Ceiling: Why It Pays to be Privileged*, LFS (2014)

⁴¹ There is no normative dimension to the classification of different occupations: higher ranked occupational classes are not more valuable than the lower occupational classes.

⁴² Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged*, (Bristol: Bristol University Press, 2019).

This is UK data, but occupational immobility is a challenge for many high-income countries. Figure 10 shows recent estimates of occupational mobility across Europe. Notably, Denmark performs the best on both economic and occupational mobility. However, this does not imply that the two species of mobility always coincide or move in parallel.⁴³ To take another example: The UK is in the better performing half of the countries in the study of occupational mobility shown in Figure 10 but, as we saw in the previous section, it is often toward the bottom of economic mobility rankings.⁴⁴

Figure 10. Metric of Occupational Mobility



Note: Higher values indicate less relative occupational mobility. This metric is only meaningful in the context of comparisons with other countries included in the study — it has no independent meaning and lacks independent interpretation because it is estimated with respect to a reference point within the data set.

Source: Ludwinek et al. (2017), Citi GPS

The U.S. is not included in Figure 10 because the study was a review of European countries, so the figures produced, as a relativized data set, can only be interpreted internally to the study. The U.S. was known for better social fluidity than its European counterparts throughout the 19th and 20th centuries.⁴⁵ However, analysis of occupational mobility in the U.S. and UK suggests that while there was a time when the U.S. had significantly more mobility than the UK in particular, “*by the second half of the twentieth century, relative [occupational] mobility across generations was no more likely in the U.S. than in Britain.*”⁴⁶ In other words, while the U.S. is missing from Figure 10, occupational mobility deserves the attention of a truly global audience — in the U.S., UK, and beyond.

⁴³ Jo Blanden also finds that mobility of occupation varies from mobility of income — see Jo Blanden, “Cross-Country Rankings in Intergenerational Mobility: A Comparison of Approaches from Economics and Sociology,” *Journal of Economic Surveys*, Vol. 27, No. 1, June 23, 2011.

⁴⁴ Anna Ludwinek et al., “Social Mobility in the EU,” *Eurofound*, April 19, 2017.

⁴⁵ For discussion of European scholars of the period observing this American exceptionalism, see Joseph P. Ferrie, “The End of American Exceptionalism? Mobility in the U.S. Since 1850,” *Journal of Economic Perspectives*, Vol. 19, No. 3, 2005.

⁴⁶ Joseph P. Ferrie, “The End of American Exceptionalism? Mobility in the U.S. Since 1850,” *Journal of Economic Perspectives*, Vol. 19, No. 3, 2005., pp. 13-14. See also Robert Erikson and John H. Goldthorpe, “The Constant Flux: A Study of Class Mobility in Industrial Societies,” *European Sociological Review*, Vol. 8, No. 3, December 1992.

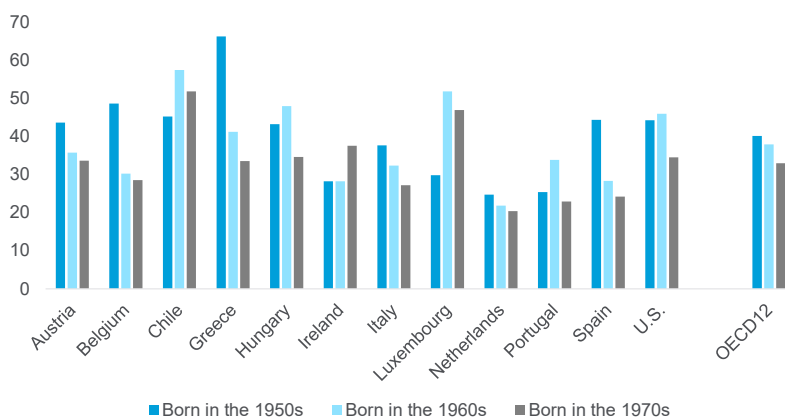
Since employers may have a smaller role to play, we do not consider educational mobility in detail. However, evidence suggests that educational status is also sticky across generations. For example, research from the OECD found that the chance of an individual obtaining a master's degree (or a higher level of education) if their parents achieved only lower secondary education is just 2%. Global differences in educational mobility are also like those in economic mobility: Scandinavian countries have less intergenerational persistence, while the UK (along with other European countries) lags.⁴⁷

Uncertain Trends in Mobility and Risks Ahead

We have painted a picture of challenges to upward social mobility in a wide range of countries. In recent years, perceptions of social mobility have worsened, as there has been a rising sense that where you come from and who your parents are play an increasingly significant role in determining lifetime outcomes.⁴⁸ This is only partly borne out by the facts: In this section, we show that trends in the evolution of mobility vary along national borders.⁴⁹

Take economic mobility first. When we look at those born in the 1950s, 1960s, and 1970s, it seems that the persistence of income between generations has fallen. In other words, mobility seems to have increased over those three cohorts.⁵⁰ This is true for nine of the 12 countries in a recent OECD study. Other countries, however, saw declines in mobility over the same period (e.g., Ireland). Many countries did not see a continuous trend over the three cohorts; for example, in Chile, mobility first declined and then improved, but remained worse than it was for the first cohort.

Figure 11. Intergenerational Earnings Persistence, by Cohort of Birth



Source: OECD (2018), Citi GPS

⁴⁷ OECD, *A Broken Social Elevator? How to Promote Social Mobility*, June 2018.

⁴⁸ Ibid.

⁴⁹ It merits noting that tracking mobility across time is challenging because long-term data is required and, in the countries where these data points are available at all, they have only just become available for the most recent cohorts. Moreover, the data points cited in this chapter are based on ad hoc studies compiled by academic economists rather than nationally produced estimates. This puts data collection for the intergenerational persistence of economic status behind other aspects of equality. For discussion see Martin Nybom, "Intergenerational Mobility: A Dream Deferred?" ILO Future of Work Research Paper. 2018.

⁵⁰ OECD, *A Broken Social Elevator? How to Promote Social Mobility*, June 2018.

It may be naïve to seek a global picture. Instead, we can drill down into a couple of focus economies — the U.S., given its size, and the UK, given the emerging corporate focus on social mobility:

- In Figure 11, it seems that opportunities for mobility have increased in the U.S. However, evidence from more recent cohorts suggests that economic mobility has been stable (or, of course, stagnant) for those born between 1971 and 1993.⁵¹
- Estimates for the UK suggest that economic mobility is declining. IGE was estimated at 0.28 for the 1958 cohort, while the parallel figure for the 1970 cohort is 0.38. This constitutes a 36% increase in earnings persistence for two cohorts born just 12 years apart.⁵²

The trends in occupational mobility are more uniform. Denmark is an outlier, experiencing increases in relative occupational mobility in successive cohorts from those born in 1927 through to those born in 1975.⁵³ In many more countries, relative occupational mobility has been at best stagnant and in some places declining, at least for the most recent cohorts compared with those that came before.⁵⁴

There are also risks ahead for the rate of social mobility. First, the COVID-19 pandemic is known to have had a disproportionate impact on individuals from lower socioeconomic backgrounds: Evidence from the U.S. shows that employment losses disproportionately impacted lower socioeconomic groups during the pandemic.⁵⁵ There was also a disproportionate impact on lower socioeconomic groups in educational contexts: In the UK, one estimate forecast increases of up to 12% in IGE (to a figure of 0.42) for those who were in education or enrolling in university during the pandemic.⁵⁶ Declines in mobility may be higher when we consider factors beyond education. Evidence from China also suggests that pandemic intensity is correlated with greater intergenerational income persistence.⁵⁷

⁵¹ Chetty et al., “Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility” *American Economic Review*, Vol. 104, No. 5, May 2014.

⁵² Andrew Eyles, Lee Elliot Major, and Stephen Machin, “Social Mobility — Past, Present and Future,” *Center for Economic Performance* and *The Sutton Trust*, June 2022.

⁵³ Anna Ludwinek et al., “Social Mobility in the EU,” *Eurofound*, April 19, 2017.

⁵⁴ Those countries include (at stagnant levels of mobility) Hungary, Ireland, and the UK; (with decreasing levels of mobility) Austria, Bulgaria, Estonia, France, and Sweden; and (with levels of mobility stagnating for the most recent cohorts) Czech Republic, Germany, Spain, and Poland. See Anna Ludwinek et al., “Social Mobility in the EU,” *Eurofound*, April 19, 2017.

⁵⁵ Karina Geranios, Robert Kagabo, and Jaewhan Kim, “Impact of COVID-19 and Socioeconomic Status on Delayed Care and Unemployment,” *Health Equity*, Vol. 6, Issue 1, February 2, 2022.

⁵⁶ Andrew Eyles, Lee Elliot Major, and Stephen Machin, “Social Mobility — Past, Present and Future,” *Center for Economic Performance* and *The Sutton Trust*, June 2022.

⁵⁷ Shiqi Jiang, Lingli Qi, and Xinyue Lin, “The Impacts of COVID-19 Shock on Intergenerational Income Mobility: Evidence from China,” *International Journal of Environmental Research and Public Health*, Vol. 19, Issue 18, September 14, 2022.

A second risk to mobility comes from “unearned income” including intergenerational wealth transfers, which are becoming a larger part of total lifetime income.⁵⁸ For many of those who inherit, the assets they receive will be a greater share of their total lifetime income for the current generation than they were for those who came before.⁵⁹ This will make it more difficult for those who do not inherit (i.e., whose parents were likely low earners) to move up the income distribution relative to their peers. Estimates for the UK suggest that for those born in the 1960s, accounting for inheritance in estimates of the rank-rank slope (RRS, defined earlier) increased the figure by 19%; for the 1980s cohort, inheritance increased RRS by 26% to a figure of 0.49. In other words, in each case, inheritance weighed on mobility, but the impact was greater for more recent cohorts.

We can conclude, therefore, that social mobility — including both economic and occupational mobility — is a challenge across many countries. Moreover, even where mobility is not currently in decline, greater challenges lie ahead as those from lower socioeconomic backgrounds attempt to move through the income distribution and occupational structure. Improving social mobility is also a tremendous opportunity not only socially, but economically as well. To remind ourselves of the key global statistic: Improved mobility could add more than half a trillion dollars to the global economy. This incentivizes refreshing the global approach to social mobility. In the next chapter, we develop a case study on the UK to explore what drives social mobility and, therefore, what must be part of any strategy to improve it.

⁵⁸ Laura van der Evre et al., “Intergenerational Income Persistence: Evidence for the UK,” *Institute for Fiscal Studies (IFS)*, June 29, 2022. The term “unearned income” is also borrowed from this paper and does not imply any normative judgement.

⁵⁹ See Dan Goss and Ben Glover, “A New Age of Inheritance: What does it mean for the UK?” Demos, January 2023.

The UK as a Case Study

It is difficult to keep a finger on the pulse of social mobility. The measurements we discussed in the previous chapter require waiting for the lifetime outcomes of two consecutive generations and then comparing them. This has practical implications: Intergenerational metrics that focus on lifetime outcomes paint a picture of social mobility for generations whose opportunity for mobility has largely passed. Making this point, Robert Putnam has described these metrics as “*looking in the rear-view mirror on social mobility*.”⁶⁰ By relying on these metrics, we lose the opportunity to support whole generations. To paint a contemporary picture, we must track leading indicators — in other words, we must measure factors that could catalyze or dampen a generation’s prospects for social mobility.

A few things can be said about the drivers of social mobility globally. The World Economic Forum’s GSMI combines metrics based on the latest thinking about the determinants of social mobility to measure healthcare provision, education and work opportunities, access to technology, and the presence of a social safety net; the organization calls these things “*enablers of social mobility*.”⁶¹ It is useful to think about these global metrics for the sake of international comparisons. However, beyond these broad specifications, the drivers of social mobility vary between countries — depending on factors like the structure of the labor market. In this chapter, we zoom in on the UK to examine the drivers of social mobility in that context. We choose this detailed case study because, as Tokunbo Ajasa-Oluwa notes in his interview with us later in the report, “*the UK has one of the poorest rates of social mobility in the developed world*.” Moreover, as we discuss in the next chapter, it is in the UK that employers have started to explicitly focus on social mobility as part of their diversity, equity, and inclusion strategies. We show in this chapter that, in the UK, significant barriers to social mobility remain.

Education and Employment as the Engines of Social Mobility

Social mobility is, or ought to be, possible at any point in an individual’s course of life (“life course”), and experiences of mobility certainly do not conclude with entry into a particular occupation or movement in the income distribution.⁶² However, many employer-led initiatives have focused on supporting school leavers (i.e., graduates and those leaving secondary education), and policymakers often turn to education to improve mobility.⁶³

⁶⁰ Robert D. Putnam, “Our Kids: The American Dream in Crisis,” *European Sociological Review*, Vol. 33, Issue 3, June 2017.

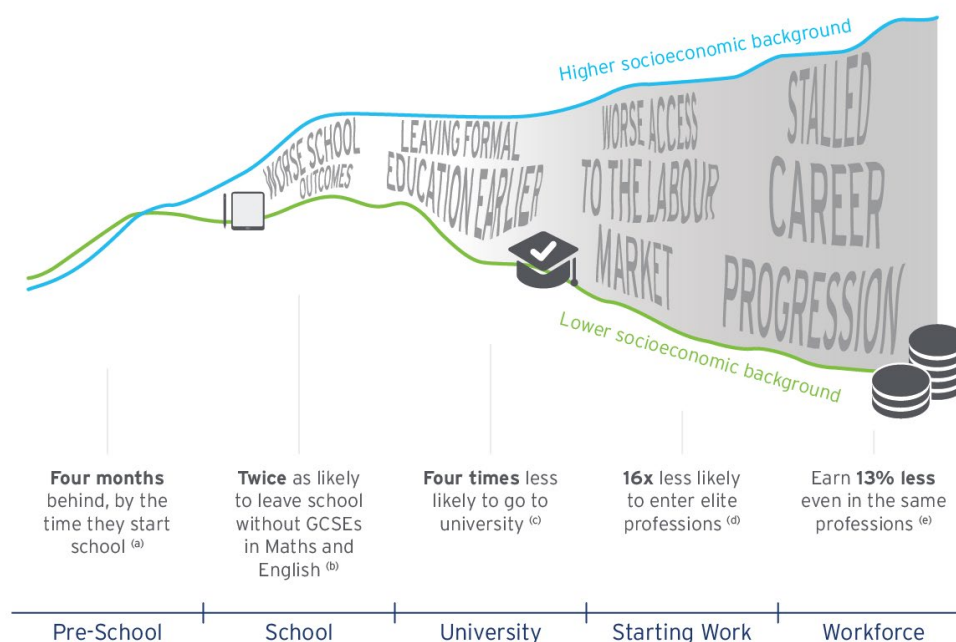
⁶¹ World Economic Forum, *The Global Social Mobility Report: Equality, Opportunity, and the New Economic Imperative*, January 2020.

