



Llywodraeth Cymru
Welsh Government

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Apprenticeship outcomes by earnings: August 2021 to July 2022

Data comparing the success rate of apprenticeships to the earnings of the learner during the apprenticeship. This includes breakdowns by sector, level, and demographic variables.

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Introduction

This is the first time we have calculated apprenticeship earnings, the methods used here are new and experimental.

Statistics in this article only include apprentices who stayed on their apprenticeship for the full financial year, from April to March. This is so that we have a full year's earnings data.

The success rates in this article are higher than average, because they don't include learners who dropped out before the end of the financial year.

Main points

- Learners who earned less were less likely to successfully complete their apprenticeship in the 2021/22 academic year.
- Before the COVID-19 pandemic and cost of living crisis, the success rate for apprentices was similar for all levels of earnings.
- The largest drop in success rate between 2018/19 and 2021/22 was for apprentices who earned less than £15,000.
- The lower success rate for learners who earned less cannot be explained completely by the type of apprenticeships taken nor the demographics of the learners.
- Low earning apprentices living in deprived neighbourhoods had lower success rates than low earning apprentices living in less deprived neighbourhoods.
- This evidence supports the theory that the cost of living was an important factor in learners not completing their apprenticeships in 2021/22.

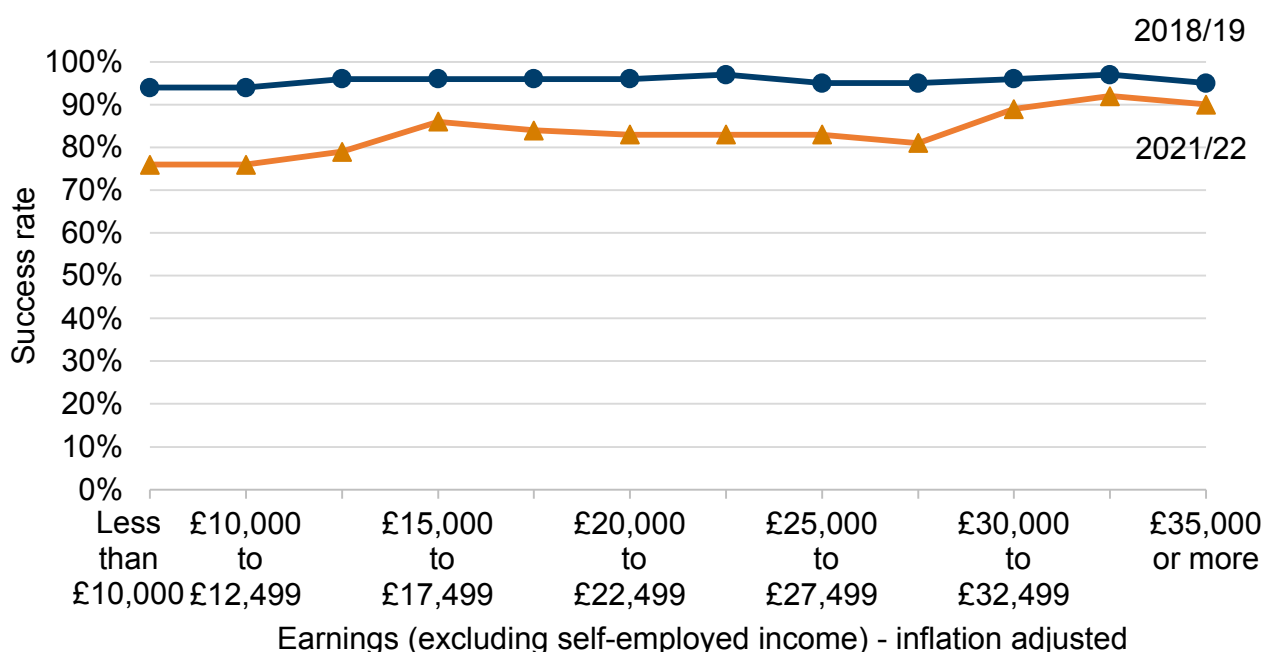
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Apprenticeship success rate by earnings

Figure 1: Apprenticeship success rate by earnings (inflation adjusted) and level, academic years 2018/19 and 2021/22



Description of Figure 1: The chart shows that learners who earned less during their apprenticeship had lower success rates in 2021/22. In 2018/19, the success rate was more similar across different levels of earning.

