

THE SKILLS CRUNCH

Upskilling the workforce of the future



Prince's Trust

Supported by

HSBC 

FOREWORD



Britain is on the road to economic recovery but to stay ahead we must consider how best to harness the talents of our unemployed young people.

While the crisis that rocked the UK economy has abated and British businesses are reporting heightened demand for their services, employers tell us they are increasingly concerned by skills shortages developing as a consequence of this accelerated growth.

Within this report business leaders highlight the damage that skills gaps could do, not only to company survival rates, but to the UK's reputation globally. They also raise concerns about how they will struggle to grow in the future as their ageing workforces retire.

It is deeply concerning that employers are struggling to fill vacancies when we have hundreds of thousands of unemployed young people who are desperate for work.

We believe that now is the time for employers, government and charities – such as The Prince's Trust – to work together to tackle the UK's impending skills crunch and upskill the workforce of the future.

We know that unemployed young people want to work and that employers have vacancies they want to fill.

Prince's Trust programmes are already helping employers to fill skills gaps with young people who are dedicated, passionate and grateful to have been given a chance – sometimes for the first time in their life. We also work in schools, helping to give young people the skills they need to find a job in the future.

Our employability schemes are run in partnership with employers in sectors which have identified skills shortages, such as construction, retail and logistics. We help to break down the barriers between unemployed young people, who often have little hope for the future, and employers, resulting in real jobs with companies such as HSBC, Marks & Spencer, DHL and Balfour Beatty.

The Prince's Trust works with 58,000 disadvantaged young people each year but with increased support from the public and private sector, we could help thousands more.

Only by working together to invest in the next generation will we be able to avoid a skills vacuum in the future.

Martina Milburn CBE
Chief Executive
The Prince's Trust

INTRODUCTION



For any business, or economy, to be successful it must pay attention to both opportunities and threats. Identifying either requires high quality insight.

I'm delighted that HSBC is sponsoring this unique study into skills shortages because I think it is something that business leaders need to consider on a daily basis. By taking action to address the skills gap we can prevent the shortage from becoming a crisis and protect economic growth in the UK.

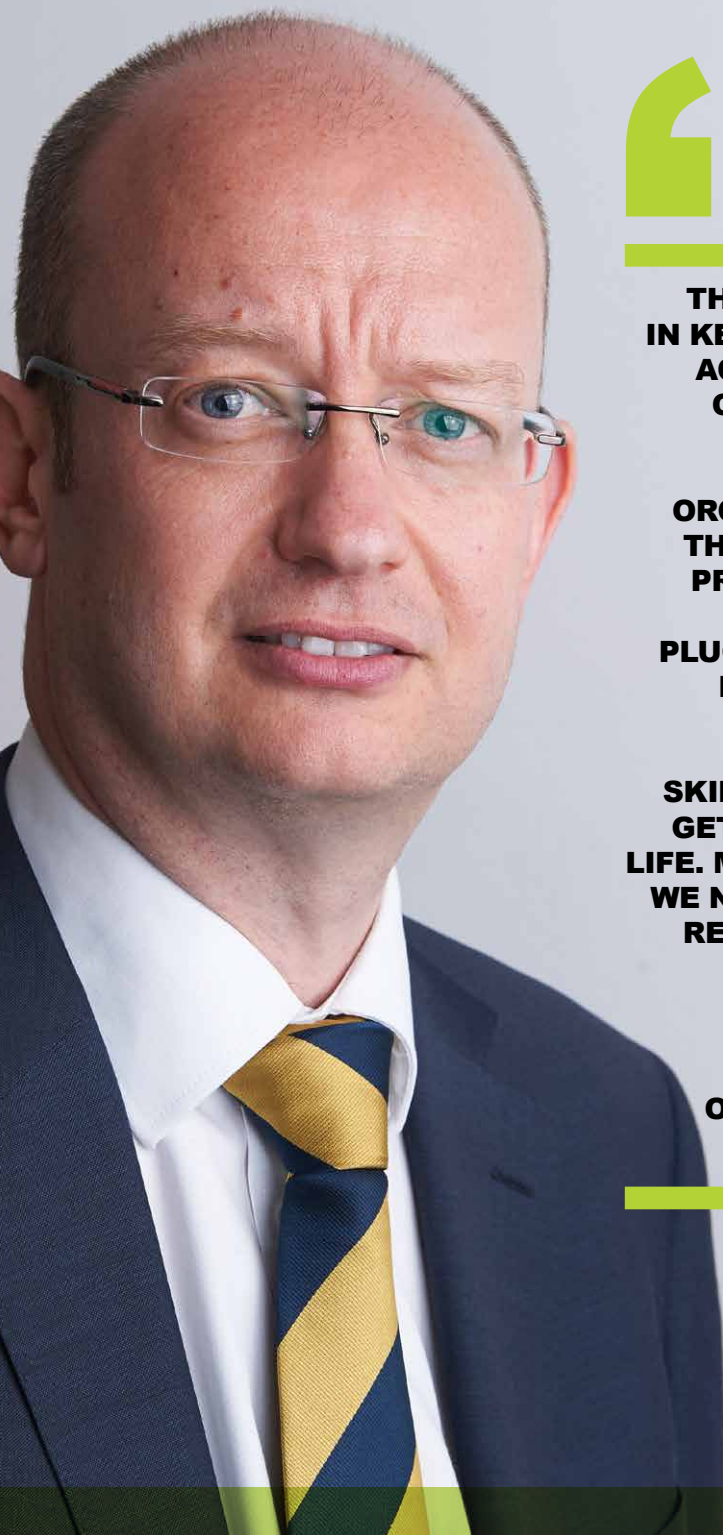
As the majority of business leaders surveyed here agree, this means recruiting young people into the workforce. At HSBC we share this view and have invested £30 million through our Opportunity Partnership to ensure disadvantaged young people are given the skills and confidence they need to realise their potential.

