

# Mind the gap: Education, employment and mobility of second-generation immigrants in the UK

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POLICY BRIEFING

JULY 2024

This policy briefing compares educational, employment and occupational performance of second-generation immigrants to their White British peers over the last two decades. It also examines the performance of both second-generation immigrants and White British individuals relative to their own fathers.

Second-generation immigrants generally achieve higher education levels than their White British peers, and experience an increased upward mobility relative to their parents over time. However, they show lower employment rates, especially university graduates, compared to White British individuals.

Also, the share of second-generation immigrants employed in high-skilled occupations is consistently lower than for their White British counterparts. This suggests that second-generation immigrants face higher barriers to entering the labour market and using their qualifications for high skilled jobs.

## Key Points:

- *Thirty-year-old second-generation immigrants are more likely to hold a university degree than thirty-year-old White British individuals.*
- *There are gender and regional disparities in educational outcomes; educational gains among second-generation immigrants are more pronounced among men compared to women, and in London and the South compared to other UK regions.*
- *Second-generation immigrants show higher upward intergenerational educational mobility than their White British counterparts, though this advantage has narrowed over time.*
- *Second-generation immigrants with university degrees have experienced declining employment rates, contrasting with improved outcomes among White British university graduates.*
- *Both White British individuals and second-generation immigrants, especially graduates, have achieved upward occupational mobility compared to their fathers. However, second-generation immigrants experience a lower rate of upward occupational mobility compared to their White British peers.*
- *Second-generation immigrants face greater barriers to entering the labour market and securing highly skilled jobs, challenges that have persisted over time.*

## Introduction

Much research focus has been given to understanding how immigrants fare in the labour market. However, there is limited evidence on the outcomes of second-generation immigrants born and raised in the UK compared to both their immigrant parents and White British individuals of a similar age. This study focuses on education and labour market performance given their importance in reducing economic and social inequality.

## The study

We use data from the UK Longitudinal Household Survey (UKHLS), focusing on the period from 2001 to 2020, to study individuals aged 30, a stage when most have transitioned from education to the labour market. We first compare education, employment and occupation of White British individuals to second-generation immigrants and then compare both groups' intergenerational mobility (relative to their own fathers) over time (2001-2010 and 2011-2020). The sample comprises 5,515 individuals, for whom we also have retrospective information on their fathers' qualifications and employment when the individuals were 14 years old. We distinguish between White British individuals and second-generation immigrants, the latter being individuals born in the UK but reporting an ethnicity other than White British.

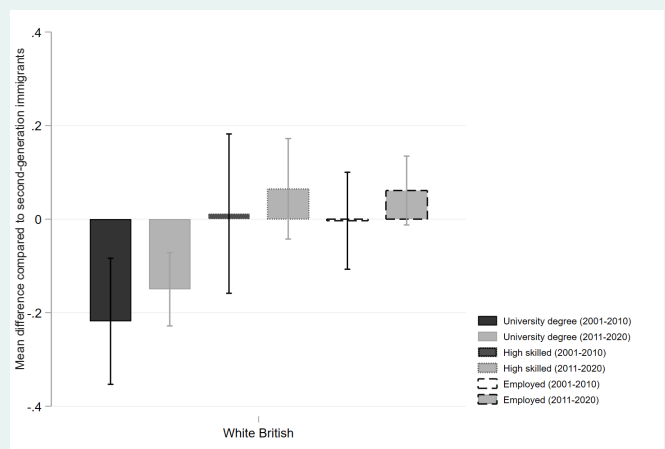
The UKHLS provides data on respondents' highest level of qualification and, for those employed, the Standard Occupational Classification (SOC) code of their profession. For this analysis, we categorise individuals based on whether they hold a university degree or a lower qualification, and whether they work in high-skilled or

low-skilled professions. We use the International Standard Classification of Occupations (ISCO) to group occupations into two broad categories: high- and low-skilled.