Source: Lifelong Learning Wales Record (LLWR), Longitudinal Education Outcomes Study

[Note 1] Apprentices who were not in an apprenticeship for the full financial year (April 2018 or 2021 to the following March) are not included in these statistics.

[Note 2] The earnings include income from all employment for the learner, not

just their apprenticeship. It does not include self-employed earnings.

[Note 3] Outcome measures were suspended in 2019/20 and 2020/21 due to the disruption of the pandemic.

Data can be found in Table 1 of the accompanying spreadsheet

The fall in apprenticeship success rates between 2018/19 and 2021/22 was larger for apprentices who earned less than £15,000. It was smaller for apprentices who earned more than £30,000.

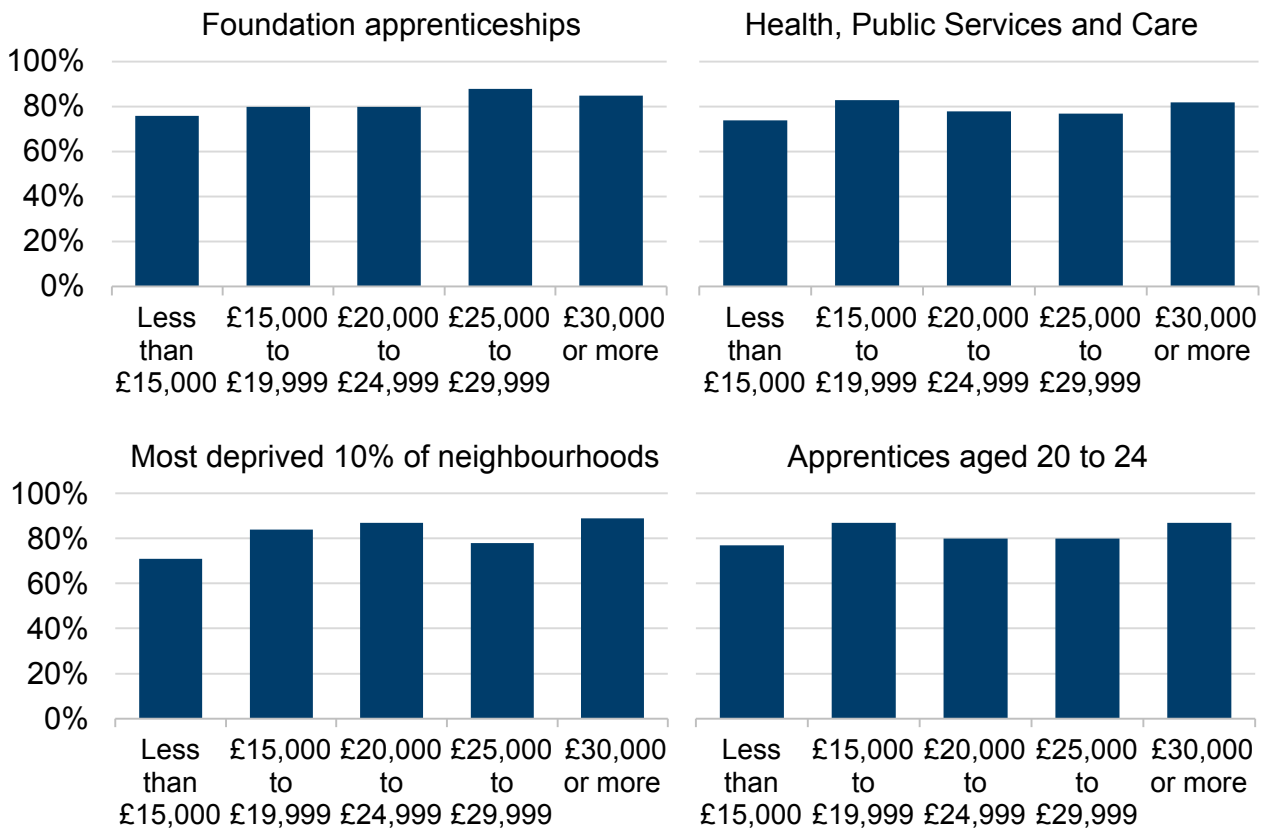
For learners who earned between £15,000 and £30,000, earning more was not associated with higher success rates.

In 2021/22, apprentices who earned less than £10,000 had a success rate of 76%, compared to 94% for apprentices who earned the equivalent amount in 2018/19.

Apprentices who earned between £32,500 and £35,000 had a success rate of 92% in 2021/22, compared to 97% in 2018/19.