⁶² On the latter point, concerning long-lasting qualitative experiences of social mobility, see Jennifer Morton, *Moving Up Without Losing Your Way: Ethical Costs of Social Mobility* (Princeton University Press, 2019).

⁶³ For example, by dropping the requirement for a 2.i (Upper Second-Class Honors) degree or increasing outreach into schools and colleges. We discuss employers’ interventions in more detail in the next chapter. The sociologist John Goldthorpe constructs this as the dominant argument in an interview with *The Guardian* as does Conservative MP and Chair of the APPG on Social Mobility, David Johnston. See: Peter Wilby, “The Expert in Social Mobility Who Says Education Cannot Make It Happen,” *The Guardian*, March 17, 2020. and David Johnston, “[Social Mobility Can’t Be Delivered By Schools Alone — Nor by Government On Its Own](#),” Conservative Home, January 9, 2023.

This is a function of the compelling idea that certain moments in the life course bring with them notable opportunities for mobility, namely during education and upon first entry into the labor market. While these are not the only metrics of mobility, Figure 12 illustrates the gap between those of lower and higher socioeconomic background during both education and employment.

Figure 12. Gaps Emerge Across the Life Course



Source: (a) Education Policy Institute (2020), (b) Teach First (2020), (c) OECD (2018), (d) Friedman and Laurison (2020), (e) Department for Opportunities (2022)

One way to keep track of social mobility, therefore, is to examine the extent to which opportunities in education and the labor market are open to all, as well as the extent to which people from different backgrounds actually access them equally. In other words, we can build a real-time picture of social mobility at the national level by tracking the barriers faced by people from lower socioeconomic backgrounds in accessing opportunities for education and employment compared with the experience of their more privileged peers.

So, what barriers do people from lower socioeconomic backgrounds face in accessing education and employment? Some have appealed to the three kinds of capital first theorized by the sociologist Pierre Bourdieu in his account of socioeconomic background, or class:⁶⁴

- **Economic Capital:** Includes income and wealth, which can be used to buy services (such as higher-quality education) that would provide an advantage in the labor market.
- **Social Capital:** Includes social networks and engagement in civil society, which provide greater awareness of — and sometimes direct access to — opportunities for employment.

⁶⁴ One influential text on social mobility in the UK which adopts this Bourdieusian framework is Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged*, (Bristol: Bristol University Press, 2019).

- **Cultural Capital:** Includes achieving a particular level of education or having specific hobbies, which help individuals to “fit in” with those of higher socioeconomic status.

We argue below that each form of capital plays a role in mediating access to opportunities in both education and in the labor market. But first, we note that while these three kinds of capital are analytically distinct, they are in practice interrelated. For example, developing cultural capital, like specific hobbies, can be expensive. Cultivating cultural capital, at least in some cases, therefore seems to require sufficient economic capital. Nevertheless, these concepts provide a useful framework for examining the current state of social mobility — to which we now turn.

Figure 13. A Bourdieusian Account of Class

Economic Capital concerns the scale of economic resources available to an individual	Social Capital concerns the network and social contacts that an individual can access	Cultural Capital concerns features of an individual
<ul style="list-style-type: none"> • Family income • Financial wealth 	<ul style="list-style-type: none"> • Engagement in civil society • Networks of family and friends 	<ul style="list-style-type: none"> • Level of education • “Fit and polish” • Accent

Source: Citi GPS

Economic Capital as an Enabler or Barrier to Accessing Opportunities

Economic resources can make a material difference to an individual’s lifetime outcomes, especially when they are available at the two key opportunities for mobility. This occurs in many nuanced ways, but two of the most important are that economic capital can (1) purchase goods, such as more and better-quality education, which are correlated with increasing lifetime earnings, and (2) support access to the labor market by providing a financial safety net.

Let us take the first of these. Parental financial resources can be used to enhance access to more and higher-quality education, for example:

- **Private education**, which is associated with an eleven-percentage-point likelihood of being a high earner.⁶⁵
- **Home ownership**, in particular school districts or “catchment areas,” which provide access to the best performing state-funded schools.⁶⁶
- **Private tutoring**, which is skewed toward affluent families and supports the accelerated academic progression of the students who receive it.⁶⁷

⁶⁵ Abigail McKnight, “Downward Mobility, Opportunity Hoarding, and the ‘Glass Floor,’” UK Social Mobility & Child Poverty Commission, June 2015.

⁶⁶ Simon Burgess et al., “School Admissions in England: The Rules Schools Choose on Which Pupils to Admit,” Universite Libre de Bruxelles, March 2023.

⁶⁷ Carl Cullinane and Rebecca Montacute, “Tutoring – The New Landscape: Recent Trends in Private and School-Based Tutoring,” The Sutton Trust, March 2023.

If economic capital can buy access to opportunities, the lack of it can prevent access to opportunities that we might think are universally available. While mobility is not only about the children of the lowest earners, as the Joseph Rowntree Foundation notes, “*Poverty can also affect the prospects of children, who may fail to reach the same level of educational attainment as those from wealthier families.*”⁶⁸

Two examples start to illustrate how this works: Insecure housing tenure risks interrupting education in the public system, and inadequate space at home restricts a student’s ability to continue their learning after school, a factor that the pandemic highlighted. Hence, economic capital can either facilitate or constrain access to opportunities for mobility, depending on how much of it is available to an individual.

This analysis points to two metrics that might track the spread of economic capital. First, the share of children living in poverty is an important metric in understanding what share of the population might lack sufficient economic capital to participate in the opportunities that one might consider universal. We can define the metric in relative terms as the share of children living with less than 60% of the median wage after housing costs. In the UK in 2020-21 (the most recent data available), 3.9 million children, or 27% of all children, lived in relative poverty.⁶⁹ This figure compares well to the past — 27% is the lowest share of children in relative poverty that the UK has seen in the last twenty-five years — but it does not compare well to international standards. Although the metric used is modestly different (see note to Figure 14), many OECD countries have a lower share of children living in relative poverty than in the UK. Moreover, the countries that perform best on social mobility, like Denmark and Finland, have correspondingly low rates of child poverty, adding weight to the idea that a picture of contemporary social mobility can be built by tracking the levels of relative child poverty.

Figure 14. Share of People Aged 0 to 17 Living in Relative Poverty



Note: The OECD defines relative poverty as living with less than half the median household income.

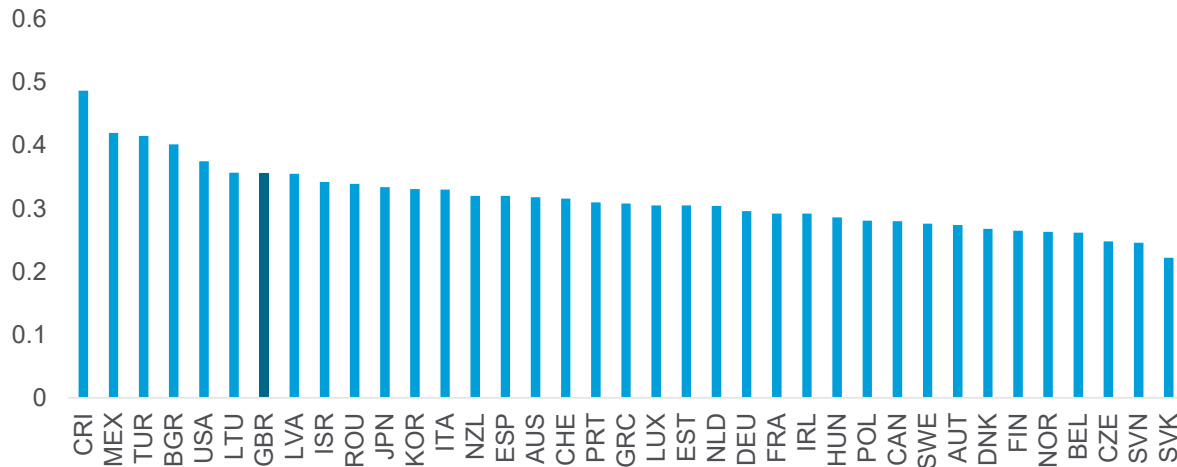
Source: OECD (2020 or most recent), Citi GPS

⁶⁸ Ibid.

⁶⁹ Joseph Rowntree Foundation, *UK Poverty 2023: The Essential Guide to Understanding Poverty in the UK*, January 26, 2023.

The second relevant metric in thinking about economic capital is income or wealth inequality. If economic resources can be used to purchase advantages, then the unequal spread of economic resources will feed through to unequal access to opportunities. Perhaps the most common metric of income inequality is the Gini coefficient, where a figure of 0 would indicate perfect equality (i.e., every member of the population earns the same) and a score of 1 indicates perfect inequality (i.e., one person earns everything while the rest of the population earns nothing). On this metric, the UK has high levels of income inequality by international standards (see Figure 15).

Figure 15. Gini Coefficient for Selected Countries



Source: World Bank (2022), Citi GPS

Yet, it is not only *income* inequality that matters. We saw in the previous chapter that wealth is making an increasing contribution to opportunities for social mobility. Moreover, since opportunities for more or better-quality education bring the promise of higher future incomes, they might be considered an investment: Families could use wealth reserves rather than relying only on income to purchase goods like a higher quality education, given the hope of future returns on that investment. Hence, wealth inequality is as relevant as income inequality. The Equality Trust notes that the distribution of wealth in the UK is more unequal than the distribution of income.⁷⁰ The most recent ONS statistics showed that the richest 10% of households held 43% of total household wealth and the poorest 50% of households held just 9%.⁷¹ This scale of inequality in both income and wealth implies different levels of access to opportunities, which will be a headwind to social mobility.

⁷⁰ Equality Trust, "[The Scale of Economic Inequality in the UK](#)," accessed June 13, 2023.

⁷¹ UK Office of National Statistics (ONS), "[Household Total Wealth in Great Britain: April 2018 to March 2020](#)," accessed June 13, 2023. Notably, these data points conclude in March 2020, before the COVID-19 pandemic impacted the UK.

Beyond advantages in education, there is a second, more direct link between parental economic resources and access to the labor market, or lifetime outcomes. Economic capital provides a safety net that allows individuals to take a risk — whether that is to start a business, to spend time building a network, or to hold out longer in pursuit of the job they really want rather than taking the first job offered to shore up their finances.⁷² To take a concrete example, which Tokunbo Ajasa-Oluwa highlights as one of the main drivers of social mobility: Economic capital allows individuals to benefit from unpaid work experience. Unpaid experiences both ease entry into the labor market and allow young people to experience a range of professions, yet they are accessible only to those whose families can provide a financial safety net to allow individuals to work for free.

In the UK, unpaid internships still present a significant challenge. The Social Mobility Foundation's Employer Index is a voluntary activity that some employers undertake to benchmark their activities on social mobility and understand how to improve. Even among these employers, the 2022 Index showed that 8% of companies (across a range of industries) still hosted unpaid internships, with a further 15% only paying for interns' travel (Figure 16).⁷³ If this is the share of companies offering unpaid internships among employers that might be self-selecting as aware of social mobility challenges, the real figure across all UK employers is likely much higher. Indeed, an older data point from the Sutton Trust suggests that two-fifths of young people have taken an unpaid internship.⁷⁴

Figure 16. Unpaid or Incompletely Compensated Internships Are Still Common



Source: Social Mobility Foundation (2022), Citi GPS

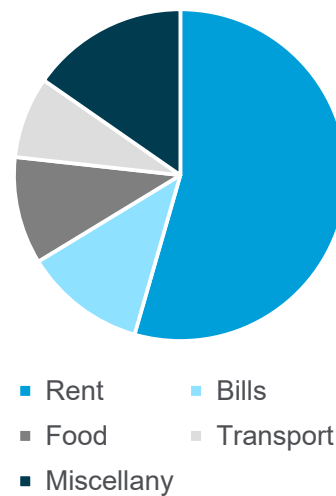
⁷² Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged*, (Bristol: Bristol University Press, 2019).

⁷³ Social Mobility Foundation, 'Employer Index Report 2022.' November 2022.

⁷⁴ Rebecca Montacute, "Unpaid, Unadvertised, Unfair," The Sutton Trust, January 30, 2018.

The Sutton Trust has previously calculated the true cost of unpaid internships, an analysis which we updated to 2021 for this report.⁷⁵ This quantifies the value of economic capital that must be available for an individual to undertake unpaid work experience. Based on the most up-to-date figures for the cost of living in London, a city that accounts for many employment opportunities, the cost of undertaking a month-long unpaid internship reaches almost £1,200 (approximately \$1,500 as of June 15, 2023). Yet even this figure is highly conservative: It does not include any recreational spending or saving, and covers only the cost of subsistence, on the assumption that unpaid work is a short-term experience. Moreover, it does not account for the clear opportunity cost of giving up paid work for unpaid experience.

Figure 17. True Cost of Unpaid Internships



Source: Citi GPS, drawing on methodology from the Sutton Trust and data from ONS, TfL, and GLA

There is a geographic lens to be applied here — opportunities for unpaid work experience are even more inaccessible to those who would have to relocate to participate. An example throws this into sharp relief: Compare the experience of a young person in Kensington and Chelsea, a London borough with the lowest median earnings for people from lower-income backgrounds, with that of a young person from Malvern Hills, a rural area in the West of England.⁷⁶ The former might be able to live at home during an unpaid internship. For a young person from rural England, with fewer opportunities for employment in their local area, this is likely impossible and the cost of (even short-term) relocation to access better employment opportunities only increases the economic capital that must be available to benefit from the experience. Figure 17 shows that rent is by far the largest element of the financial resources required to pay for unpaid experiences. We discuss the role of remote work in improving social mobility further in the report. Remote work opportunities might reduce the economic capital required to access entry-level opportunities for work experience.

⁷⁵ Ibid.

⁷⁶ Both examples are taken from the ten local authorities with the lowest earnings for children from low-income backgrounds. See UK Social Mobility Commission, *The Long Shadow of Deprivation: Difference in Opportunities*, September 15, 2020 (last updated October 6, 2020).

Unpaid internships are a significant barrier, but delayed and untimely payments can be just as significant for young people from lower socioeconomic backgrounds. Many of the expenses outlined in Figure 17 require an upfront payment — for example, rent and property deposits for those who are relocating for an internship, or a monthly travel pass. When paid interns are not able to make up-front payments before their first paycheck arrives, their costs will likely increase again. A lack of economic capital can therefore be a barrier not only to unpaid internships, but also to paid internships where payment is not made in a timeframe or manner commensurate with an intern's expenses.