I have witnessed first-hand the remarkable support that The Prince's Trust provides. It works tirelessly to ensure that disadvantaged young people have access to employability programmes in sectors with known skills gaps. In doing so, they offer a solution to both parties – young people are offered employment opportunities, while businesses are supported to prosper. Some of these incredible success stories are featured throughout this report.

As a major UK employer, HSBC is committed to supporting the economic recovery and tackling youth unemployment so I'm proud that our partnership with The Trust is helping people to move into the workplace.

The report sets out very clearly the threat of the skills gap and the opportunity of filling it. I urge all businesses to join forces with The Trust and invest in the next generation.

Antonio Simoes
CEO, HSBC UK



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**THE LACK OF SKILLS
IN KEY SECTORS RISKS
ACTING AS A BRAKE
ON OUR ECONOMIC
RECOVERY.**

**ORGANISATIONS LIKE
THE PRINCE'S TRUST
PROVIDE A CRITICAL
ROLE IN HELPING
PLUG THE SKILLS GAP,
EQUIPPING YOUNG
PEOPLE WITH THE
KNOWLEDGE AND
SKILLS THEY NEED TO
GET ON IN WORK AND
LIFE. MOVING FORWARD,
WE NEED STRUCTURAL
REFORM TO OPEN UP
MORE ROUTES TO
HIGHER SKILLS.**

**- ROB WALL, HEAD
OF EDUCATION AND
EMPLOYMENT, CBI**

A young man with light brown hair is wearing a green hard hat with the 'ASCO' logo. He is also wearing a high-visibility yellow-green jacket with reflective silver stripes over a dark blue collared shirt. A blue pen is tucked into his jacket pocket. He is standing in a warehouse with blue metal shelving units in the background.

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**THE PRINCE'S TRUST
SHOWED ME MY CHOICES.
THEY OPENED A DOOR
TO SO MANY DIFFERENT
OPPORTUNITIES.
I REALISED MY LIFE
COULD BE WHATEVER I
MADE IT. WITHOUT THEIR
SUPPORT I'D PROBABLY
BE IN JAIL OR NOT EVEN
HERE ANYMORE. INSTEAD
I FEEL GREAT AND HAVE A
LOT GOING FOR ME.**

- SIMON GEMMELL

EXECUTIVE SUMMARY

Key findings

The Skills Crunch report has assessed the current business landscape across the UK, examining growth prospects and how workforces are equipped to meet demands. The findings reveal renewed confidence amongst senior executives with regards to demand for their business services and optimism for the UK economy. However, the responses also raise concerns about how workforces are lacking the skills to meet these demands and the ramifications this could have longer-term, both for the survival and prosperity of their company, and the UK economy.

UK PLC – on the road to economic recovery

Youth unemployment in the UK, although still unacceptably high, is gradually falling. The economy has consistently grown since 2013, with the UK Gross Domestic Product (GDP) estimated to have increased by 1.7 per cent in 2013, compared with the previous 12 months. This optimism is reflected in the responses of UK business leaders.

- More than six in 10 UK business leaders say that their business is growing faster than this time last year (63 per cent)
- Correspondingly, 71 per cent agree that there has been increased demand for their services over the past 12 months
- Seven in 10 respondents feel optimistic about their organisation's business

prospects for the next 12 months (72 per cent)

Consequences of growing skills shortages

Optimism about business expansion is countered by the knowledge that demands can only be met with the right workforce. Business leaders are expressing concern that their staff lack the necessary skills to meet and maximise further growth within their companies, both now and in the future, thus leading to a possible skills crunch.

- Two-thirds of business leaders believe that faster growth in their organisation will lead to a shortage of necessary skills (64 per cent). Fifty-nine per cent say that faster growth is already leading to skills shortages in the UK economy
- Skills shortages could cause financial growth to stall within their organisations, according to six in 10 senior executives (59 per cent)
- Meanwhile, eight in 10 respondents believe that skills shortages will limit the growth of the UK economy within the next three years (79 per cent)
- Almost three-quarters of employers believe that skills shortages will lead to a significant skills crisis across the UK in the next three years (73 per cent), which would hit the economy and impact on the UK's ability to compete

internationally. Two-fifths predict this will happen within the next 12 months (43 per cent)

- Almost two-thirds of employers agree that urgent action is required to tackle a “bubbling skills crisis” (64 per cent)
- More than one in three respondents warn that skills shortages would cause their business to fold (35 per cent)

The human cost of skills shortages

The research findings suggest that skills shortages could also affect levels of productivity and morale amongst existing workforces.