Demographics

Figure 2: Apprenticeship success rate by earnings for select groups with lower success rates in 2021/22



Description of Figure 2: The chart shows that within various groups, learners who earned less than £15,000 during their apprenticeship had the lowest success rates. This was true for groups identified as experiencing the largest drop in success rates in the report **Learner outcomes measures for work-based learning and adult learning**: foundation apprenticeships, apprenticeships in Health, Public Services and Care, apprentices living in the most deprived 10% of neighbourhoods, and apprentices aged 20 to 24.

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Source: Lifelong Learning Wales Record (LLWR), Longitudinal Education Outcomes Study, Welsh Index of Multiple Deprivation (WIMD) 2019

[Note 1] Apprentices who were not in an apprenticeship for the full financial year (April 2021 to the following March) are not included in these statistics.

[Note 2] The earnings include income from all employment for the learner, not just their apprenticeship. It does not include self-employed earnings.

Data can be found in Table 2 of the accompanying spreadsheet

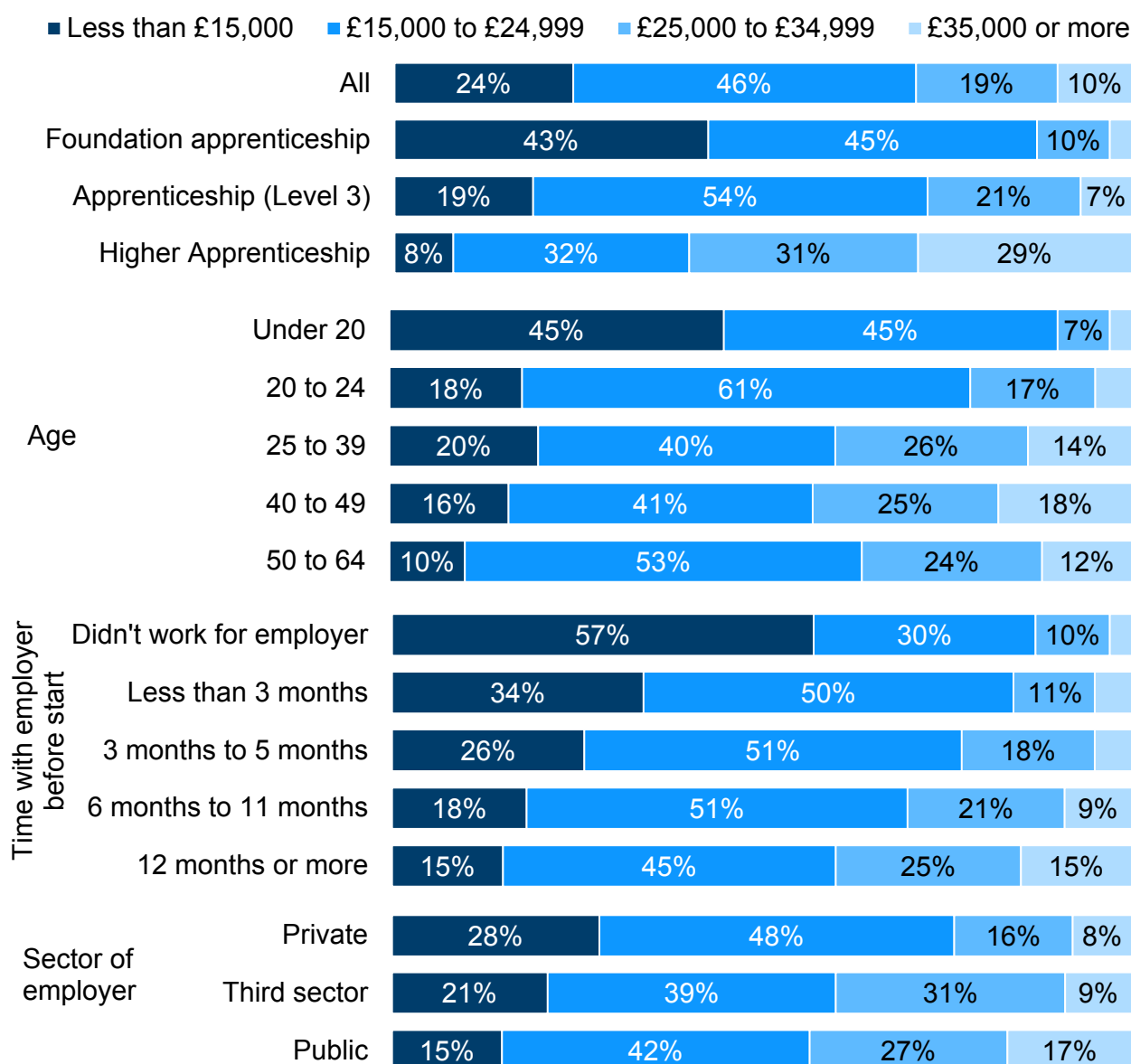
The lower success rate for learners earning less cannot be explained completely by the type of apprenticeships they were taking nor the demographics of the learners.