UK Law Around Unpaid Internships

As the Social Mobility Foundation notes, “*Unpaid internships are exploitative and unfair and take advantage of a legal gray area.*”⁷⁷ In some cases, it can be claimed that an intern is not a worker, and therefore is not subject to minimum wage payments. For example, if an intern is shadowing an employee and not doing any work themselves, then the law says they do not need to be paid. Likewise, those who are carrying out a work placement as a part of their university degree are exempt from the usual wage requirements. However, polling of employers by the Sutton Trust also found a lack of understanding on the legality of unpaid internships, with many incorrectly categorizing unpaid internships that would be illegal (e.g., a placement with flexible working, where tasks are set, but which is paid less than the minimum wage) as legal.⁷⁸ Also, notably, even the legal exemptions for unpaid internships still generate opportunities that are inaccessible to people from lower-income backgrounds and, where they are an initial step toward paid work, that paid work becomes correspondingly inaccessible.

The challenge of a lack of economic capital also shows up in entrepreneurship where “friends and family” funding is often the first funding that entrepreneurs receive and is critical to getting a business idea off the ground. But what of those whose friends and family cannot afford to back their ideas? According to one report, they simply do not start so many businesses — 75% of founders are from a higher socioeconomic background.⁷⁹ The unequal spread of economic resources therefore costs the UK economy not only in terms of poor access to the labor market but also in terms of lost innovation.

Economic capital clearly plays a significant role in facilitating access to opportunities both during education and on first entry into the labor market. This, combined with the vastly unequal distribution of income and wealth in the UK, has led some to conclude that economic capital is the most important determinant of lifetime outcomes. For example, Louise Ashley, a Lecturer in Management at the University of London, argues that understanding class in terms of economic, social, and cultural capital misdirects our attention toward social and cultural factors and away from the material and structural inequalities that, according to her, are most significant.⁸⁰ Economic capital is significant, but we turn now to the social and cultural capital which can complement it.

⁷⁷ Social Mobility Foundation, *Employer Index Report 2022*, December 2022.

⁷⁸ Carl Cullinane and Rebecca Montacute, *Pay as You Go?*, The Sutton Trust, November 2018.

⁷⁹ Cornerstone Partners, *The Cornerstone Report: Access to Venture Capital*, April 2021.

⁸⁰ Louise Ashley, *Highly Discriminating: Why the City Isn't Fair and Diversity Doesn't Work* (Bristol: Bristol University Press, 2022). See also: interview with Dave O'Brien, [New Books Network](#).

Social Capital as Supporting Access to Opportunities

Let us return to our previous example of unpaid internships. While it is a significant enough barrier that many work experiences are unpaid, it is an additional barrier that many of them are also unadvertised. Illustrating the scale of this under-advertisement, a survey from the Sutton Trust found that just 17% of interns found their opportunities through an advertisement.⁸¹ Failing to advertise opportunities (paid or unpaid) means that they are only accessible to those who are already connected to an organization — most likely by having friends and family members already employed by the company. In other words, this barrier is rooted in social capital.

Social capital concerns an individual's links with others. What matters here is not only the number of connections that an individual has, but the nature of those relationships and the kinds of people that they are connected to.⁸² By incorporating these additional factors, social capital becomes not only about connections with other individuals but, through them, connections to institutions and organizations — like higher education institutions, employers, and charitable organizations. While we all develop our social capital over time, for young people, these initial connections often come from families. Just as parents may pass on economic capital, they can also pass on their social capital in the form of networks and contacts that can support successful entry into and progression in the labor market.⁸³ This is not only a theoretical argument. Empirical analysis has shown that “*social capital is a key element in the consolidation and reproduction of class advantage in Britain.*”⁸⁴ To take one example of how this works, evidence from the U.S. suggests that informal job referrals, which only come through strong and wide-ranging networks, make candidates more likely both to be hired and to remain in their post for longer.⁸⁵ As a result, social capital also contributes to lifetime outcomes.

While it is widely accepted that social capital is not equally distributed across the population, tracking its spread is very difficult.⁸⁶ An individual's links to institutions are far easier to track at the national level than an individual's links to other people. One way to measure connectivity to institutions, albeit imperfectly, is to look at the rate of volunteering. First, there is a clear divide along socioeconomic lines in participation in volunteering.

⁸¹ Carl Cullinane and Rebecca Montacute, *Pay as You Go?*, The Sutton Trust, November 2018.

⁸² Marissa Abbott and Aaron Reilly, *The Role of Social Capital in Supporting Economic Mobility*, U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation, May 2019.

⁸³ Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged* (Bristol: Bristol University Press, 2019).

⁸⁴ Yaojun Li, Mike Savage, and Alan Warde, “Social Mobility and Social Capital in Contemporary Britain,” *The British Journal of Sociology*, Vol. 59, No. 3, 2008.

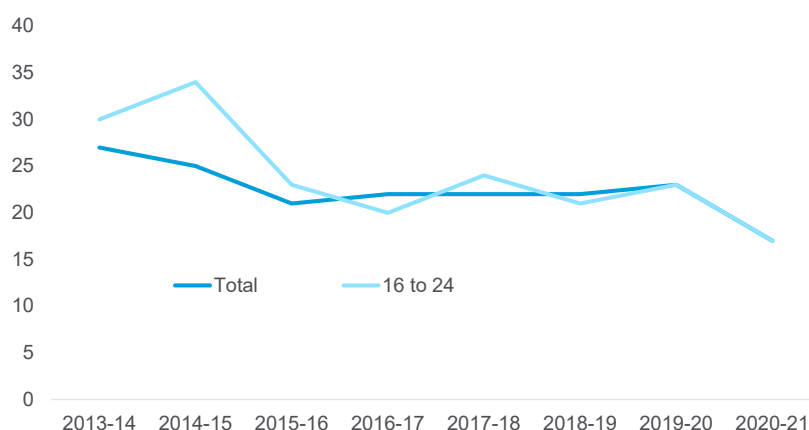
⁸⁵ Meta Brown, Elizabeth Setren, and Giorgio Topa, “Do Informal Referrals Lead to Better Matches? Evidence from a Firm's Employee Referral System,” *Journal of Labour Economics*, Vol. 34, No. 1, January 2016.

⁸⁶ Marissa Abbott and Aaron Reilly, *The Role of Social Capital in Supporting Economic Mobility*, U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation, May 2019.

The most recent figures available for the UK showed that just 12% of the most deprived participated in volunteering, compared with almost double that rate (23%) among the least deprived groups.⁸⁷ If the rate of volunteering is an adequate proxy for connectivity into institutions, which it is often taken to be, those from lower socioeconomic groups have less such connectivity and, by extension, less social capital.

Moreover, recent declines in volunteering indicate that formal connections to institutions may be shrinking among younger people — resulting in an increase in the importance of informal connections, which those from higher socioeconomic backgrounds are more likely to have. On these measures, the UK reflects the wider narrative we have illustrated elsewhere — the rate of volunteering and civic participation is modestly declining.⁸⁸ Moreover, younger groups have seen the sharpest declines: Figure 18 shows that those aged 16-24 previously volunteered more than the average person in the UK; however, by 2020-21, they volunteered less. The figure also shows that while it is right to talk of some COVID impact, declines started before the pandemic. All of this ought to raise concerns about the distribution of social capital among younger groups.

Figure 18. Share of the UK Population Who had Volunteered in the Last Month and Year



Source: Citi GPS

The rate of volunteering is a robust enough metric, and it remains a key indicator in UK government reporting on social mobility.⁸⁹ Further, recent analysis of the U.S. showed that, while other metrics produced using alternative data have a stronger connection, the volunteering rate retains a positive correlation with upward mobility.⁹⁰ However, volunteering is fundamentally a proxy metric for connectivity, including connections to institutions, and the most recent scholarship has recognized that informal social connections contribute to social capital.

⁸⁷ National Council for Voluntary Organisations (NCVO), *UK Civil Society Almanac 2022*, October 18, 2022. “Most deprived” here refers to the lowest quintile in the Index of Multiple Deprivation, and “least deprived” refers to the highest quintile.

⁸⁸ Citi GPS, *Philanthropy and the Global Economy: Opportunities in a World of Transition*, November 2021.

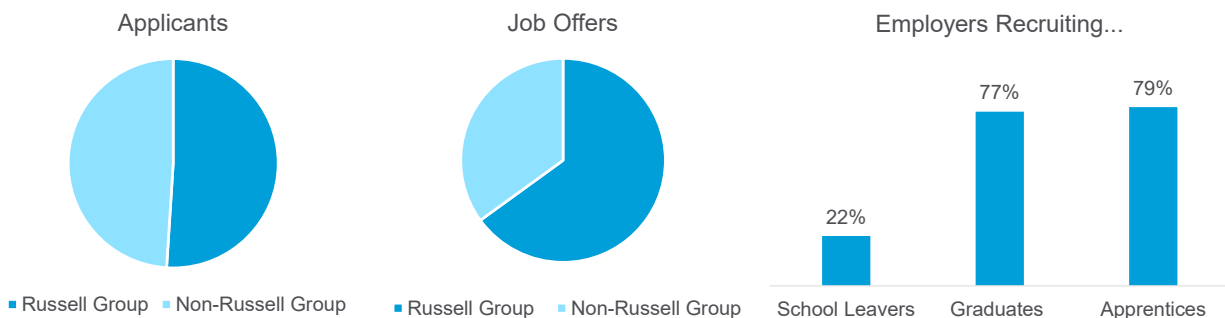
⁸⁹ UK Social Mobility Commission, *State of the Nation 2022: A Fresh Approach to Social Mobility*, June 2022.

⁹⁰ Raj Chetty et al. “Social Capital I: Measurement and Associations with Economic Mobility,” *Nature*, Vol. 608, No. 108-121, August 2022.

Indeed, some have suggested that they play a bigger role in social mobility than more formal networks like membership of an association.⁹¹ This might seem intuitive: It is the informal connections like the network of people an individual (or in many cases, their parents) could call upon for a favor that might be strongest, and therefore matter more, in facilitating access to the labor market. However, by the very nature of their informality, such networks and connections are more difficult to measure.⁹²

An alternative set of metrics could consider how much social capital matters for access to education and the labor market, rather than simply analyzing the spread of social capital across the population. Focusing again on the links that individuals have to organizations rather than on their informal connections to others, metrics under this heading include the extent to which employers recruit at a diverse range of entry points and from a diverse range of universities at the graduate level. On these metrics, too, there is more to be done. First, while 77% of UK employers who contributed to the most recent Social Mobility Foundation Employer Index recruited graduates, only 22% recruited school leavers. Further, in the most recent Employer Index, graduates from 24 leading UK universities known as the “Russell Group” were over-represented in both the application and offer stage, in a split of 51% Russell Group vs. 49% non-Russell Group at the application stage and 65% vs. 35% at the offer stage.⁹³

Figure 19. Panel of Social Capital and Access to Opportunity Data



Source: Social Mobility Foundation (2022), Citi GPS

This illustrates that connections to institutions still play a significant role in determining life outcomes. Yet, we should caution that, especially as the most prestigious universities seek to widen participation, a connection to elite higher-education institutions is not synonymous with a network that brings connections to employment opportunities in the elite professions. As elite universities increasingly admit students from lower socioeconomic backgrounds, the correlation between the connectivity that individual students have with employers in elite professions begins to decline.

⁹¹ Ibid; Yaojun Li, Mike Savage, and Alan Warde, “Social Mobility and Social Capital in Contemporary Britain,” *The British Journal of Sociology*, Vol. 59, No. 3, 2008.

⁹² Alternative data is one way to measure and track less formal social capital as a leading indicator of social mobility. For example, Raj Chetty recently led a team looking at billions of Facebook friendships to build a picture of the informal connections between people in the U.S. See Raj Chetty et al. “Social Capital I: Measurement and Associations with Economic Mobility,” *Nature*, Vol. 608, No. 108-121, August 2022.

⁹³ Social Mobility Foundation, *Employer Index Report 2022*, December 2022.

Cultural Capital as the Currency of the Workplace

Perhaps the most intangible form of capital is cultural capital, which concerns an individual's mode of self-presentation.⁹⁴ Although socioeconomic diversity is sometimes described as invisible, socioeconomic backgrounds often manifest in self-presentation, including the accent with which an individual speaks, their bearing, and even their style of dress. Certain self-presentations are seen as high value and associated with different jobs. Karen Lee Ashcraft describes a “glass slipper” metaphor: Certain roles have attributes linked with them, even if they are nothing to do with the job itself.⁹⁵ Hence, while socioeconomic status can be masked, it leaves visible traces that can be perceived as incompatible with certain roles or even whole industries. When socioeconomic status is invisible, it may be that individuals have assimilated to the dominant culture to “fit in.”

Multiple studies confirm that cultural capital has a significant impact on both entry to the labor market and experience of the workplace. Multiple studies, including documentaries in the British media, illustrate the challenges that those from lower socioeconomic backgrounds face in both getting into the elite professions and progressing once they are in.⁹⁶ These studies describe the difficulty individuals of lower socioeconomic background face in “fitting in.” This difficulty is echoed by many of those with whom we spoke while conducting the research presented in previous chapter: Many talked about a lack of “fit,” or a mismatch between their cultural background and that of their peers or managers.

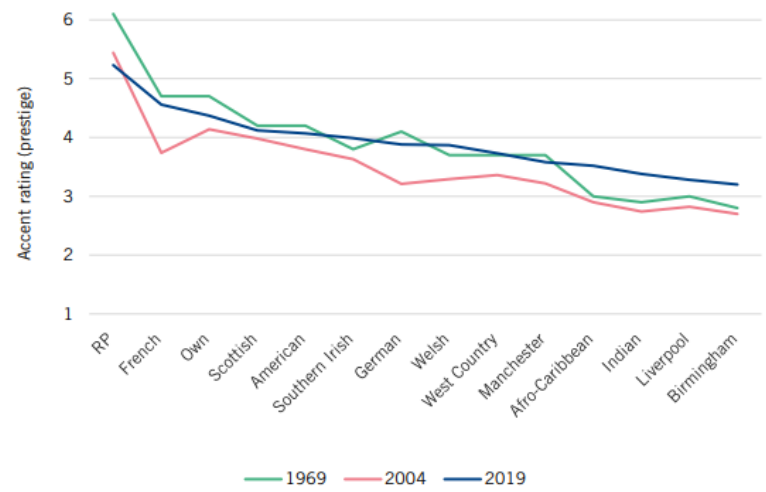
In measuring cultural capital, what matters is not how different attributes are distributed across the population, but the perceptions of these different attributes. Figure 20 illustrates that there is a “prestige problem” when it comes to accents.

⁹⁴ Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged* (Bristol: Bristol University Press, 2019).

⁹⁵ Karen Lee Ashcraft, “The Glass Slipper: Incorporating Occupational Identities in Management Studies,” *Academy of Management Review*, Vol. 38, No. 1, January 2013.