- Two-thirds of employers believe that their staff would experience increased stress and anxiety as a result of skills shortages (67 per cent)
- A similar proportion agree that employee morale and satisfaction would decline (64 per cent)
- More than six in 10 business leaders believe that a skills shortage would result in losing work to competitors (63 per cent)

Upskilling the workforce of the future

Employers are increasingly looking to the next generation to help fill the skills gaps they are facing. However, the research also shows that young people – particularly those who are currently unemployed – still face stigma and negative stereotyping from business leaders.

- Almost three-quarters believe that the recruitment of young people is vital to avert a skills crisis (72 per cent)

- More than two-thirds of respondents believe that investing in better training for young people would help to fill skills gaps (68 per cent)

- Employers are facing difficulties with succession planning – six in 10 admit they are struggling to recruit the leaders of tomorrow (60 per cent)

- However, 71 per cent of UK businesses admit that jobless young people face stigma from employers, while more than two-thirds warn of a culture where unemployed young people and those without a degree are unfairly overlooked in the jobs market (69 per cent and 67 per cent respectively)

About the research

The research represents all major UK sectors and samples businesses with 500+ employees.

Interviews are provided for 616 senior directors in businesses across the whole of the UK. Sector specific breakdowns are available for the following sectors: construction, retail, manufacturing and logistics, science, technology and engineering and healthcare and social care. The survey was conducted by Loudhouse, an independent research agency.

UK PLC – ON THE ROAD TO ECONOMIC RECOVERY

After five years of financial instability, the UK economy began to grow consistently from the first quarter of 2013. However, it was during those five turbulent years, when the UK faced one of the deepest recessions in its history, that the number of unemployed people aged 16 to 24 reached record levels of 1,043,000¹. This figure has gradually reduced as the economy has recovered, but 817,000 young people still find themselves without work². This equates to almost one in five young people who want to work but are struggling to find a job (18 per cent). Two-fifths of jobless young people have been out of work for more than six months³.

Meanwhile, the UK's GDP is estimated to have increased by 1.7 per cent in 2013, compared with the previous 12 months⁴. Figures from July 2014 show that the UK economy is 0.2 per cent ahead of its pre-crisis peak, which was reached in the first quarter of 2008⁵.

The growing confidence of UK business leaders, and their increasing positivity about the UK economic outlook, is reflected within this report.

More than six in 10 UK business leaders say that their business is growing faster

than this time last year (63 per cent), while almost three in four believe there are more opportunities for growth than the previous 12 months (73 per cent). Of the respondents, 71 per cent agreed that they have seen an increased demand for their services over the past 12 months.

The economic recovery and improved performance of businesses over the past 12 months has also led to increased optimism amongst business leaders for the forthcoming year. Seven in 10 respondents feel “optimistic” about their organisation's business prospects for the next 12 months (72 per cent).

Although, as a collective, UK employers are feeling more positive about their business prospects, there is a marked difference in the levels of optimism depending on the industry sector. Three-quarters of bosses in the manufacturing and logistics industry feel “very optimistic” about their business prospects in the next 12 months (75 per cent), while this falls to just under half in the health and social care sector (49 per cent).

¹ Office for National Statistics, Labour Market Statistics, September to November 2011.