Amongst apprentices living in the 10% most deprived neighbourhoods in Wales, the success rate for those earning less than £15,000 was 71%. The success rate rose to 84% for those earning between £15,000 and £20,000.

Learners in Health, Public Services and Care apprenticeships had the lowest success rates in 2021/22. Amongst those who studied for the full financial year, the success rate was 82%, but for apprentices in the sector who earned less than £15,000 the success rate was 74%.

Distribution of earnings

Figure 3: Percentage of apprentices in each earnings band during the 2021-22 financial year



Description of Figure 3: The chart shows that 24% of apprentices in the data

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earned less than £15,000, 46% earned between £25,000 and £34,999, and 10% earned more than £35,000. Earnings differ by type of apprenticeship, age, whether in employment with the same employers before the start of the apprenticeship, and sector of employer.

Source: Lifelong Learning Wales Record (LLWR), Longitudinal Education Outcomes Study

[Note 1] Apprentices who were not in an apprenticeship for the full financial year (April 2021 to the following March) are not included in these statistics.

[Note 2] The earnings include income from all employment for the learner, not just their apprenticeship. It does not include self-employed earnings.

Data can be found in Table 3 of the accompanying spreadsheet

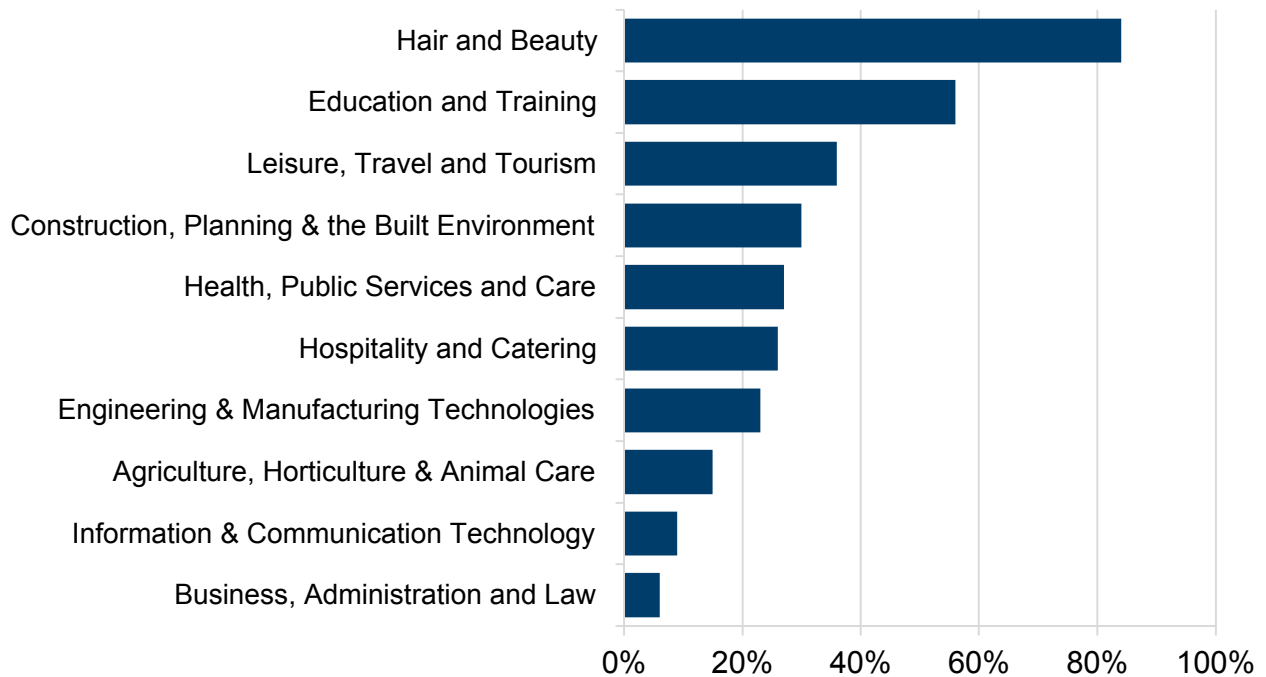
Apprentices who were more likely to earn less than £15,000 include:

- foundation apprenticeships
- private sector apprenticeships
- apprentices aged less than 20
- apprentices who weren't already working for their employer before they started their apprenticeship
- apprentices living in the most deprived 10% of neighbourhoods

9 out of 10 apprentices included in this data were already working for their employer before they started their apprenticeship.