⁹⁶ One such example is “How to Crack the Class Ceiling,” a BBC documentary presented by Amol Rajan. We do not here set out the strict differences between social mobility and access to elite occupation, and a reader might think that there is a slip from the former to the latter at this point in our narrative. Suffice it to say that we take access to elite occupations like medicine, finance, and law as one kind of social mobility. We note that social mobility is not only about elite occupations: “Short range” mobility is as important as long. See: Louise Ashley, *Highly Discriminating: Why the City Isn't Fair and Diversity Doesn't Work* (Bristol: Bristol University Press, 2022).

Figure 20. Prestige Associated with Different Accents Across Time



Source: Sharma et al. 2022, "50 Years of British Accent Bias," The Sutton Trust, Citi GPS

Box 3: Social Mobility as an Intersectional Issue

While the language of social and cultural capital might be unfamiliar, some of these themes likely resonate with those who have worked to address diversity more broadly. For example, the idea of cultural capital might resonate with women who have moved into male-dominated environments and have been excluded from conversations by a mismatch in cultural knowledge. While this might seem benign, it risks leading to weaker ties between male and female colleagues, with consequences for women's sponsorship by senior people, and their retention and promotion. This begins to illustrate that social mobility is an intersectional idea: Socioeconomic status overlaps with other elements of an individual's identity and can augment their experience of these other elements of their identity. As Sam Friedman and Daniel Laurison put it: *"individuals are the sum of multiple, complex social characteristics that together constitute intersecting forms of disadvantage."*⁹⁷

While intersectionality was first theorized by the legal scholar Kimberlé Crenshaw, it has since been proven empirically that different elements of an individual's identity can combine to result in double disadvantages.⁹⁸ Indeed, Friedman and Laurison, whom we quoted above, have recently shown that women from the lowest socioeconomic backgrounds in the UK earn £7,500 less than their more privileged female peers, who themselves earn £11,500 less than the most privileged men. Moreover, the pay gap between high-socioeconomic-background men and low-socioeconomic-background women is more than if the class gap and the gender gap were simply added together. In other words, *"disadvantages can interact to the detriment of people at certain demographic 'intersections.'"*⁹⁹ The same idea of duplication of disadvantage can be observed both for people with a disability and for people from ethnic minority groups. Friedman and Laurison suggest that women from working class backgrounds and ethnic minority groups face a triple disadvantage.

The claim of intersectionality can be further substantiated by evidence from employers who have acted to improve social mobility, especially at the attraction stage, and have seen positive impacts on racial inequalities. The achievements of Browne Jacobson, a regional law firm with a city presence that also ranked top in the most recent Social Mobility Foundation Employer Index, illustrate this. They took steps to improve accessibility to their organization for those from lower socioeconomic backgrounds, including anonymizing applications, redesigning their careers website, making work experience placements paid, and starting to target social mobility cold spots. They also removed grade requirements for applicants at both degree and A-level stages. The results were instructive:

- Of more than 23,000 students accessing the company's career fairs and events in 2021/22, 62% were from lower socioeconomic backgrounds, and **52% were Black, Asian, and Minority Ethnic**.
- **45% of the junior lawyer intake was Black, Asian, and Minority Ethnic** in 2022, compared with just 7% in 2016.¹⁰⁰

In other words, while socioeconomic background can compound other marginalized elements of an individual's identity, putting social mobility at the heart of an approach to diversity and inclusion can have a positive impact in terms of other elements of an individual's identity that have historically been higher on the corporate diversity and inclusion agenda. So, even if employers are not convinced of the benefits of trying to recruit and retain a more socioeconomically diverse workforce, an approach to diversity that is grounded in social mobility can support their race and gender goals.

⁹⁷ Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged* (Bristol: Bristol University Press, 2019).

⁹⁸ Kimberlé Crenshaw, "Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory, and Antiracist Politics," *University of Chicago Legal Forum*, Vol. 1989, No. 1, 1989.

⁹⁹ Sam Friedman and Daniel Laurison, *The Class Ceiling: Why It Pays to be Privileged* (Bristol: Bristol University Press, 2019).

¹⁰⁰ The Diversity Project, "Social Mobility: Moving from 'Why' to 'How'," YouTube, November 30, 2022.

This chapter has shown that significant barriers to social mobility remain, and the leading indicators of mobility — like the level of child poverty and the role that social and cultural capital play in the labor market — indicate that those entering the workforce now face challenges to mobility. Yet, social mobility is rising up the agenda of both policymakers and employers in the UK. In the next chapter, we explore the actions that employers are starting to take on social mobility, what more they could do, and the support that they need to go further faster.

How Are UK Employers Improving Social Mobility?

No single lever is enough to solve the social mobility challenge. Education, which is often tasked with improving social mobility, is crucial but is certainly not able to take on the task alone. Indeed, as Dr. Eve Worth notes in her interview, “*Changes to education on its own have not produced radical shifts in social mobility.*” It is increasingly acknowledged that employers play a significant role. Since its launch, the Social Mobility Pledge has generated more than 650 business signatories, which cover more than 5 million employees. The guidance available to employers is also growing: The Sutton Trust published *An Employer’s Guide* in 2020, and the Social Mobility Commission published a toolkit for employers in the same year. The public sector is also aware of employers’ role. In 2023, David Johnston, an MP and former CEO of the Social Mobility Foundation, called on employers to “*devote as much effort to recruiting from different social backgrounds as they do recruiting women and ethnic minorities.*”¹⁰¹ Moreover, in a speech for the Social Market Foundation, Alison McGovern, the Shadow Minister of Employment, highlighted the private sector’s work on social mobility.¹⁰²

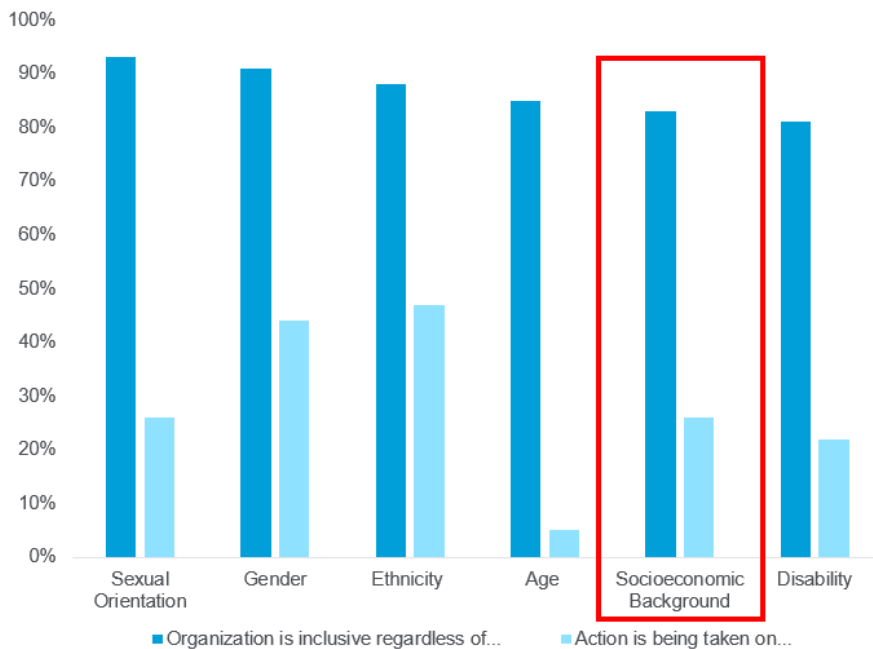
Yet, while corporate diversity discussions are increasingly including socioeconomic diversity, analysis from the Chartered Management Institute (CMI) shows that socioeconomic background lags race and gender diversity on multiple indicators. According to their survey, 83% of managers said their organization was inclusive of all regardless of socioeconomic status. This was second-lowest percentage of all indicators, behind disability at 81% (see Figure 21).¹⁰³ It is concerning, therefore, that only 26% of respondents said that their organization was trying to increase the proportion of employees from lower socioeconomic backgrounds, compared with almost half of respondents saying the same about race and gender.¹⁰⁴ This is all the more concerning since, while progress (albeit slow) has been made on gender equality, some data indicate that socioeconomic diversity has been declining in UK companies. For example, the CMI notes that the share of individuals from lower socioeconomic backgrounds in management positions declined by 19% between 2014 and 2021, versus a 12% decline in the wider UK working population. In other words, employers are starting to work on tackling social and economic mobility, but it remains under-addressed compared with other aspects of diversity.

¹⁰¹ David Johnston, “Social Mobility Can’t Be Delivered by Schools Alone – nor by Government on Its Own,” *Conservative Home*, January 9, 2023.

¹⁰² Social Market Foundation, “[Putting Social Mobility on the Agenda: A Speech by Alison McGovern MP](#),” April 27, 2023.

¹⁰³ Hamish Shah et al., *The Everyone Economy: CMI’s Plan for Sharing Work, Opportunity and Success*, Chartered Management Institute (CMI), June 2022.

¹⁰⁴ The gap in age inclusion is clearly the most striking, but the topic is beyond the scope of this report.

Figure 21. Socioeconomic Diversity Is an Under-Targeted Aspect of Diversity

Note: The CMI survey did not phrase questions identically for each diversity characteristic. See CMI (2022) for more details on the precise working of each survey question.

Source: CMI (2022), Citi GPS

In this chapter, we aggregate anonymous insights from employers, with an aim to both support collective learning for employers who are actively trying to improve social mobility and to support the three-quarters of employers, according to the CMI survey, who are yet to integrate this element into their diversity work. By uncovering the efforts of — and challenges faced by — employers, we also aim for this chapter to be a resource for the public sector as they think about supporting employers to address this new frontier in diversity and inclusion. In sum, this chapter finds that:

- Employers are largely focused on **early career access** to the labor market for **young people**, reflecting a wider ecosystem interest in intergenerational mobility.
- Employers' motivation is largely the sense that increasing social mobility is the **right thing to do**, but most also talked unprompted about **a business case** for focusing on this issue.
- Employers are delivering a **wide range of interventions**, which broadly fall into three stages:
 1. **Philanthropic programs**, which are largely unconnected to recruitment processes.
 2. **Organized schemes** for applicants from lower socioeconomic backgrounds.
 3. **System change**, including culture change, to facilitate interaction with an organization regardless of socioeconomic background.

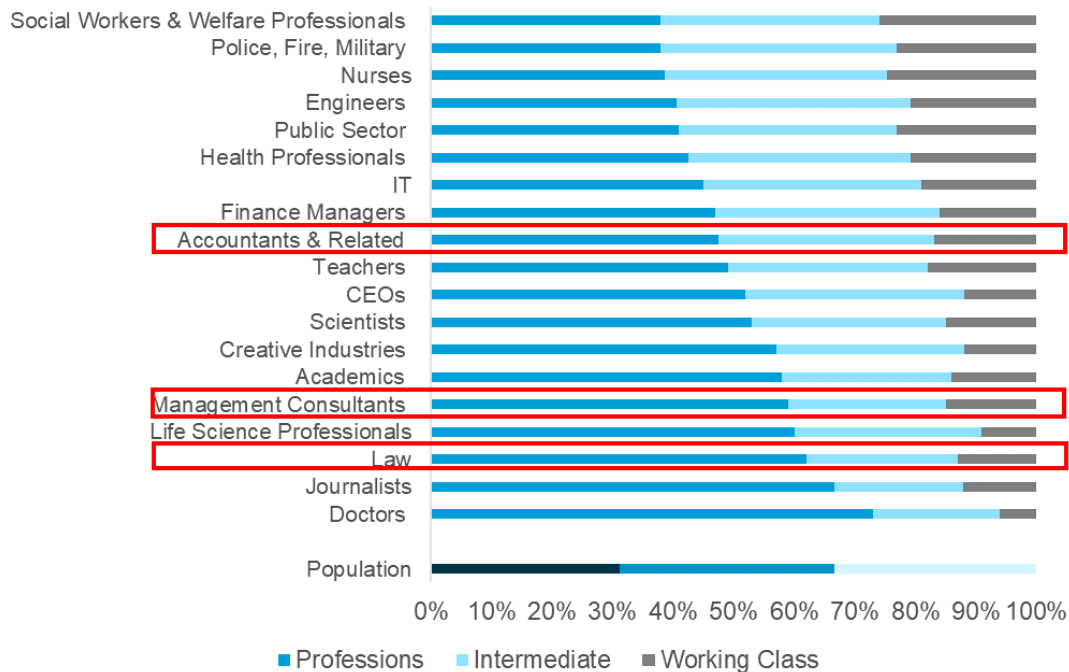
- Employers face multiple challenges to improving social mobility, but two were particularly common and are clearly linked: Around a third talked about **data challenges**, from lacking the perfect measure to struggling with employee completion rates, while many also talked about **attitudinal difficulties** and still needing to “win the argument” with colleagues.
- Almost all employers thought that there was a role for **government, policy, and regulation** in supporting their ambitions on social mobility.

Qualitative Research Methodology

Over four months at the beginning of 2023, we undertook a piece of qualitative research that aimed to understand how employers are thinking about their role in improving social mobility, their motivation for taking up this issue, and the challenges that they face in addressing it. We also aimed to consider the support that employers need to go further faster. These conversations were semi-structured interviews, which set out in an enquiring mode with no pre-determined hypotheses.

We interviewed 24 individuals, including HR leaders and advocates for social mobility who sit within an organization's core business, from 17 private sector organizations. The job titles of participating HR leaders varied, ranging from Chief People Officers to Heads of Talent and Diversity, including some focused specifically on social mobility. In some cases, participants were in community development or social impact teams. Employers covered a wide range of industries but, reflecting the industries that have taken up this agenda most publicly, the so-called “elite occupations” of banking and finance, law, consulting, and real estate were dominant. This is not a quirk of our study, but a function of the employers that are most explicitly acting to improve economic and social mobility. Underlining this, one employer in the retail space acknowledged that they are often an outlier in social mobility conversations. Moreover, the companies involved reflect the sectors that have the most widely known problem, rather than the overall UK economy. All employers were based in the UK, but many of them recruit globally, as we discuss below. Around 40% were publicly listed companies. In what follows, the outputs from these qualitative interviews are analyzed thematically against the interview questions.

Figure 22. Access to Professionals by Occupational Class Background



Note: Highlighted sectors are some of those that were particularly well represented in our qualitative research.

Source: Friedman, Laurison, and Macmillan (2017), Citi GPS

Employers focus on early career mobility

It is helpful to start by illustrating what employers understand as social mobility. First, employers' definitions are clearly in line with the account of the concept that we set out in the first section: Employers are chiefly concerned with the idea that where a person started in life should not determine their access to opportunities or their lifetime outcomes. Reflecting the wider UK conversation, employers lean into the idea that first entry into the labor market is a moment of opportunity for mobility.