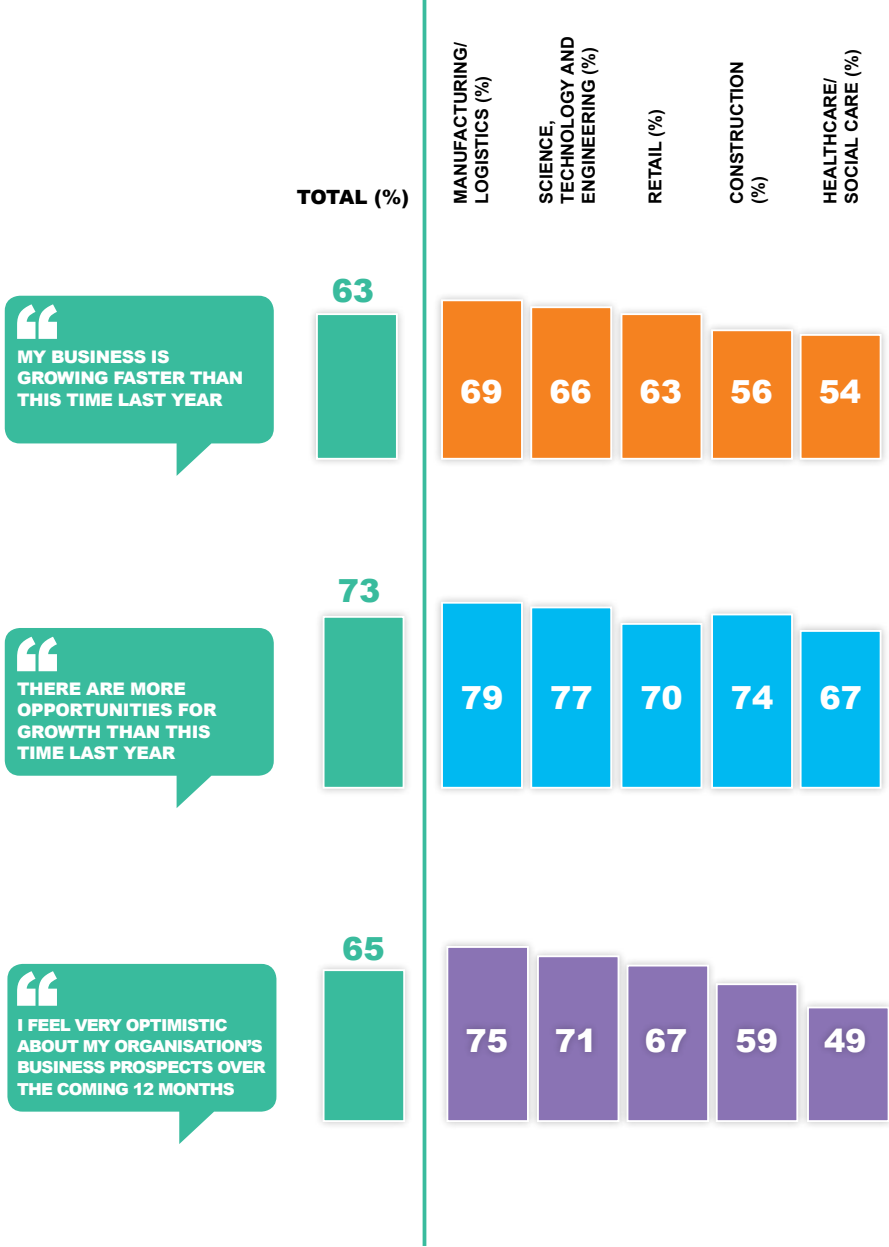
² Office for National Statistics, Labour Market Statistics, July 2014. Figures refer to the period March to May 2014.

³ Ibid.

⁴ Office for National Statistics, Statistical Bulletin Gross Domestic Product Second Estimate Q1 2014, published May 2014.

⁵ Office for National Statistics, Statistical Bulletin, Gross Domestic Product Preliminary Estimate Q2 2014, published July 2014.

FIGURE 1



CASE STUDY: HSBC



HOW HSBC IS SUPPORTING THE PRINCE'S TRUST TO TACKLE SKILLS SHORTAGES ACROSS THE UK.

HSBC is the largest corporate supporter of The Prince's Trust and has made a huge contribution to the charity's vocation training programmes for unemployed young people. The bank's support has allowed The Trust to work with employers and help young people gain the skills they need for entry-level roles in sectors with skills shortages.

As a major UK employer, HSBC also recognised the need to tackle skills shortages within the bank and help unemployed young people access job opportunities in financial services.

In the last year, HSBC has worked closely with The Trust to develop its own Traineeship Programme, which gives unemployed young people the chance to boost their employability skills and try out customer services roles at the bank.

Twenty young people have already found jobs with HSBC as a result of the Traineeship Programme, and work is underway to support hundreds more young people by the end of 2015.

It is hoped that more than 50 per cent of the young people who complete the programme will go on to secure permanent jobs with HSBC.



JADE SMITH

I'D BEEN UNEMPLOYED FOR NEARLY A YEAR, SO WHEN I HEARD ABOUT THE PRINCE'S TRUST AND HSBC COURSE, I WAS REALLY KEEN TO APPLY.

I left school at 16 and went on to work in retail and customer services but it was always hard to find something permanent. I was applying for loads of jobs but never hearing anything back, which really knocked my confidence.

Getting a place on The Prince's Trust course with HSBC made me feel optimistic about finding work for the first time in ages.

At first, I wasn't sure what to expect and worried about how I'd fit in with the other people on the course. Even though we're all different, we really came together as a group and everyone was so easy to get on with. We also learnt a lot about customer service skills and how to get better at applying for jobs.

I did my work experience at HSBC's Holborn Circus branch. Everyone was so welcoming and I really got the chance to put the customer service skills I'd learnt into practice.

I was offered an interview soon afterwards for a customer services role in the same branch. When I heard I'd got the job I was just so happy and excited.

Getting this job means so much to me because it's not just a job, it's a career. HSBC is such a huge company and there are so many opportunities to move up within the bank.

Having a job means I will be able to develop my skills and start planning for the future. I'll be able to start saving up to get my own place, and I won't have to rely on benefits any more.

I'm really grateful to The Prince's Trust and HSBC for giving me this opportunity and now I'm determined to make the most of it.



CONSEQUENCES OF GROWING SKILLS SHORTAGES FOR BUSINESSES

While heads of business are more confident about their respective industries, they also recognise that a workforce with the right skills is critical to the growth of their organisation (88 per cent).

Two-thirds believe that faster growth in their organisation will lead to a shortage of necessary skills (64 per cent). A similar proportion believe that there are already skills shortages impacting the UK (65 per cent), while 53 per cent admit that they are facing difficulties in filling vacancies.