1 in 12 apprentices in this data earned less than £10,000 in 2021-22.

Figure 4: Percentage of apprentices who earned less than £15,000 during the 2021-22 financial year by sector



Description of Figure 4: The chart shows that earnings for apprentices were very different across sectors. 84% of apprentices working in Hair and Beauty earned less than £15,000, compared to 6% of apprentices working in Business, Administration and Law.

Source: Lifelong Learning Wales Record (LLWR), Longitudinal Education Outcomes Study

[Note 1] Apprentices who were not in an apprenticeship for the full financial year (April 2021 to the following March) are not included in these statistics.

[Note 2] The earnings include income from all employment for the learner, not just their apprenticeship. It does not include self-employed earnings.

Data can be found in Table 3 of the accompanying spreadsheet

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Apprentices in Hair and Beauty; and Education and Training were most likely to be earning less than £15,000. The average (median) earnings for apprentices in Hair and Beauty was £10,100.

Fewer than 15% of apprentices in Business, Administration and Law, Information and Communication Technology and Agriculture, Horticulture and Animal Care earned less than £15,000.

Bias in the data

The data in this article only includes apprentices who were in their apprenticeship for the entire financial year, from April to March. For 2021/22, this would be April 2021 to March 2022. This means apprentices in this dataset are more likely to complete their apprenticeship than the average apprentice, because many apprentices dropped out before March.

The success rate of apprentices in this data was 83% for 2021/22. The success rate for all apprentices in 2021/22 was 66%.

It is possible that the real effects of low income are more extreme than presented here because of this bias towards higher success rates. The distribution of earnings may also be biased, for example if a lot of lower earners had already dropped out before March.

Earnings data from the Longitudinal Educational Outcomes Study includes the dates of an employment spell but it is not possible to attribute these earnings to a particular employer. Apprentices not in their apprenticeship for the entire financial year were excluded so that the earnings weren't affected by a learner's income after they ended their apprenticeship.

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Context to apprenticeship earnings

The pay of apprentices is set by their employer.

Apprentices who are aged 16 to 18, or older apprentices in the first year of their apprenticeship must be paid at least the apprentice minimum wage. This was £4.30 an hour in the 2021-22 financial year, equivalent to £8,400 a year if the apprentice worked 37.5 hour weeks.

The apprentice minimum wage is set by the UK government.

Apprentices who are aged 19 are entitled to the national minimum/living wage after their first year is completed. This was £8.91 for employees aged 23 and over in 2021-22, equivalent to £17,400 a year.

Apprentices are paid both for their working hours and their study hours.

In this data, all earnings an apprentice makes in the relevant financial year are included, except self-employed earnings. If a learner had a second job, those earnings would be included in these figures.

Notes

All the data contained in this report is in the [accompanying spreadsheet](#).

Further data on apprenticeship outcomes can be found in the report [Learner outcome measures for work-based learning and adult learning: August 2021 to July 2022](#). This report includes key quality information about how apprenticeship success rates are measured.

The report [Using free school meal history as an indicator of deprivation for](#)

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apprenticeship and adult learning outcomes: August 2021 to July 2022

explores how past eligibility for free school meals is related to the drop in outcomes for 2021/22.

The **Consistent performance measures for post-16 learning (learner destinations)** reports have more information on the Longitudinal Education Outcomes (LEO) study data that was used to create this article.

Data sources

Lifelong Learning Record Wales (LLWR), this is the official source of statistics on learners in work based learning and adult learning in Wales. Learning providers submit the data to Welsh Government. It is collected on a rolling basis. The data used for official statistics is taken in the December after the end of the relevant academic year.

Longitudinal Education Outcomes (LEO) Study links learning data with employment and earnings data from His Majesty's Revenue and Customs (HMRC).

The employment and earnings information comes from P45 and P14 data. This data covers those who pay tax through PAYE through employer submission of P45 and P14, or through completing a self-assessment tax form. The core purpose of this process is to collect tax from those who are eligible to pay it through this mechanism and so there is not complete coverage. Employers are not required to supply information to HMRC for individuals who earn below the tax threshold, although for large employers these individuals are thought to be included due to methods of data transfer.