## Main findings

### Education, employment, and skills

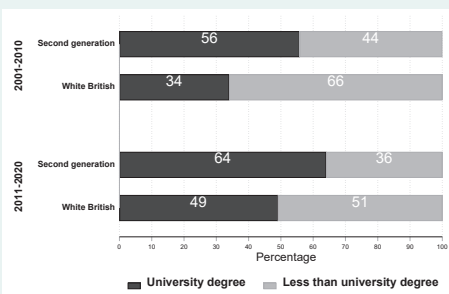
Figure 1 shows the difference in the levels of education, employment, and skills over time between 30-year-old second-generation immigrants and 30-year-old White British individuals over the last decades. Compared to White British individuals, second-generation immigrants have a higher probability of holding a university degree.



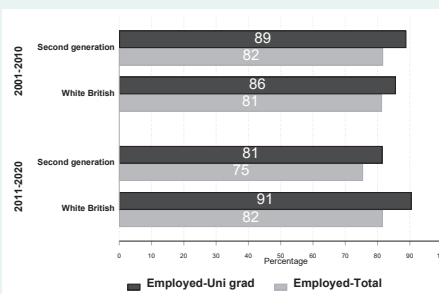
**Figure 1: Differences between White British individuals and second-generation immigrants in terms of qualification, employment and occupation**

Source: Authors' calculations based on BHPS and UKHLS. Notes: The graph shows the results of a t-test of mean difference between White British and second-generation immigrants. 95% level confidence intervals are shown.

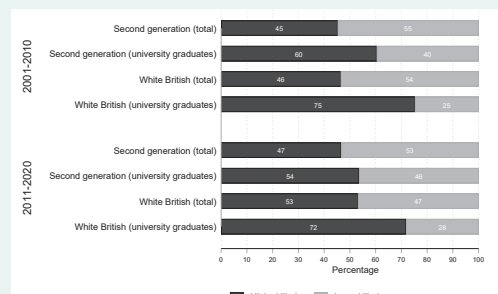
### a) Qualification



### b) Employment



### c) High-skilled occupation



**Figure 2: Comparison between White British individuals and second-generation immigrants in terms of qualification, employment and occupation**

Source: Authors' calculations based on BHPS and UKHLS, various waves. Notes: The bars in sub-figure 2b show the percentages of employed individuals. The bars in sub-figure 2c show the percentages of high-skilled individuals. All statistics are weighted using the cross-sectional weights provided in the survey, re-scaled to guarantee an equal representation of each wave.

This difference is statistically significant and persists over time. However, there is no difference in the probability of employment between both groups from 2001 to 2010. In contrast, from 2011 to 2020, a positive and significant difference emerges, indicating that White British individuals were more likely to be employed despite having lower educational levels.

Additionally, the two groups do not differ in their likelihood of being employed in highly skilled professions. However, despite second-generation immigrants being, on average, more educated, they face more challenges entering the labour market. This trend is particularly pronounced for second-generation immigrant women, who typically have higher educational attainment compared to second-generation immigrant men and White British women. However, their educational advantage does not translate into higher employment rates or more highly skilled occupations. Second-generation immigrant women with university degrees exhibit three times the unemployment rate of second-generation immigrant men and two and a half times that of White British women.

There are also regional differences, with second-generation immigrants in London and the South showing an increased likelihood of holding a university degree compared to White British peers. This is not the case in the rest of the UK, suggesting that the educational gains experienced by second-generation immigrants are confined to relatively wealthier regions.

Over time, the proportion of individuals holding a university degree has increased for both groups, but it remains higher for second-generation immigrants than for

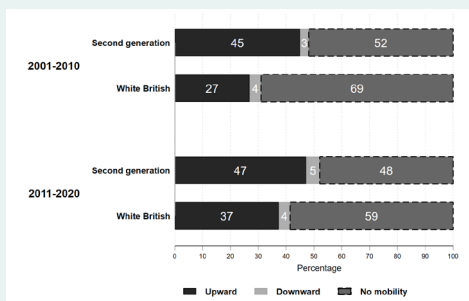
White British individuals (Figure 2a). However, the share of employed second-generation immigrants has declined over time, even among university graduates. From 2011 to 2020, their employment rate was 10 percent lower than that of White British individuals (81% vs. 91%) (Figure 2b). The proportion of university graduates employed in high-skilled occupations has also declined over time for both groups. However, the decline has been more pronounced among second-generation immigrants, dropping from 60% in 2001-2010 to 54% in 2011-2020, compared to a decline from 75% to 72% for White British individuals (Figure 2c). This suggests that second-generation immigrants face greater barriers to accessing the labour market and encounter more challenges in being employed in highly skilled professions.