Overall, employers' interventions target entry-level and often young talent. For example, employers talked about their outreach into schools, increasing the number of apprenticeships and school leaver programs, changing their early career recruitment processes, and removing grade requirements for both degrees and A-levels as key levers that they were pulling on social mobility. When specifically asked about progression and retention, many also talked about employee resource groups, formalizing mentoring or sponsorship arrangements, and convening working groups to reflect on how business decisions impact lower socioeconomic groups. While these steps acknowledge that it is, as one interviewee put it, "a *misconception that social mobility is something that happens early in our careers*" and that socially mobile staff in fact need support as they build their careers, it indicates that the private sector has focused on intergenerational social mobility.¹⁰⁵

¹⁰⁵ As distinct from the intragenerational mobility that we discuss above. See section "Understanding Social Mobility and Its Landscape".

Only three organizations alluded to intragenerational mobility (i.e., the potential for social mobility across one's own life course), and only two said they had interventions to support older workers to move into work and across the income distribution or occupational structure. One employer was clear that social mobility *"is not just about young people,"* noting that, while we know that young people face challenges, there is a big difference between being 18, based in London, and just leaving school compared with being 45, based in the rural North, and having been out of work for a decade. Part of the difference is that many more businesses are focusing on the former group than the latter. The same employer described how hiring older groups can feel like more of a risk because there is a misconception that younger people can be more easily shaped into the company's archetype.

Multiple employers resisted the "rags to riches" narrative, as they described it, that they thought too often characterized conversations about social mobility. Instead, and in line with some recent public-sector focus, employers were also interested in shorter-range mobility.¹⁰⁶ One employer noted that *"social mobility is not only about poverty: It's not about taking a disadvantaged youth and putting them into the pipeline to the next CEO — it's about unlocking talent that has so far been hidden."* Of course, social mobility does concern poverty, and it should be possible for those from the lowest socioeconomic backgrounds to reach the highest, but employers suggested that social mobility cannot only concern this category. Indeed, as another employer noted, when we focus only on free school meal recipients and, at the other end of the spectrum, those leaving the most elite — and often most expensive — schools (which they thought some metrics might encourage), *"we end up with a false dichotomy"* when, in fact, the shades in between these two extremes are equally as important and can be just as difficult to move between.

Global employers do not think of social mobility as UK-specific

We noted earlier that the legal sector and the financial and professional services industries were over-represented in our study, reflecting the fact that many of the employers acting on social mobility are also clustered in these sectors. As a result, although we spoke with teams based in the UK, and in almost all cases based in London, many of the employers in our qualitative survey recruit staff from across the globe in two senses: (1) they have a global footprint of offices, and (2) employees come at least from across Europe — and in many cases, from across the globe — to work in UK-based offices. This has consequences for how employers understand social mobility.

Some employers referred to their globality in understanding social mobility and, when asked, noted that although their work to address socioeconomic status has started in the UK, they do not see it as confined to there and have started to think about how it applies across the globe. On the whole, employers noted that the language of "social mobility" did not resonate globally, but one stressed that it is only the language that does not resonate — the wider concept that an individual's background plays a role in determining lifetime outcomes does resonate globally. In other words, it is only the language that does not apply globally, while the idea of socioeconomic disadvantage seems more applicable.

¹⁰⁶ UK Social Mobility Commission, *State of the Nation 2022: A Fresh Approach to Social Mobility*, June 2022.

Employers have complex motivations for acting on social mobility

Employers have many reasons for addressing social mobility. First, almost all participants shared that they were socially mobile themselves and that their work is motivated by personal experience. This often provided a “moral” motivation for improving social mobility, or the sense that doing so is simply the right thing to do, both for individuals and organizations. Indeed, some thought that this motivation was necessary for effective interventions. For example, discussing outreach to school-age children, one employer noted that without a moral motivation, *“it is harder to justify some early-stage interventions because there is no immediate pay off in terms of benefit to the business.”* Second, when asked, all employers saw a business benefit to increasing social mobility.

Figure 23. Taxonomy of Business and Commercial Cases for Socioeconomic Diversity

Direct Economic Factors	Ecosystem Development
<ul style="list-style-type: none"> • Diversity of thought and its impact on risk management and innovation • Business advantage of reflecting the client and customer base • Increased staff engagement • Increased (or at least not artificially constrained) supply of talent • Economic costs of burnout from masking socioeconomic background 	<p>Employers are seeing increased pressure to act on social mobility, from:</p> <ul style="list-style-type: none"> • Clients and their supply chains • Employees, including senior leaders • Investors and their ESG agendas • Competitors and the need to stay competitive • Wider society

Source: Citi GPS

Figure 23 catalogs the reasons that employers had for acting on social mobility into two groups: direct economic factors and ecosystem development. First, employers called attention to the literature on the business benefits of diversity, understood broadly. For example, they appealed to diversity of thought, linking this to innovation and risk management — a view that is prevalent in the literature on diversity and inclusion, even if the relationship cannot yet be proven causal.¹⁰⁷ Some thought that socioeconomic diversity, as opposed to gender or race diversity, was the best way to ensure diversity of thought. While of course socioeconomic diversity cannot displace other factors, one interviewee went so far as to describe it as *“the most influential element of diversity and inclusion [because] a person’s upbringing is instrumental in shaping their experience of life.”*

Employers also perceived a business advantage in becoming more reflective of their client base. As one employer put it, *“This isn’t about saving people, it’s really good for business.”* The specifics of this business case are complex: One employer in the finance industry talked about the need to provide good outcomes for all customers and commented, *“How can we even know what a good outcome looks like if we are missing the lived experience internally from those parts of society?”* Further, one interviewee noted that while companies that do not directly engage with consumers have so far been protected from social mobility and the diversity conversation more broadly, this is changing as their clients become more representative of society — which suggests a business benefit to becoming equally representative to better serve and connect with their client base.

¹⁰⁷ For example, BCG has shown that there is a positive and statistically significant relationship between diversity and innovation. See: Rocío Lorenzo et al., “The Mix That Matters: Innovation Through Diversity,” BCG, April 26, 2017.

Expanding the talent pipeline was a further argument employers raised. One employer noted that there is no good economic argument for “*deliberately narrowing the supply [of talent] in the face of broad demand,*” or, in other words, recruiting from a small pool of elite universities and institutions. As one employer summarized it: “*That pond is not big enough to fish in.*” This sentiment was particularly acute among traditionally high-paying industries, where employers noted that competition for entry-level employees (most often, graduates) from the most prestigious institutions has increased, especially as the technology industry has become larger and more attractive. Others described a transition from a “need to work” economy to a “want to work” economy, which gave candidates greater power in determining where to work. For some, this competition for talent has been a catalyst for their work on social mobility.

Employers also appealed to other catalysts:

- **Energy Transition as a Catalyst for Social Mobility:** One employer suggested that social mobility must be part of the “just transition,” and that the energy transition is an opportunity for social mobility as new jobs, with new skill requirements, come into existence. There will be no reason to focus on the skills and character traits that were the currency of the sector when it was carbon-intensive, and green jobs will require training regardless of who takes them on. This, they thought, presents opportunity to widen access.¹⁰⁸
- **Digital Transformation as a Catalyst for Social Mobility:** Another employer noted that while we often hear about the technology sector skills gap, there are only skills gaps “*because people aren’t getting the training they need to take on these roles.*” But, as the same employer put it to us, what would happen if these underrepresented groups were invested in? Another employer thought that the coming digital transformation in many industries, by calling for innovation and creativity, was also an opportunity and a mandate to widen access.

The second category of arguments for focusing on social mobility highlight an evolving ecosystem and increasing demands of various stakeholders — including clients, customers, employees, investors, competitors, and wider society — to address it. While socioeconomic diversity is, in the words of one interviewee, an “*underappreciated diversity characteristic,*” things are starting to change and, as another interviewee put it, “*We are on the brink of social mobility exploding.*” We noted earlier that being reflective of customers brings an inherent business benefit, but clients and customers are increasingly interested in, and directly demanding action on, social mobility as well. Multiple employers were clear that social mobility is joining the ranks of gender, race, and other diversity metrics in being a precondition of attracting business, with some also mentioning investor action on the topic. A few comments from employers stand out here:

“If we weren’t committing to this, we wouldn’t win any projects and we wouldn’t be able to operate.”

“Clients are making it clear that we will not get work if we don’t shine on this issue.”

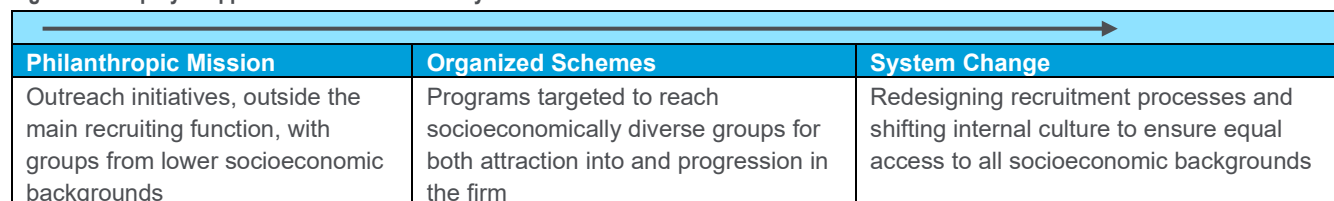
¹⁰⁸ Illustrating the scale of the opportunity here, Citi GPS has written previously about the UK Government’s Green Jobs Taskforce with its aim to create hundreds of thousands of new jobs by 2030. See: Citi GPS, [Technology at Work v6.0: The Coming of the Post-Production Society](#), June 2021.

Some employers made a slightly different version of this argument: Their competitors are working on social mobility, and this can become a differentiating factor. If they are to remain competitive, they must also address the issue. This also operates across sectors, perhaps because there is increased competition for talent: One employer outside of the legal sector said that their motivation for taking up this issue was noticing the progress that law firms had made. Employees were another element of the ecosystem putting pressure on employers, especially the interest of a new generation of senior leaders. One firm noted that younger leaders, who were more fluent in conversations about social injustice, were exploring the role of their company in tackling these issues. Another employer noted the close links between social mobility and race and shared that as employees and leadership, in the wake of George Floyd's murder, started to ask questions about how many young, Black people were being brought into the organization, there had been a call to improve social mobility.

Employer interventions for social mobility are at different stages

Employer approaches to social mobility fall into three categories: philanthropic, organized schemes, and system change. These are distinct, but they fall into a hierarchy in terms of integration into an employer's organizational priorities and mainstream operations, especially recruitment.

Figure 24. Employer Approaches to Social Mobility



Philanthropic Mission	Organized Schemes	System Change
Outreach initiatives, outside the main recruiting function, with groups from lower socioeconomic backgrounds	Programs targeted to reach socioeconomically diverse groups for both attraction into and progression in the firm	Redesigning recruitment processes and shifting internal culture to ensure equal access to all socioeconomic backgrounds

Source: Citi GPS

The left of Figure 24 describes the concept of social mobility as part of a philanthropic mission. Many employers talked about having started their social mobility journeys by supporting non-profit organizations that help individuals, especially young people, to improve their lifetime outcomes. One employer noted that at the beginning of their social mobility journey, *"It was philanthropic work, and we were not really recruiting from these programs."* Another commented that before they formalized a strategy around social mobility, relevant activities were clustered into community engagement under corporate social responsibility plans. Employers referred to programs that variously bring participants into the workplace, support their development of relevant skills, and provide volunteering or engagement opportunities for colleagues. Overall, these initiatives aim to support participants' economic success, and many of them are incredibly successful, but they are external to the organization's operations.¹⁰⁹ Without additional interventions, this kind of outreach does not organically broaden an organization's talent pipeline or lead to any of the individuals who participate in the outreach activities accessing long-term employment in the organization.

¹⁰⁹ For example, Pro Bono Economics recently analyzed the impact of long-standing Citi partner Career Ready and found that for the average cohort, the macroeconomic impact was as high as £23.1 million (\$29.2 million as of June 14, 2023) in long-term economic benefits. See: Pro Bono Economics, *Economic Evaluation of the Career Ready Programme*, September 2022.

One employer noted exactly this situation, commenting that “*there is a gap between raising aspirations or supporting awareness of different careers and opening an organization’s doors*” to candidates who reflect a socially mobile profile. Moreover, some described challenges bridging the gap, with one employer noting that “*it can be difficult to get your programs taken up by HR rather than a side program that supports these communities.*” Some elements of the outreach and interventions that are required to support social mobility clearly need to sit under this philanthropic heading. For example, one employer talked about outreach with groups as young as primary school children to increase awareness of their sector as a possible career path. This type of intervention cannot be anything other than philanthropic — it cannot be plugged directly into an employer’s talent pipeline. Moreover, enabling students to explore different career paths is one of the merits of these programs: Tokunbo Ajasa-Oluwa notes the number of students in the Career Ready program who change their minds about what they want to do, reflecting their new awareness of what is possible. Some of this work is about exploration rather than commitment to a specific industry, and there, philanthropic work has its place.

However, many employers are moving beyond philanthropic work by developing organized and targeted schemes to diversify their talent pipeline. As one employer put it, “*Hiring people from lower socioeconomic backgrounds is not about charity — there are real positives to be taken from this community.*” Employers still see partnerships as key to this and are deepening engagement with non-profit organizations to give participants in outreach schemes seamless access to employment opportunities. Multiple employers described the successes of bringing those who first engaged with an organization through an outreach activity into the workforce, and one talked about an ambition to ring-fence some entry-level roles for participants. Employers are also using similar organized schemes, including mentoring schemes, support with networking, skills training, and formalizing sponsorship arrangements, to focus on progression and retention. Many employers also talked about employee resource groups for employees from lower socioeconomic backgrounds and their allies, as has been seen on other diversity indicators like race and gender.

One employer noted that there are risks associated with addressing social mobility through organized schemes because those who gain access may still be those with the social and cultural capital to put together a competitive application. Hence, some employers have an ambition for systemic and cultural change that could eradicate the need for targeted programs. Many see this as a strategy not only for true inclusion of socioeconomically diverse colleagues, but also for inclusion across many diversity characteristics. Commenting on this broader need for system change, one advocate for social mobility noted, “*It is a pipedream that some could come to work as their full selves in the current environment,*” observing that “*we haven’t been skiing but it’s all the industry can talk about.*” In other words, system change is the most ambitious element of a social mobility strategy.

The most ambitious employers are reshaping their recruitment processes in a way that would be accessible to people from all socioeconomic backgrounds. Here, interventions include:

- Recruiting from a **wider range of universities**, including tracking the demographics of different universities and working with university teams who are focused on broadening access to the university to seek out diverse applicants.
- Redefining **which skills and characteristics are important** and reconsidering which skills (that more traditional entry-level candidates might historically have already had) can be taught.