More than two-fifths are concerned about their ageing workforces (45 per cent), while 66 per cent believe that company growth would be held back due to a lack of available skills as workers retire.

The research reveals that as the economy recovers, UK employers are becoming concerned about critical skills shortages within their organisations and the impact these could have on the UK's economic future.

Six in 10 senior executives believe that skills shortages could stall financial growth within their organisations (59 per cent), while almost one in five believe that skills shortages are already putting their company's growth plans at risk (18 per cent). In addition, nearly half believe skill shortages will limit growth of their organisations within the next 12 months (48 per cent).

A similar proportion believe that skills shortages will limit the growth of the UK economy within the next year (49 per cent), while eight in 10 believe that an impact will be felt within the next three years (79 per cent).



FIGURE 2



88%

**believe that a workforce
with the right skills is
critical for growth**



15%

**say that skills are
not a priority for their
organisation**



53%

**are currently facing
difficulties filling
vacancies**



64%

**say that faster growth
will lead to a shortage
of skills**

According to the findings, employers are also concerned about a more serious skills crunch hitting the UK economy, where economic growth leads to a lack of necessary skills within the workforce and impacts on the UK's ability to compete internationally. Almost two-thirds agree that there is a "bubbling skills crisis" that requires urgent action (64 per cent).

Almost three-quarters of employers believe that skills shortages will lead to a significant skills crisis across the UK in the next three years (73 per cent), while two-fifths predict this will happen within the next 12 months (43 per cent). Sixty-eight per cent believe that the skills crisis will damage the UK's international reputation.

More than two-thirds of respondents believe the skills crisis will put the brakes on Britain's economic recovery (68 per cent), while one in three warn that it would cause their business to fold (35 per cent).

Skills shortages appear to be a prevalent concern across sectors including construction, manufacturing and logistics, retail, science, technology and engineering and health and social care. More than half

of respondents in all of the above sectors believe that a skills crisis will put the brakes on the UK's economic recovery.

Three-quarters of respondents from within the construction industry believe that faster growth will likely lead to skills shortages (74 per cent), 10 percentage points higher than the national average (64 per cent). Employers in the science, technology and engineering sectors are also more likely to agree that faster growth will lead to skills shortages – 70 per cent compared to the national average.

Construction bosses and those in health and social care are most likely to fear that ageing workforces will lead to skills gaps. Around 70 per cent of employers in each sector warn that company growth would be held back due to a lack of available skills as skilled workers retire (72 per cent for construction and 70 per cent for those in health and social care).

The below graphic compiles responses from the relevant sectors, showing whether their responses are higher or lower than the national average.

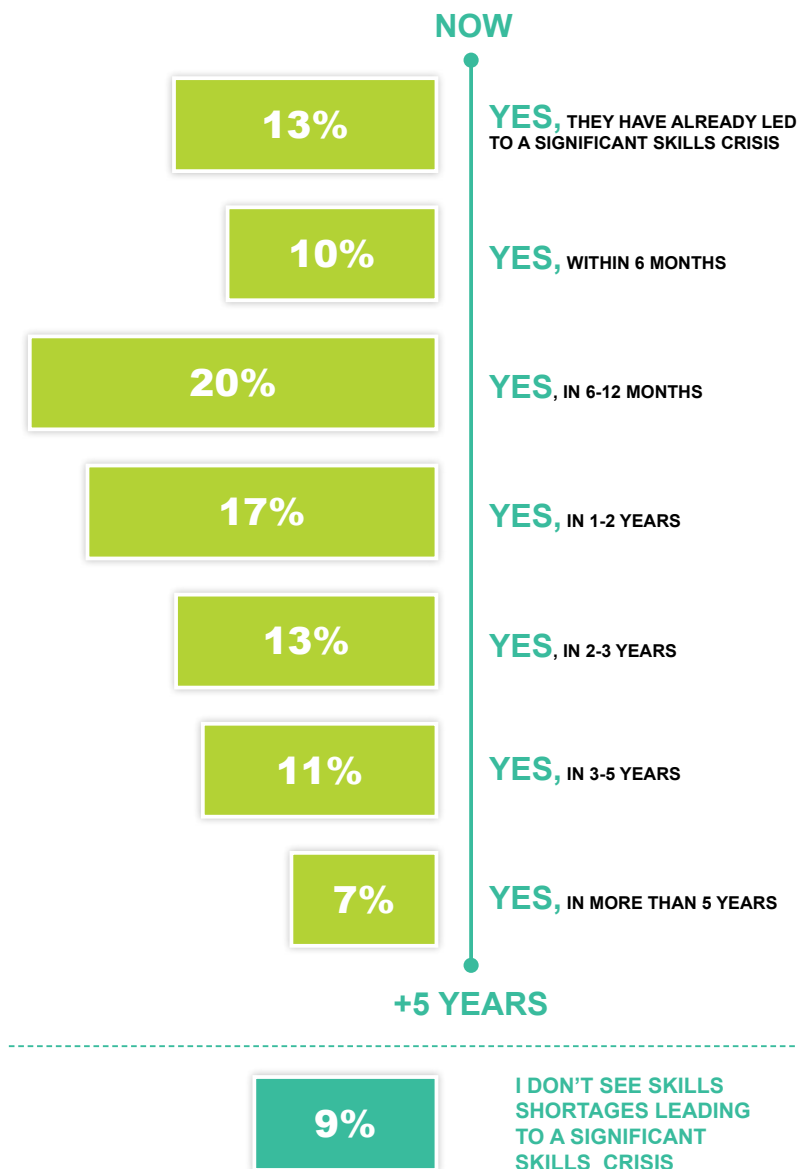
FIGURE 3

KEY: Higher than average: Average: Lower than average:

	Construction	Manufacturing/ Logistics	Retail	Science/Tech/ Engineering	Healthcare/ Social care
Business optimism					
The right skills are critical to business growth					
Faster growth will lead to a skills shortage					
There is a skills shortage in the organisation					
Ageing workforce leads to skills gap					

FIGURE 4

DO YOU THINK SKILLS SHORTAGES WILL LEAD TO A SIGNIFICANT SKILLS CRISIS WITHIN THE UK ECONOMY?



CASE STUDY: DHL



LEADING TRANSPORT AND LOGISTICS SPECIALIST DHL HAS BEEN WORKING WITH THE PRINCE'S TRUST SINCE 2007.

Their joint Get into Logistics programme has equipped almost 350 unemployed young people with the skills and confidence needed to find work within the sector. The programme – which lasts around four weeks – allows young people to experience a working environment where they learn many aspects of the business, from packaging products in the warehouse to health and safety at work. Three in four of these young people have gone on to secure employment with DHL while all received ongoing mentoring support from The Trust.

With a 43,000 strong UK workforce, DHL is aware of the skills shortages impacting upon the logistics industry. By working with The Trust, DHL is not only helping to tackle youth unemployment, but also upskilling its next generation of workers while spreading the word about the benefits of a career in the industry. This year, DHL will deliver a further eight Get into Logistics programmes across the UK.

Tim Slater, Managing Director, Transport – DHL Supply Chain, says: "The Prince's Trust has a fantastic reputation for working with the UK's

most disadvantaged young people and is known for achieving great results. Skills shortages are a real problem for our industry – for example, we have struggled to recruit younger workers in the past and many of our employees are reaching retirement age which poses a challenge for the industry as a whole. In particular, we are keen to attract workers to become drivers at DHL and reaching out to young people through The Trust is one way in which we can address this gap."

"We have also been keen to raise awareness of logistics as a career option for young people. At DHL, we operate a culture where our staff can start in the warehouse and move their way up to become a senior director but this isn't the perception on the ground among young people. The fantastic thing is that now, thanks to our partnership with The Trust, we have regular access to a fresh pool of talent. Once they have been through the programme they have a real understanding of how DHL works and so are able to hit the ground running. Since starting our partnership with The Trust we have been thrilled with how hard-working and enthusiastic the young people on our programme have been."

Keen to inspire others within the logistics sector to work with The Trust, DHL is reaching out to companies to increase opportunities for disadvantaged young people wanting to break into the industry.



ALAN MACDONALD

I HAD LOW SELF-ESTEEM. I APPLIED FOR JOBS BUT BECAUSE I DIDN'T HAVE THE RIGHT EXPERIENCE, NO-ONE SEEMED TO WANT TO GIVE ME A CHANCE.

I lost my mum at an early age and recently my dad died too. I applied for jobs but because I didn't have the right experience, no-one seemed to want to give me a chance. I was out of work for a year and it really got me down.

I was desperate to make a change and enrolled on The Prince's Trust Get into Logistics programme with DHL. I hoped the extra skills, one-to-one mentoring and guaranteed interview with DHL would give me the foot in the door I needed.

Getting a place on the course was such a big deal for me and I knew I had to make the most of it. I worked hard to learn all of the essential skills including manual handling techniques, electric pallet truck work and working as part of a team.

I also made sure that I listened carefully to feedback I was given so I could improve on areas I was struggling in. By the end of the programme, my self-confidence was at an all time high and I gave a talk about my experience to an audience of 50 people.

I was offered a temporary contract at the end of the course, and am now seven months into permanent full-time work. I won the Young Achiever of the Year Award at The Prince's Trust Celebrate Success Awards in Scotland and now sit on the Board of Trustees for the DHL UK Foundation.

Thanks to the programme, I now have the confidence to go after my goals. No matter what situations life throws at you, there's always a way through. The Prince's Trust and DHL have shown me this and for that I am truly grateful.