HMRC started to implement Real Time Information (RTI) in April 2013. RTI offers substantial improvements to the P45 system in terms of data coverage since employers must now provide information on all their employees if even

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one employee of the company is paid above the Lower earnings limit. The move to RTI will mean that data coverage is higher for the most recent financial years.

Matched Education Dataset (MED, this links datasets to match learners at different points of their educational record. It matches records going back to 2010/11. It is updated annually.

Method of calculating earnings

The method used in this article is new and experimental. This is the first time that we have used linked income data. As a result, there is higher risk of error in the data and the method used to produce the statistics than in other Welsh Government statistical reports.

Apprenticeship outcomes data was calculated according to the methods outlined in the [Learner outcome measures for work-based learning and adult learning: August 2021 to July 2022](#) report.

Apprentices in this data were then matched to employment and income data in the Longitudinal Education Outcomes (LEO) study. Income data included all forms of employment recorded through the PAYE, including income from employment other than their apprenticeship. Self-employed income was not included.

Earnings were annualised based on daily earnings across the length of the learner's employment spell during the financial year (April to March).

Apprentices who were not in their apprenticeship for the entire financial year were excluded from the analysis. This was to exclude the effects of income earned after a learner had left their apprenticeship.

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Inflation adjustment

Where data is labelled as inflation adjusted, an inflation adjustment factor of 6.28% has been applied to 2018 /19 data. This is based on the monthly **Consumer Price Index owner occupiers' housing (CPIH) index** averaged across the 2018-19 and 2021-22 financial years.

Inflation increased steeply during the 2021-22 financial year and continued to rise after the end of the financial year.

Issue with earners in the highest earnings bracket

Earnings have been annualised based on the length of employment recorded in the HMRC data. In some cases, the exact length of employment was unknown, which led to a learner's annual earnings being presented as higher than it likely was.

Due to this issue, the figures in the highest earnings bracket should be treated with caution.

There is reason to believe that 30 of the learners in the highest earnings bracket for 2021-22 had overstated earnings. This represents a little under 10% of learners in the £35,000 or more bracket.

Unknown earnings

Earnings data couldn't be identified for 5% of apprentices who were in an apprenticeship for the full financial year. These apprentices have been excluded from calculations on the distribution of earnings.

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Apprenticeship success rate

Learners on apprenticeship programmes in Wales must achieve a range of qualifications to attain their apprenticeship, known as the apprenticeship framework.

The success rate is the percentage of apprenticeship leavers who attained the full apprenticeship framework.

Rounding

All apprenticeship numbers are rounded to the nearest 5. Monetary values are rounded to the nearest £100. Percentages are rounded to the nearest whole number.

Percentages based on a denominator of less than 23 have been suppressed to protect the confidentiality of individuals, as have figures based on less than 5 learners.

Notes on the use of statistical articles

Statistical articles generally relate to one-off analyses for which there are no updates planned, at least in the short-term, and serve to make such analyses available to a wider audience than might otherwise be the case. They are mainly used to publish analyses that are exploratory in some way, for example:

- introducing a new series of data in development
- a partial analysis of an issue which provides a useful starting point for further research but that nevertheless is a useful analysis in its own right
- drawing attention to research undertaken by other organisations, either

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commissioned by the Welsh Government or otherwise, where it is useful to highlight the conclusions, or to build further upon the research

- an analysis where the results may not be of as high quality as those in our routine statistical releases and bulletins, but where meaningful conclusions can still be drawn from the results.

Where quality is an issue, this may arise in one or more of the following ways:

- being unable to accurately specify the timeframe used (as can be the case when using an administrative source)
- the quality of the data source or data used
- other specified reasons.

However, the level of quality will be such that it does not significantly impact upon the conclusions. For example, the exact timeframe may not be central to the conclusions that can be drawn, or it is the order of magnitude of the results, rather than the exact results, that are of interest to the audience.

The analysis presented does not constitute a National Statistic, but may be based on National Statistics outputs and will nevertheless have been subject to careful consideration and detailed checking before publication. An assessment of the strengths and weaknesses in the analysis will be included in the article, for example comparisons with other sources, along with guidance on how the analysis might be used, and a description of the methodology applied.

Articles are subject to the release practices as defined by the [release practices protocol](#), and so, for example, are published on a pre-announced date in the same way as other statistical outputs.

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