- **Reformulating interview questions** for entry-stage candidates from asking about experience, like “*tell me about a time when...*” to understanding a candidate’s potential, like “*what would you do in the following situation.*”
- Gathering senior leaders who are either socially mobile themselves or allies to **examine the impact of business decisions** on colleagues from lower socioeconomic backgrounds.
- Shifting the **power into processes and away from individual hiring managers**, for example by stripping university names out of CVs before they are reviewed.
- Applying a social mobility lens on the **final stages of recruitment decisions** to track the socioeconomic diversity of candidates being rejected and consider the barriers they faced.
- Considering economic capital in **operating processes**; for example, removing the requirement to pre-pay for accommodation or travel before subsequent reimbursement.

For some, there was a tension between trying to help socioeconomically diverse candidates and colleagues to thrive in the current system while also trying to change cultures and systems so that they could be included as themselves. In other words, some saw a tension in trying to implement organized schemes targeting applicants from lower socioeconomic backgrounds alongside system and culture change. Moreover, employers noted a sense in which it is currently too ambitious to imagine a world in which such organized schemes are not required, since the wider ecosystem does not facilitate equal access to opportunities, from the early years to education. For example, one employer noted that a wider shift is needed in attitudes toward prestigious institutions and organizations and, while the private sector is leading on re-defining what constitutes prestige, a wider social movement is also necessary.

Box 4: Interventions to Support Social Mobility in Later Life

As we noted earlier, employers primarily focus on social mobility on first entry into the labor market, and many of their interventions correspondingly focus on school leavers and graduates. While this is one life stage at which individuals might experience mobility, it need not be the only one. Two employers spoke about initiatives to provide an opportunity for older workers’ mobility:

1. One employer talked about outreach into **job centers** and work with **groups at risk of homelessness** by supporting them to access placements, initially into the supply chain, including in catering or security teams, and more recently into the main business.
2. Another employer talked about outreach work into **women’s prisons**, where they saw the most opportunity for intergenerational impact (given the implications for the children of women prisoners) in offering short-term placements during the period of the women’s incarceration and providing a route into work after their release.

While these may be less common interventions to support mobility, they represent the vanguard in supporting lower socioeconomic groups, both to access employment and to progress. These types of initiatives lean into the intersection between age and socioeconomic background, which is one of the least explored, yet also one of the most challenging, intersections of experience.

Multiple challenges confront employers trying to prioritize social mobility

Employers face a wide range of challenges in addressing social mobility. The most common, in order of prevalence, were: (1) denial and pushback from colleagues on the importance of social mobility, which 59% of employers reported, (2) challenges collecting and interpreting data (29%), and (3) diversity fatigue, including difficulties understanding how social mobility should fit into a wider strategy on inclusion (18%). Each of these is significant and, as we explore in the following section, there is a role for many stakeholders — beyond the employers who have raised these challenges — to play in addressing them.

When asked open-endedly about challenges to improving social mobility, almost three-fifths of employers described pushback from colleagues and denial of the challenges faced in both access to and progression in the workplace attributable to socioeconomic background. We did not ask specifically about the attitudes of colleagues toward social mobility, although this emerged as the most common challenge employers face. Some employers pointed to a clear gap in awareness, with one employer commenting that, *“It’s difficult to help people understand social mobility — they don’t know why this matters.”*

Earlier in this chapter, we described colleague demands to act on social mobility. This is not inconsistent with pushback from colleagues, and in some cases, the same employers had seen both employee demands and employee resistance while acting on social mobility. Clearly, a firm’s employees are not a homogeneous group. One employer noted that this underlines the need *“to build a movement”* as backing for social mobility, rather than mandating employer action on social mobility. Moreover, one employer noted that while they saw grassroots support combined with senior sponsorship for action on social mobility, *“Senior managers are not the ones actually running the processes that need to change.”* A senior leader from another organization underlined this point, noting that it was not enough to get senior managers on board; they had to make sure that colleagues followed through to effect change. In other words, there is a middle layer of management that must be brought on board — and in some cases, this is where the “denial challenge” arises.

There is some nuance under the broad heading of employee pushback and denial, with different employers noting different attitudes in their employee population. First, some employers faced misconceptions about how alternative routes into the organization would work, the sort of talent that might be attracted by these programs, and how rigorous these programs would be:

“There was a sense that apprenticeships had less merit and were less rigorous than the traditional degree route.”

“There is a misconception that being from a lower socioeconomic background just means that you are less clever than others.”

Some employers noted that a few hiring managers worried about the risks of opening up to new streams of talent. Some of these worries stemmed from the same misconceptions about the talent that might be attracted and the training programs offered. Some encountered the idea that the old way of attracting talent, even if it was not inclusive, had worked well for the firm, and this brought a higher burden to prove the merit of less traditional candidates and initiatives. One commented:

“There is a tendency to focus on the risk of these interventions. We have to build up trust in a new way of doing things when the old way worked for so long.”

A second category of employee pushback is more personal. Many employers observed, to different degrees, some reticence among employees to acknowledge the challenges that people from lower socioeconomic backgrounds face. One employer commented that, *“People will ask if social mobility is really a problem because it’s not something that they see.”* Beyond this, however, some noted that employees may find it difficult to recognize that, while they of course still had to work hard to achieve what they have, they had significant advantages. Two employers’ comments illustrate this:

“We all think that it is our hard work, skills and talent that got us where we are — it can be hard to acknowledge that you started the game 5-0 up.”

“People question why they should be told that their achievements are not on their own merit but about their circumstances.”

We can build on this further: Part of these comments may stem from fear or a sense of threat among colleagues, especially when those from higher socioeconomic backgrounds think about their own children and their lifetime outcomes.¹¹⁰ One employer noted that you will hear colleagues talking about how their children were not admitted to “Oxbridge” or Russell Group universities because, according to them, those institutions are currently focused on admitting students from lower socioeconomic backgrounds. One employer summarized the point:

“There is a fear that tackling social mobility will limit the potential of colleagues’ own children. Some senior people will say that they worked hard to give their children the advantages that are now being spread around to others.”

Given the prominence of this challenge, and in addition to the support described in the next section, it is not surprising that many employers called for support to improve our societal understanding of social mobility. Employers pointed specifically to social storytelling to illustrate the diverse backgrounds of people in positions of responsibility in public life, echoing their internal efforts to highlight success stories of social mobility within their organizations. As evidence of this wider lack of storytelling about the socioeconomic backgrounds of different people, one employer, a senior leader at their organization, described an exercise in which they asked students participating in an outreach activity to draw the house they grew up in. They noted that students from lower socioeconomic backgrounds often drew a large, detached home, not the council estate flat (i.e., public housing building) that was the reality. It is these misconceptions of social mobility that employers were clear they cannot break down alone — broader societal action is required.

¹¹⁰ Rising economic inequality, such as the UK has been seen in recent decades, might be thought to accompany increasing fears of this nature. It certainly will not help. As inequality increases, those at the top have further to fall and, by extension, more to fear from downward mobility.

Beyond societal attitudes, employers faced many other obstacles to improving the socioeconomic diversity of their workforce, including:

- **Collecting data from colleagues** that would indicate gaps in the socioeconomic diversity of the workforce. One employer noted that some colleagues were unwilling to give this information unless it was legally required of them. More generally, while there were some outliers, with higher rates of data completion on socioeconomic background than on race and gender, many more noted that they struggled to gather the level of data that would allow them to act. One reason for this is that even the questions recommended by organizations like The Sutton Trust and the Social Mobility Commission to measure social mobility give at best a blurred picture of someone's true socioeconomic background.¹¹¹ Some employers also referred to difficulties interpreting employee data and setting appropriate and achievable representation targets.
- Despite significant will to improve social mobility, **"diversity fatigue,"** or a sense of needing to prioritize, is setting in with some employers. One employer commented that *"not everything can be equally important"* and *"we can only meaningfully tackle a certain number of elements of diversity, or else we risk doing all elements badly."* Another employer noted that, *"A broad number of different initiatives will be competing for space in this arena."* We read this challenge as a difficulty integrating social mobility into diversity strategies: As we illustrate below, social mobility intersects with other characteristics and need not be seen as an additional element of diversity, but rather a lens to apply to existing efforts surrounding it. Indeed, one employer with a particularly developed social mobility strategy noted that diversity and inclusion initiatives can be siloed, but social mobility sits across them.

With external support, employers could go further faster on social mobility

Employers see social mobility as a wider ecosystem challenge that they cannot solve alone. One noted that, *"There are lots of elements beyond the control of individual firms and even whole industries."* Employers were clear that there are steps other stakeholders could take to catalyze their action in this space. Before we explore them, it is worth noting that these are actions suggested by employers who are already acting on social mobility to support them — not actions that might persuade others to take up the issue, which may call for a distinct set of incentives and interventions.

In addition to tackling societal opinions of social mobility, as highlighted above, one common suggestion of support to help employers move more quickly on social mobility was for government to connect the dots between education and employment more effectively. Forty-one percent of employers in our qualitative study cited this. The broader point here is that employers cannot completely mitigate the impacts of a lack of opportunity earlier in life: Upstream interventions are also required. One practical intervention that employers advocated was improvements to the career advice available for young people in schools, and some thought employers could play a part in this. For example, one employer noted that:

"People are not aware of the breadth of roles available in financial and professional services; there is a lack of social knowledge. Improving this could be a role for schools."

¹¹¹ See The Sutton Trust, *Social Mobility in the Workplace: An Employer's Guide*, July 2020 for a summary of these questions.

Another employer commented that while there are some charities providing enhanced career support, they saw a need for better coordination and a more uniform offering, which governments (both local and national) could convene on. From their outreach work with schools, employers noted cold spots in the provision of career advice, with some observing a notable gap between awareness of career paths in London versus elsewhere. As a result, some were trying to move their outreach beyond the immediate locality of their offices, a move that some employers with offices outside London aligned with the language of the “levelling up” agenda in the UK. Beyond career advice, employers saw a further role for connecting the dots with education to advance social mobility, specifically noting that more vocational subjects in the curriculum would support direct hiring of school leavers.

The second-most common element of support employers described was in the collection, interpretation, and publication of social mobility-relevant data collected from colleagues; 29% suggested this in open-ended conversation. Some employers noted that in the legal sector, regulators have mandated the collection of relevant data from colleagues. Employers wondered whether there was a role for regulation and policy to mandate the publication of socioeconomic data and, by extension, a social mobility pay gap report, as we have seen in the UK on gender in recent years. Some employers, while noting the practical challenges of such a policy approach, suggested that part of this could involve making social class a “protected characteristic” (i.e., protecting social class in law by the Equality Act, which also includes protections for gender and race). Other employers called for more fundamental support in developing better metrics for social mobility — with suggestions including a composite measure that better reflects an individual’s holistic life experience, rather than fixed indicators like whether an individual had been eligible for free school meals or had attended a privately-run school. Building on this, some questioned the taxonomy of jobs that typically underlies the concept of occupational mobility and questioned how this taxonomy should be historicized across different generations, particularly to reflect the current economic realities of some professions that may once have been linked with more economic capital.

Finally, some of the employers who have adopted a focus on progression and retention noted that the ecosystem supporting socially mobile employees beyond the entry level is under-developed compared with support for more established diversity characteristics like race and gender. One employer noted a lack of organizations outside of employers themselves supporting professionals from lower socioeconomic backgrounds. For example, from our experience, we know that there are many organizations supporting women in financial services, but employers told us that they only see internal employee resource groups supporting people from lower socioeconomic backgrounds, with no external parallel. This will have implications for the individuals that might benefit from such groups. The same employer also mentioned that because of this lack of external organizations, if a company wants to diversify at senior levels, there is no way to target applicants from lower socioeconomic backgrounds in the way that there is women or racial minorities. This reflects the wider issue that social mobility has for a long time only been concerned with access, not progression.

Chapter Four: How Can We Catalyze Social Mobility?

Building on the analysis of the previous chapter and combining it with a thorough review of existing literature, we conclude here with recommendations for employers (see Figure 25) to elevate the profile of social mobility and suggest some broad ways in which governments might play a supporting role.¹¹² These recommendations come out of the UK context because both the employers that contributed to our study and the employer toolkits that have been produced refer specifically to the UK. However, as employers begin to globalize their work on economic and social mobility, many of our recommendations to employers can be extended beyond the UK.

Experiences of Social Mobility and The Shift to Remote Working

The ongoing evolution of work may be conducive to improving social mobility — especially increasing the prospects for mobility outside of major economic hubs. The shift to remote work is already recognized as an opportunity for employers to tap into a wider pool of talent outside their immediate local area. This also applies, to a lesser extent, to hybrid work. The risk is that this only creates more opportunities for the elite. However, if work experiences and internships shift toward a remote or hybrid model, they could become more accessible for socially mobile candidates across a given country by removing the need to relocate for a short-term placement. Yet, the reality is only that they *could* become more accessible, not that they automatically will. There are three elements to consider:

1. Socially mobile candidates from the lowest-income backgrounds might need **support accessing the technology required** to participate in remote and hybrid work experiences — as Tokunbo Ajasa-Oluwa tells us in his interview further in the report.
2. Advertising remote experiences online might make outreach more difficult, as **awareness is restricted to those who are in the right digital spaces** to hear about these opportunities. Navigating the digital spaces that people from lower socioeconomic backgrounds occupy presents another challenge for employers to address, beyond diversifying the range of colleges and universities in which they host recruitment activities.
3. Access to the physical workplace might play an important role in **fostering confidence and helping people from lower socioeconomic backgrounds see that they can belong in workplaces**, like in the headquarters of a large employer.

¹¹² Literature reviewed includes: The Sutton Trust, *Social Mobility in the Workplace: An Employer's Guide*, July 2020; Social Mobility Foundation, *Employer Index Report 2022*, November 2022; Social Mobility Commission, *Socio-Economic Diversity and Inclusion Employers' Toolkit: Cross-Industry Edition*, February 2020; Peter Cooper et al., "Fixing the Ladder: How UK Businesses Benefit from Better Social Mobility," McKinsey, January 25, 2023.

Remote work is also an opportunity to support the experience of colleagues from lower socioeconomic backgrounds beyond attraction. A detailed examination of remote work is beyond the scope of this report, but we know that the moment of access to a higher-status role or occupation is not the completion of social mobility, and the experience of this mobility can be challenging. As Jennifer Morton put it in her book, *"A central aspect of the striver's [a term Morton uses to describe the upwardly mobile] experience is that of negotiating the distance between the community into which he or she was born and the one into which he or she seeks entry."*¹¹³ As one employer put it, *"You have one foot in each different world,"* i.e., one foot in the world of one's occupation and another in the world of one's family background, which can come with a very clear culture clash. To that extent, while social mobility is often celebrated as a moment of success in wider society, for the individual it can involve a tearing away from their family and heritage into a world in which they only partially fit. A remote or, to a lesser extent, hybrid working arrangement might alleviate the challenging elements of this experience by allowing upwardly mobile colleagues to stay better connected — geographically and metaphorically — with their community. Yet, this requires ensuring that there is not a two-tier system in which remote workers are overlooked for opportunities.