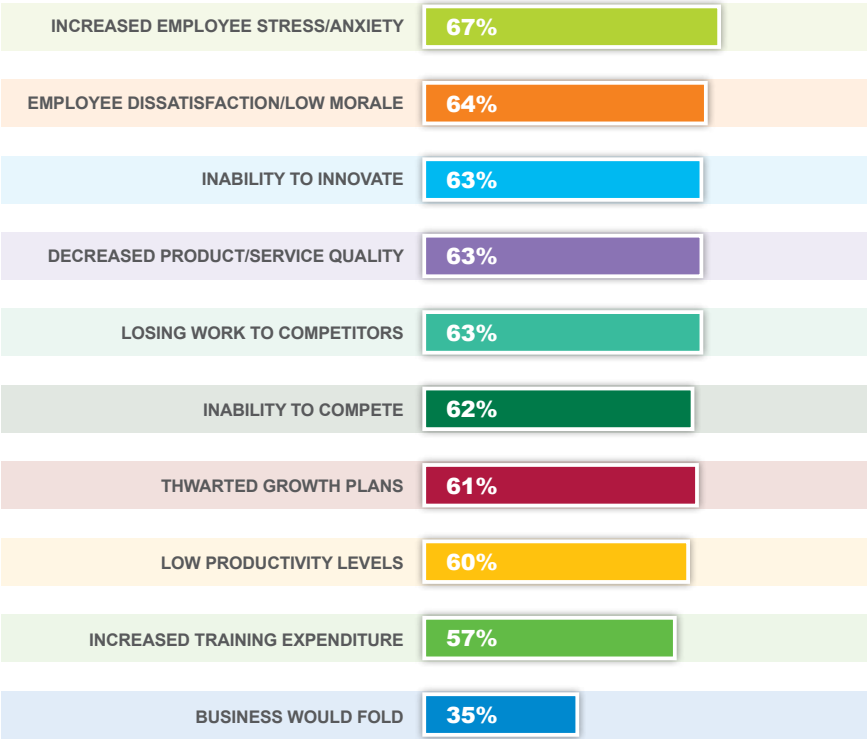


THE HUMAN COST OF SKILLS SHORTAGES

According to the research, the impact of skills shortages could extend beyond business growth and the cost to the economy. Business leaders also highlight the impact of skills gaps on their existing workforces, their levels of productivity and morale.

Two-thirds of employers believe that their staff would experience increased stress and anxiety as a result of skills shortages (67 per cent), while a similar proportion agree that employee morale and satisfaction would decline (64 per cent). More than six in 10 (63 per cent) believe that they would lose work to competitors. On top of this, six in 10 believe that low productivity levels would be a key consequence of skills shortages within their organisation (60 per cent).

FIGURE 5
WHAT WOULD BE THE KEY CONSEQUENCES
OF A SKILLS SHORTAGE WITHIN YOUR ORGANISATION?



UPSKILLING THE WORKFORCE OF THE FUTURE

According to the study, more than one in three employers admit their workforce is “not diverse enough” (35 per cent) or “young enough” (34 per cent). More than three-quarters believe that a diverse workforce would be more effective and efficient (76 per cent) and 45 per cent are concerned that they have an ageing workforce. One in three believe that an ageing workforce could have a serious impact on their growth plans (34 per cent), while almost half fear that it could lead to lack of creativity and innovative thinking (47 per cent).

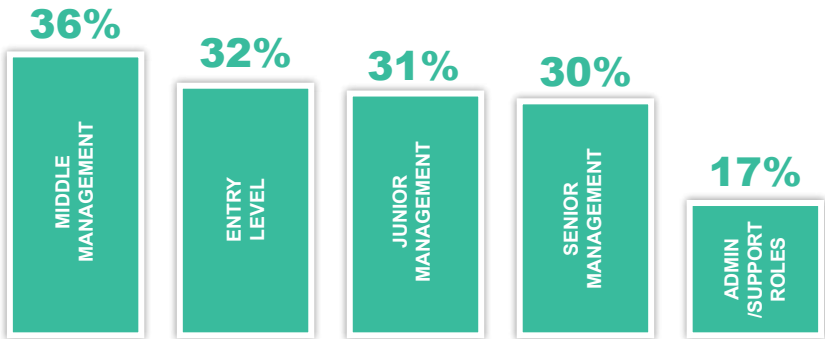
Six in 10 employers admit they are struggling to recruit the leaders of tomorrow and facing difficulties with succession planning (60 per cent).

However, employers are increasingly looking to the next generation to help fill the skills shortages they are facing. Almost three-quarters believe that the recruitment of young people is vital to avert a skills crisis (72 per cent), while more than two-thirds believe that investing in better training for young people would help to fill skills gaps (68 per cent).

A similar proportion believe that hiring young workers has made a positive impact to their organisation (69 per cent).

With one in three (32 per cent) employers reporting skills shortages at entry level and a further 31 per cent facing skills gaps in junior management, organisations are facing recruitment difficulties across the board.

FIGURE 6
FOR WHICH TYPE OF ROLE IS YOUR ORGANISATION CURRENTLY EXPERIENCING A SKILLS SHORTAGE?