### Intergenerational mobility

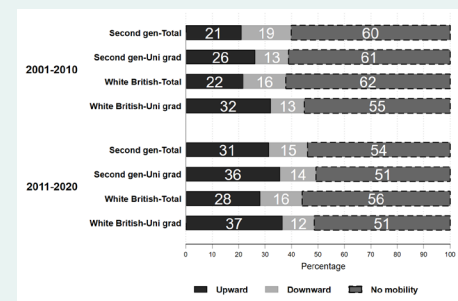
To understand intergenerational mobility, individuals are compared with their fathers' socio-economic characteristics when the respondents were aged 14. We differentiated between fathers with and without university degrees and between fathers employed in high- and low-skilled professions. Upward mobility is defined as occurring when the individual (aged 30) holds a higher level of qualification/skills than their father (observed when the individual was aged 14).

No mobility occurs when the individual and their father have the same level of qualification/skills. Downward mobility occurs when the individual has a lower level of qualification/skills compared to their father. Figure 3a shows that in both time periods, second-generation immigrants experienced a higher level of upward

a) Qualification



b) Employment



c) High-skilled occupation

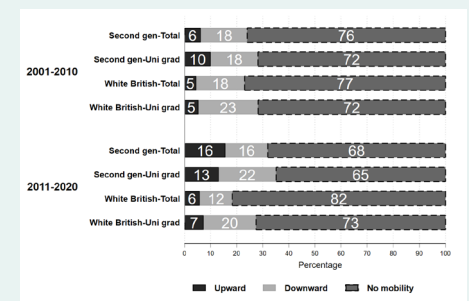


Figure 3: Intergenerational mobility comparison between White British individuals and second-generation immigrants in terms of qualification, employment and occupation

Source: Authors' calculations based on BHPS and UKHLS, various waves.

Notes: All statistics are weighted using the cross-sectional weights provided in the survey, re-scaled to guarantee an equal representation of each wave.

intergenerational educational mobility than White British individuals. However, over time, the proportion of the White British group experiencing upward intergenerational educational mobility increased by 8 percentage points, while for second-generation immigrants, it increased by only 2 percentage points. This suggests that it has become more difficult for second-generation immigrants to experience upward intergenerational educational mobility, while White British individuals are catching up.

Compared to their fathers, second-generation immigrants with university degrees have experienced a decline in employment over time; their downward intergenerational employment mobility increased from 18% to 22%.

Meanwhile, White British university graduates have experienced an increase in employment over time; their upward intergenerational employment mobility increased from 5% to 7%, while their downward intergenerational employment mobility simultaneously declined (Figure 3b).

When comparing intergenerational occupational mobility, both White British individuals and second-generation immigrants experienced improved occupational status relative to their fathers, particularly if they were university graduates (Figure 3c).

However, despite the much higher upward intergenerational mobility in education of second-generation immigrants, their rate of upward intergenerational occupational mobility did not exceed that of the White British group.

## Policy implications

These findings raise significant issues for the levelling up agenda. Education is crucial for equalising opportunities among all individuals. However, previous research has documented gaps in labour market performance between White British individuals and second-generation immigrants. This study demonstrates that these gaps are widening over time, indicating the need for further research into barriers to labour market access for second-generation immigrants.

While education is critical, to realise its value it must translate into improved employment opportunities. Recognising the diversity within second-generation immigrants, policies should be designed to address specific needs and challenges faced by different ethnic groups in both education and the labour market. Such policies could help achieve a more equitable labour market, supporting the levelling up agenda and reducing economic and social inequalities.

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