Recommendations for Employers

Let us turn first to recommendations for employers. Figure 25 summarizes how employers can mitigate the impacts of a lack of economic, social, and cultural capital — the categories of barriers that people from lower socioeconomic backgrounds might face to accessing opportunities. Figure 25 also illustrates two sets of considerations for improving economic mobility — first, supporting socially mobile entry-level talent (highlighted in blue), and second, supporting the progression and retention of socially mobile colleagues (highlighted in gray).

Supporting socially mobile entry-level talent

Minimize the impact of economic and cultural capital on access to employment

While lower income inequality is demonstrably linked to higher rates of mobility (see Box 1), the distribution of economic capital across the population depends on policy decisions. However, employers can play a role in minimizing the impact that the unequal distribution of economic capital has on access to opportunities. This involves ensuring that economic capital is not a prerequisite for engaging with an organization. For example, employers should convert unpaid internships into paid opportunities that deliver value to the organization and pay interns a real living wage, or at the very least cover their costs, to ensure they are accessible regardless of access to financial resources. Payment must also be made on a timescale commensurate with incurred expenses. Relatedly, to improve social mobility, UK employers should pay all employees, including contractors, (at least) a real living wage that is commensurate with the costs of living in the country and city of employment.¹¹⁴ There is an opportunity to amplify this impact across the supply chain. Moreover, the impact here stands to be intergenerational, as it not only supports the employee that would be paid a better wage today, but it also increases the chances that an employee's children can be upwardly mobile.

¹¹³ Jennifer M. Morton, *Moving Up Without Losing Your Way: The Ethical Costs of Upward Mobility* (Princeton: Princeton University Press, 2019).

¹¹⁴ Government clearly plays a role in both legislating for fair and adequate pay, including setting rates of minimum pay, and eliminating unpaid experiences.

In setting the requirements for entry-level candidates, employers should reevaluate the qualifications and educational backgrounds that are truly required for each role. In doing so, employers should be cognizant of the economic cost of education, especially higher education, which includes not only the direct funds needed to study for a qualification but also the opportunity cost of time that could have been spent in paid employment. Requiring qualifications restricts the pool of applicants to those who had sufficient economic capital to obtain those qualifications and hinders the access that individuals from lower socioeconomic backgrounds have to the labor market. Moreover, as students increasingly take on paid work to support their studies, employers (and indeed, higher education institutions offering advanced degrees) should consider the impact of extensive paid work on students' ability to fully engage with their studies and fulfil their academic potential.¹¹⁵ In other words, employers should reconsider whether specific grades and qualifications are really required. Where employers find that they may not be, they might then explore alternative routes for obtaining talent, like apprenticeships and school leaver programs.¹¹⁶

A similar approach might be taken to cultural capital. For example, alongside reconsidering the requirement for a specific set of qualifications, employers should reconsider requirements to have participated in extracurricular activities, including informal requirements that operate as a means of building affinities with interviewers and managers. In practice, this might involve reviewing the questions that interviewers ask of entry-level applicants, for example by shifting from questions of experience (e.g., "Tell me about a time when you used teamwork skills") to questions of potential (e.g., "What would you do in scenario X?"), especially in interviewing for entry-level positions.

¹¹⁵ Sutton Trust, *Cost of Living and University Students*, January 2023.

¹¹⁶ Notably, programs for apprentices and school leavers do not automatically translate into opportunities for lower socioeconomic background groups, and employers must track participation in these schemes by demographic background. See: Chiara Cavaglia, Sandra McNally, and Guglielmo Ventura, *The Recent Evolution of Apprenticeships: Participation and Pathways*, Centre for Vocational Education Research Discussion Paper 039, December 2022.

Figure 25. Key Recommendations for Employers

Form of Capital	Recommendations for Employers
Economic i.e., barriers raised by lack of access to financial resources	Eliminate unpaid internships, including at least covering an intern's costs or living expenses or, for digital programs, ensuring access to the technology required for the program. Ensure payments are made on a timeline commensurate with when interns and other employees have expenses.
	Provide financial support to make the interview process accessible and ensure that candidates are aware there is financial support available if they require it. For example, cover the cost of travel to interviews and assessment centers and consider wider financial barriers to participation, like the cost of care for unpaid carers.
	Offer multiple ways into the organization, including through graduate schemes, apprenticeships, and school leaver programs, to support those that cannot pay for higher education. Track the socioeconomic background of joiners to the organization through each route. Ensure that all incoming routes provide the same opportunity to progress.
	Ensure that all staff across the organization, including any contractors, are paid a real living wage with appropriate working conditions and, where possible, engage with suppliers to multiply this impact.
	Consider how benefits packages support employees' management of their personal finances, including access to appropriate financial advice.
Social i.e., barriers raised by lack of access to a network or poor social connectivity	Consider the breadth of schools, colleges, and universities supported both through outreach work and in recruitment initiatives, together with the socioeconomic background of the students that each institution engages.
	Join the dots between outreach into schools, universities, and the local community and the recruitment process, for example by staying in touch with entry-level talent and fast-tracking candidates to later stages of application cycles. Collect data to track the share of applicants that are first engaged in outreach work and become employees.
	Work with partners, especially non-profit organizations, that already support young people from non-traditional backgrounds to ensure that outreach work is targeted at those who stand to gain the most.
	Identify opportunities to use business growth to support economic development in social mobility cold spots and to develop a presence outside the South East of the UK. Review policies and practices around flexible working and ensure that those working outside major hubs, including remote workers, can still progress.
	Create an employee network that provides opportunities for mentoring and sponsorship of socially mobile team members. Consider reverse mentoring to educate senior managers about the challenges of social mobility.
	Ensure that all routes into the organization are advertised to a wide range of potential applicants, including providing clear information about the skills and knowledge required. Track the socioeconomic background of candidates that are referred to open vacancies through employee referral programs.
	Formalize mentoring and sponsorship arrangements to allow all employees to access both the support of a mentor and to ensure that promotion and retention initiatives are targeted at those with the most potential rather than the biggest network.
Cultural i.e., barriers raised by factors about the individual compared with the dominant culture	Review the questions that you ask of entry-level applicants and, where possible, shift from experience questions (e.g., "tell me about a time when...") to questions that illustrate potential (e.g., "what would you do in scenario X?"). Eliminate assessment criteria around participation in extracurricular activities.
	Consider whether traditional measures like success in exams and performance at school or university are an indicator of success at your organization and, if not, reconsider the requirement for applicants to have particular grades or to have studied particular subjects (e.g., requiring a 2.i degree in particular subjects).
	Empower hiring processes over the decisions of individual people as far as possible, for example, by anonymizing CVs including removing the names of universities and schools to remove the potential for cultural affinity bias. If qualifications and exam grades are relevant, organizations can explore opportunities for contextual recruitment. Top this up with consciousness-raising about the potential for cultural affinity bias among hiring managers.
	Encourage staff to bring their whole selves to work, including their hobbies and interests. Cultivate an environment in which it is safe for them to do so, regardless of the "cultural status" of their interests.
Other	Collect data on the socioeconomic background of current employees and compare this with the demographic makeup of the national workforce. Track the progression and pay of employees from lower socioeconomic backgrounds compared with their peers.
	Engage with peers and industry leaders to learn from best practice and share tips and insights. In some cases, this can be achieved by joining a membership organization (see Progress Together case study).
	Create safe spaces for employees who reflect a socially mobile profile to come together to share experiences and, where appropriate, provide a feedback mechanism from these conversations into management and HR.
	Start a company-wide conversation about socioeconomic diversity to tackle misconceptions about who lower socioeconomic background people are. Highlight success stories inside and outside your organization.

Note: Blue indicates recommendations particularly applicable at the entry level.

Source: Citi GPS

There is more to say about cultural capital. In many organizations, hiring decisions are made by individual hiring managers, especially when it comes to recruitment beyond the entry level. This presents an opportunity for individual hiring managers' unconscious biases to steer who is brought into an organization. For example, a hiring manager might want to bring into their team an employee who is relevantly like them, perhaps with the same hobbies and interests or the same educational trajectory. An alternative is to empower hiring processes instead of individuals who make hiring decisions, for example by anonymizing applicants' CVs or by providing structured opportunities for mentoring to help under-supported applicants put together competitive applications.

Reduce reliance on social capital and facilitate its development

Employers should question whether the value that they attribute to social capital is grounded in evidence that social capital is a good predictor of success in the workplace. We must be clear that social capital is not about an individual's capacity to build professional relationships, but the opportunity they have had to do so. We illustrated in the chapter, "The UK as a Case Study," the role that social capital plays in supporting individuals to access the labor market, especially elite occupations and particularly at the entry level. However, an individual's connection to an existing employee is unlikely to be the best indicator of performance in a particular role. Hence, employers should assess whether referral programs, in which employees are incentivized to refer members of their network for open vacancies, result in disproportionately recruiting from higher socioeconomic-background groups by prioritizing those with the broad network associated with social capital.

Such interventions represent a step toward making sure that social capital is not a prerequisite for accessing the labor market. In parallel, however, employers can support lower socioeconomic-background groups to build their social capital, especially within their own organizations, which can drive the benefits of hiring more socioeconomically diverse talent. One way to do so is by working with partners who already support these groups. At the entry level, this includes increasing the coverage of outreach activities beyond traditional schools, colleges, and universities, including targeting those institutions that have a high share of students from lower socioeconomic backgrounds. It also includes funding non-profits' programs that already support these communities and engaging with these organizations to ensure their candidates have access to the organization's employment opportunities. This supports a wider cross-section of society to build social capital, which should work in tandem with dismantling the idea that social capital is a pre-requisite of access.

A Conversation with Tokunbo Ajasa-Oluwa, CEO of Career Ready



Tokunbo Ajasa-Oluwa
CEO
Career Ready

Tokunbo Ajasa-Oluwa is a seasoned social entrepreneur and senior leader with a track record of executing innovative social impact concepts, particularly within the media and youth development sectors. Tokunbo is the current Chief Executive of Career Ready, a UK-wide social mobility charity that links employers with schools and colleges to open up the world of work for young people. Tokunbo is a Fellow of the School for Social Entrepreneurs and was a Cabinet Office appointed Social Enterprise Ambassador for three years. Tokunbo joined Career Ready in January 2020, following his role as CEO of the Foyer Federation. He was highly commended at the 2021 Third Sector Awards as a "Rising Chief Executive" and was shortlisted for CEO of the Year at the 2022 Charity Times Awards. Tokunbo embodies the ethos of Career Ready and its mission to boost social mobility. He grew up in a single-parent family in Leyton, East London and went on to study journalism at University of the Arts, London. Prior to working in the third sector, he enjoyed a successful career in journalism.

Q: How would you describe the current state of social mobility in the UK?

Tokunbo: The reality is that the UK has one of the poorest rates of social mobility in the developed world. That is partly to do with the fact that we have never really recognized social mobility for what it is and the role that it plays in society; we have never given it the platform that it requires. For example, socioeconomic background is not one of the nine protected characteristics, yet it has a significant impact on someone's life experiences. From a young age, there is a difference in attainment and development, and that goes on to teenagers in the schooling system and then it moves on to people's professional careers.

There has been a degree of stagnation in recent years when we look at progress on social mobility, so we have a lot of work to do. It's also a live question how we should think about the regional spread of opportunities for social mobility: The idea that all roads lead to London is not the solution. Career Ready has been around for 21 years and we're still as relevant today as we were in 2002.

Q: What has been the impact of the COVID-19 pandemic on social mobility in the UK?

Tokunbo: The COVID-19 pandemic exacerbated existing barriers and brought hidden ones to the surface. A prime example is how access to digital tools influenced education access during the pandemic.

Overnight, our entire operation had to go digital, and we discovered that some of the community that we serve did not have the resources to engage with a digital program. You had the government narrative of laptops being handed out to students in need, but many of those students are still waiting for laptops to arrive. We are still working with young people who have one digital device being shared in their household. There were also issues around appropriate access to Wi-Fi and the physical space needed to create an environment where you can learn. A lot of these were hidden factors before, but the pandemic brought them to the surface. We had to be creative in our response to make sure we served our entire community rather than replicating what happens in society, where many of those young people are left behind.

The pandemic also compounded the scale of the social mobility challenge. Since the pandemic, we have found that professional readiness has been much more challenging because young people haven't had access to the workplace. We are having to enhance our wraparound support for participants when it comes to the social aspects of work that are not taught in a classroom.

Q: You said that we have a lot of work to do on social mobility. What do we need to do? What interventions are required to improve social mobility?

Tokunbo: At the macro level, there are two interventions: one around accountability, and a second around a more collaborative approach. First, we need to put some markers in the ground on accountability for all stakeholders, including the public, private, and non-profit sectors. Organizations need to be transparent and start tracking data on social mobility. It's fantastic that businesses are talking about what they're doing, but measures of success can be varied. We need robust indicators of what success looks like to hold organizations to account on social mobility as part of their ESG agenda.

Second, we need stronger collaboration. Currently, there isn't enough joined up thinking on how we can collaborate, and we could achieve more if we had sight of where one intervention starts and another ends. I'm noticing a lot of entities putting in resources and reinventing the wheel where collaborating with existing entities could supercharge their impact and bring greater success.

Q: Can you tell us a bit about how Career Ready works to advance social mobility?

Tokunbo: We support young people that reflect a socially mobile profile to make informed choices, feel empowered, and access workplace opportunities and support networks. We provide rich exposure to what their future could look like, including things that they might feel are impossible for someone like them. We don't push them in any particular direction; it's really about enabling them to realize how they can transform their passions and skills into professions.

We do that through four key pillars. First, we match them with a mentor, a motivated volunteer who can be a safe space to help our young people and be a supporter in their corner for the duration of the program.

Then we have masterclasses, which are delivered by professionals from a wide range of industries and sectors. In masterclasses, someone comes into school or college to talk about an aspect of career progression that they have experience in. An example is someone who works in marketing giving a masterclass on personal brands. You could also have someone talking about their day-to-day experience of their role, and that can leave students with the aha moment of "I never knew that job title existed." We supplement that with workplace visits where young people go into businesses to get exposure to the work environment.

Finally, the ultimate intervention is a paid internship lasting four weeks during the summer holidays. Those 140 hours are priceless: 25% of our last cohort said that based on their experience, they have completely changed their aspirations. That is a fantastic outcome because they have been exposed to things that they didn't know they could do.

Q: What do you see as the role of the private sector in improving social mobility?

Tokunbo: There is a real opportunity for businesses to seek benefit and value from taking social mobility seriously. Some employers have a graduate scheme, but the simple fact is that they are missing out on undiscovered talent that would not be able to access a graduate scheme because they don't have a degree. If a business is serious about diversifying its customer base and growing its profits, it must expand the intelligence and the lived experience of its key asset — its people. There is an opportunity knocking on the door here, but the private sector needs to think about how to join the dots between having impact on the local community and generating richer buy-in from the customer base.

Q: What is the role of policy and the public sector? Looking globally, are there any examples of success in tackling social mobility?

Tokunbo: What we are seeing in Scotland with the Young Person's Guarantee that has come from central government is exceptional. The philosophy is that every young person gets the appropriate kind of support to make informed career choices about their future.

It is not a fragmented offer depending on which local authority you're working with; it's right across the country, and it's a collaborative approach with the private, public, and non-profit sectors coming together and realizing that we need to find a holistic approach to the solution. It is a different story in England where there isn't enough alignment. Personally, I haven't seen enough substance when it comes to the levelling up agenda, and we have a very fragmented agenda on social mobility in England.

I can't think of a nation that has achieved perfection yet, but an example that could inspire us is Germany. The infrastructure that they have around youth employment is phenomenal: Up to the age of 25, there is a structured journey for a young person's development, and it operates beyond just their career development. I have been inspired by that model.

Q: *Is there one key policy intervention that you would advocate to help advance social mobility?*

Tokunbo: A key policy ask is around driving up the idea of paid internships for all. This would be incredibly powerful. If you come from a background where you have limited inspiration about what you can be, paid internships provide not only the equity in involvement but also a kind of enlightenment. In the TikTok generation, there is a plethora of sectors and businesses that young people won't have exposure to unless their parents or an aunt or uncle works in the industry. I've been in my current role for three years now, and I've lost count of the number of young people that have had aha moments while being in a paid internship, usually in organizations they had never heard of before.

We also need to learn from history about short-term interventions. We recently had the Kickstarter scheme in the UK, but it was a six-month intervention that started and ended. There was no segue into an apprenticeship scheme. This reminded me of the Future of Jobs Fund over a decade ago, when we had a different government in place. We need to learn from history that these short-term interventions are not the answer unless they are connected to a legacy narrative.

Q: *Tying together the previous questions about the roles of the public and private sectors, what do you think policymakers, regulators, and other organizations could do to support employers to do more on social mobility?*

Tokunbo: There is a role for policy in making engagement easier. One example is the Apprenticeship Levy and the limitations on what it can be used for. We have had feedback from some of our employment partners that they would like to use their contributions to the Levy for paid internships, but that isn't possible. Instead, they must reinvest in existing talent. This is a framework that does not reflect the needs of society, and it is a prime example of how policy could make it easier for businesses to engage and participate in a progressive approach to talent development and acquisition.

Another intervention could be a greater celebration of the narrative of difference. We need to see individuals being their authentic self and celebrating their history rather than leaving it at the door. It sounds trivial, but it was a profound step when the Big Brother program came onto Channel 4 with a narrator that had a regional accent. It's normal now, but it took a decision to proactively look to celebrate difference in high profile platforms. The media can and should do a lot more of that.

Supporting the progression and retention of upwardly mobile talent

Social mobility is not a moment: It does not begin and end with access to a particular profession. It is a continued experience that persists long into an individual's career. As a result, a second tranche of recommendations to employers — highlighted in gray in Figure 25 — support existing and progressing employees who reflect a socially mobile profile. The aim of these recommendations is to ensure that employees' experience of the workplace is not impacted by socioeconomic background.

There are many practical interventions under this heading that would support the creation of a culture in which employees from all backgrounds could bring their whole selves to work, including:

- Forming **employee resource groups** and creating **a safe space** for members of these groups to share their experiences. Where possible, this could also include a feedback mechanism to anonymously share members' insights with senior leaders and HR representatives.
- Initiating a **company-wide conversation** highlighting the role that people from different socioeconomic backgrounds already play in the success of an organization. This can support free dialogue and cultural change toward better inclusion.
- **Collecting employee data** to understand how an individual's journey through an organization might be impacted by socioeconomic background. This can be supplemented with **employee survey data split by socioeconomic background** to understand how these groups experience the workplace. All these data can be difficult to collect, and while the long-term aim of a social mobility strategy must be to collect data on socioeconomic background, qualitative insights from groups of employees can fill the gap in the meantime.

In addressing these recommendations and the many more listed in Figure 25, engaging with peers and industry leaders to share best practices and learn from one another is key. Following publication of this report, beginning in the UK, Citi GPS will continue the conversation on social mobility by organizing roundtables and events for practitioners across industries to gather and share their insights — we encourage all UK employers to reach out to the authors to register their interest. In some cases, there are also membership organizations that serve as another opportunity for collective learning and discussion among peer organizations. One example is Progress Together, which supports financial services companies to address a lack of socioeconomic diversity at senior levels.



Box 5: Case Study — Progress Together

"Where a person starts out in life should not be a barrier to promotion," says Sophie Hulm, CEO at Progress Together. "The way someone speaks, their accent, their family connections and their interests should not affect their opportunity for promotion. Financial Services is one of the worst industries in the UK for social mobility and at Progress Together our mission is to support firms to help them address the issue."

Progress Together launched in 2022 as a membership organization that aims to support the progression and retention of a socioeconomically diverse workforce in the UK financial services industry. Members access tools to assess their current socioeconomic diversity and practical guides to help them overcome barriers to action and drive internal change. Member firms also mentor one another, sharing insights and tips from their own social mobility journey, as well as attending workshops, the first of which was held in January 2023 and focused on using employee data to take action on socioeconomic diversity.

As well as supporting individual employers, Progress Together aims to amplify impacts across the industry by providing a safe environment for employers to share collective learning and to benchmark their progress against one another. For example, they facilitate mentoring circles, which bring together decision-makers and influencers in diversity, equity, and inclusion to upskill and debate topics like intersectionality, culture, and systemic barriers.

Building on the legacy of the taskforce on socioeconomic diversity at senior levels in UK Financial and Professional Services, led by the City of London between 2020 and 2022, Progress Together also aims to collect and share anonymized data to track sector-wide progress on socioeconomic diversity. Research conducted for the taskforce uncovered some concerning statistics showing that people from lower socioeconomic backgrounds face challenges to their career progression in financial and professional services and that, perhaps as a result, there is a significant under-representation of people from these backgrounds at senior levels. The research found that:¹¹⁷

- 89% of senior leaders in financial services are from higher socioeconomic backgrounds.
- People from lower or intermediate socioeconomic backgrounds make up 53% of junior employees but only 11% of senior employees.
- Despite no difference in performance, people from working class backgrounds progress 25% slower than their peers.
- This challenge is intersectional: 45% of senior leaders in financial and professional services are white men from higher socioeconomic backgrounds, while only 1% are ethnic minority women from working class backgrounds.

Illustrating the aims of Progress Together, CEO Sophie Hulm commented, *"In just one year, our membership has grown and now represents 30% of the Financial Services sector. By continuing to grow and work with companies across all subsectors we aim to create a diverse, equitable and inclusive industry where everyone has a chance to thrive, regardless of background."*

¹¹⁷ City of London, *Breaking the Class Barrier: Recommendations for Building a More Socio-Economically Diverse Financial and Professional Services Sector*, November 2022.

Recommendations for Government

Of course, employers cannot address social mobility alone. They are one part of the ecosystem, with many others also having a role to play. For example, we noted above that education, while also itself insufficient, is a significant lever to pull. Likewise, there are things that governments and policymakers could do to support employers as they work to improve the rate of intergenerational mobility. Organizations like the Sutton Trust are improving our collective understanding of contemporary patterns in social mobility and the experience of socially mobile individuals, which could be an input into government decision-making in the UK. We also see three distinct ways that governments can contribute to an enabling environment for the work that employers are seeking to advance on social mobility.

First, the public sector is itself an employer and could lead by example on the recommendations made to employers in Figure 25. Moreover, given the scale of public sector procurement, there is a huge opportunity to amplify this impact across the supply chain by requiring similar actions from suppliers and partners. All of this is outside the usual mechanism of government in its policymaking, though there is also space for significant impact in that domain. Many of the recommendations made to employers could be backed up with legislation and tighter implementation. For example, in the UK, we saw that there is a role for policy and enforcement in ensuring that all work experience opportunities are high-quality, paid opportunities.

Likewise, as we noted in the previous chapter, policy could play a role in mandating the collection and publication of data on socioeconomic diversity. Indeed, a positive first step would be for the UK government to commission a review of socioeconomic diversity on boards and among senior leaders in FTSE 350 firms, as we have seen with the Parker Review on race and board representation together with the Hampton-Alexander review on female representation. The authors of the 2016 report on gender note that, “*Data gathering and the reporting of FTSE progress is a largely manual task*” — this is even more true for any future review of socioeconomic diversity because metrics are imperfect and are both under-reported and under-collected. As the authors of a recent review of board diversity and effectiveness note, collecting data on the socioeconomic diversity of boards required interviews with board members.¹¹⁸ Hence, reviewing the socioeconomic diversity of companies across the UK economy, at least at the board level, requires a central mandate.

We showed above that a significant economic opportunity emerges from taking a levelling up lens on social mobility. To remind ourselves of the statistics:

- “Levelling up” social mobility to the level seen in London would see the lowest socioeconomic groups earn £2 billion (approximately \$2.6 billion as of June 16, 2023) more.
- If the bottom performing local authorities in England on social mobility could be improved to around the average, almost £30 billion (approximately \$38.5 billion as of June 16, 2023) could be added to the UK economy, marking a 1.3% add to GDP.

¹¹⁸ Mary Akimoto et al., *Board Diversity and Effectiveness in FTSE 350 Companies*, Financial Reporting Council, July 2021.

Continuing with the UK example that forms the basis of those statistics, governments can play a convening role to support companies in expanding into social mobility “cold spots,” bringing with them opportunities for employment and social mobility. This could be anchored around key issues like the energy transition or the digital revolution, both of which will create a significant number of jobs and were highlighted as catalysts for action on social mobility in our employer interviews. A critical forerunner of this expansion must be education to ensure that the local workforce is ready to take up opportunities for employment. This requires support for lifelong learning to enable individuals to reskill into new professions. An example of this is the government-backed Skills Bootcamps taking place with employers across England, which could be expanded and improved to encompass a wider range of skills and upskill more future mobile people.

Conclusion: Globalizing Our Findings

In this report, we focused on social mobility in the UK and concluded that the country has much to do in addressing social mobility. We have also shown that there is significant will in the private sector to improve prospects for mobility in the UK and that employers are already working to improve in this arena.

Yet, we saw in the first chapter that social mobility is far from a uniquely British problem — no country has an intergenerational earnings elasticity of 0, which would imply perfect social mobility, and in no country does the average individual from the bottom of the income distribution move up to the average in a single generation. Hence, there is a need to address social mobility far beyond the UK. Moreover, since many UK employers acting on social mobility have a global workforce, whether that means having employees across the globe or bringing global colleagues to the UK, there is a particularly acute need to understand what social mobility means globally.

While the nuances will vary across countries, the content of this report does have global implications. In particular, many of the recommendations made to employers could be applied to global firms. For example, employers globally can consider whether an applicant faces costs in participating in the recruitment process, such as the costs of traveling to interviews, and can work to remove them.

Perhaps the trickiest element of charting social mobility globally is collecting the large amount of data needed to reveal the scale of the challenge within an individual entity. Recommended metrics in the UK include parental occupation, but notably, hierarchies of jobs based on economic and social capital vary across countries. Hence, while parental occupation can be collected globally, interpreting it requires local nuance. Moreover, socioeconomic status is often linked to various other elements of an individual's identity — such as race, ethnicity, coming from a rural or urban area, membership in an indigenous community, experience of migration, and so on — but the particular linkages, which vary across countries and cultures, must be carefully understood. We consider these some of the most pressing issues for both employers and governments to address globally if they are to improve social mobility across the world.

Appendix I

In 2020, the UK Social Mobility Commission (SMC) published data setting out pay mobility in England and the median earnings of a 28-year-old man who was previously eligible for free school meals (FSM) for each local authority. The pay mobility metric splits local authorities into quintiles according to the earnings rank difference between the most and least deprived sons in a local authority, measured in percentile points (Figure 26). The median earnings of a man aged 28 who was eligible for FSM is also published in absolute British pound terms. We supplement this data this with data from the UK Office for National Statistics (ONS) showing the distribution of earnings across the population in each local authority.

Figure 26. Earnings Rank Differences for Each Reported Quintile

Pay gap quintile	Difference between most and least deprived sons in their rank in the earnings distribution
1	7 to 15 percentile points (mid. 11)
2	15 to 17 percentile points (mid. 16)
3	17 to 19 percentile points (mid. 18)
4	19 to 21 percentile points (mid. 20)
5	21 to 26 percentile points (mid. 25)

Source: Social Mobility Commission (2020)

In our analysis, we first use the ONS data to generate a trendline for the distribution of incomes across the population. We then calculate the earnings percentile at which the median 28-year-old man who was previously in receipt of FSM sits. We next ask: If the difference in pay gap between the most and least deprived sons could be reduced — i.e., if all local authorities could be moved up to the pay gap found in the best performing 40% of local authorities — what percentile in the income distribution would the FSM recipient move up to? This clearly varies across the pay gap quintiles, as those in quintile five have further to move than those in quintile three. For each area, we then move the earnings of the former FSM recipient up to their new point in the income distribution. Finally, we multiply this by the number of FSM recipients in each local area to generate an absolute value for the wages lost due to the unequal spread of wage gaps (by socioeconomic background) across the UK.

This is not all possible at the level of individual local authorities due to a lack of data and uncertainty in the data that is available for the income distribution at this granular level. Instead, we must have some level of aggregation into regions (as designated in both the SMC and ONS data sets).

Our method concludes: If the pay gap between most and least deprived sons in the bottom 60% of local authorities for pay gaps by socioeconomic background could be narrowed to the gap in the second-best performing quintile, the worst off would be paid £2.7 billion more. If they could all be moved up to the best performing quintile, they would be paid £7.8 billion more. We iterate this analysis by asking what would happen to earnings if mobility could be improved to the levels seen in London across the whole country. The conclusion is very similar: Those in regions with worse mobility could still be paid over £2 billion more.

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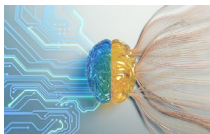
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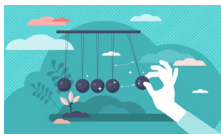
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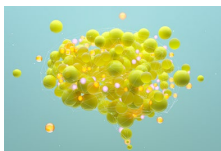
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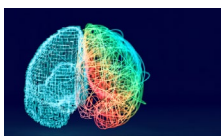
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