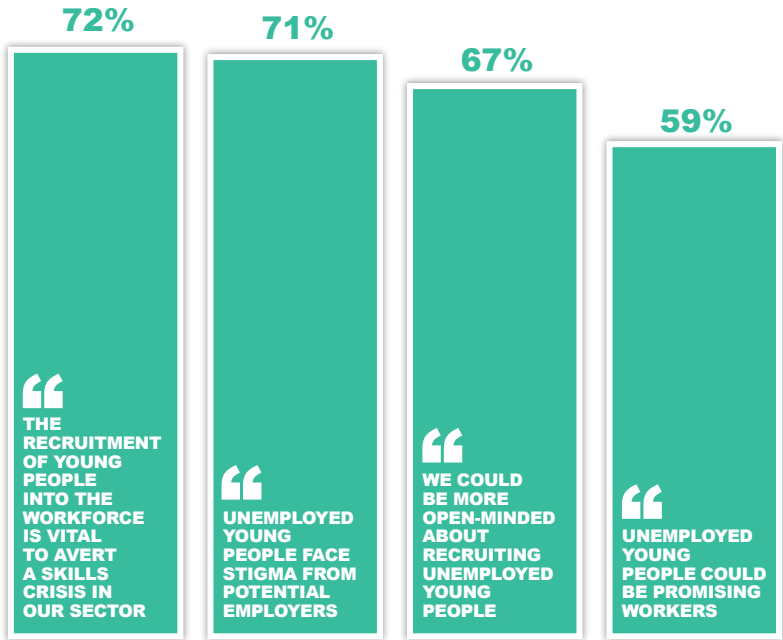


While employers are keen to invest in upskilling the next generation, the research also shows that young people – particularly those who are currently unemployed – still face stigma and negative stereotyping from business leaders.

Seven in 10 UK businesses admit that jobless young people face stigma from employers (71 per cent), while one in five believe recruiters see them as “lazy” (20 per cent).

More than two-thirds warn of a culture where unemployed young people and those without a degree are unfairly overlooked in the jobs market (69 per cent and 67 per cent respectively). Fifty-nine per cent agree that unemployed young people could be promising workers, and yet two-thirds admit they could be more open-minded about recruiting unemployed young people (67 per cent).

FIGURE 7



A young man with short dark hair is wearing large black headphones and a bright red t-shirt. The t-shirt features a white Prince's Trust logo, which is a stylized crown made of horizontal lines. Below the logo, the words "Prince's Trust" are printed in white. He is looking directly at the camera with a neutral expression. The background is slightly blurred, showing what appears to be a studio or office setting with purple and blue lighting.

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**I HADN'T REALLY
THOUGHT ABOUT THE
STEM INDUSTRY BEFORE
BUT I SOON REALISED
HOW IMPORTANT IT
IS TO UNDERSTAND
TECHNOLOGY AND
LEARN THESE SKILLS.
MY FAVOURITE PART OF
THE PRINCE'S TRUST
PROGRAMME WAS SEEING
SOMETHING THAT WAS
IN MY MIND COMING TO
LIFE! THE COURSE WAS
AMAZING AND IT MIGHT
SOUND CHEESY, BUT I
ACTUALLY FEEL BETTER
ABOUT MY LIFE NOW.**

- ALEX MORRISON

Prince's Trust

CASE STUDY: ASDA



ASDA HAS BEEN WORKING WITH THE PRINCE'S TRUST SINCE 2013. THEIR JOINT FOUR-WEEK GET INTO RETAIL PROGRAMME GIVES DISADVANTAGED 16 TO 25 YEAR-OLDS THE CHANCE TO GAIN WORK EXPERIENCE, ACCREDITED SKILLS AND RETAIL-RELATED TRAINING IN ASDA STORES ACROSS THE UK.

The Get into Retail programme builds on Asda's long-term commitment to youth employment and skills development. As one of the leading retailers in the UK, Asda has seen first-hand how the skills shortage is affecting the retail sector. The joint programme with The Trust enables the organisation to ensure they are creating a skilled and qualified workforce, promoting the opportunities available in the retail industry while at the same time tackling youth unemployment.

Programme participants are trained in a host of retail-related skills including merchandising, customer care, customer service and stock control. The young people

also receive help with CV writing and interview techniques and are partnered with mentors from Asda and The Trust, who provide ongoing career support and advice.

To date, the programme has equipped 139 unemployed young people with the skills and confidence needed to find work within the retail industry. Ninety-four per cent of the participants have been offered permanent jobs at Asda, while all received ongoing mentoring support from The Trust. This year, a further eight Prince's Trust and Asda Get into Retail programmes will be delivered across the UK.

Hayley Tatum, Senior Vice President for People, said: "This programme is a great way of giving young people the opportunity to gain the experience and confidence needed to launch a successful career in retail. It has the added benefit of bringing us into contact with people across the region who may not otherwise have applied for a job but whom, nonetheless, have the natural aptitude and enthusiasm to succeed."

"The Trust's work with young people is incredible – three in four move into work, training or education – so together we are the perfect combination to tackle the looming skills gap."



ANNMARIE PATTERSON

**'I KNEW I WAS AT ROCK BOTTOM
AND MY CONFIDENCE WAS
ALMOST NON-EXISTENT.'**

I enjoyed school but I left at 16 with low grades. I had always been interested in working with children and young people and so started studying childcare, but I felt unsupported with my studies and so left before my course finished. I attempted to find work afterwards but I found it difficult due to having little real work experience or skills.

Luckily after a year of searching, I was offered a job working at a local charity in Seaham, working as an assistant support worker with 16 to 18 year-olds. I was doing well but, due to lack of funding, my six-month contract was not renewed. I felt devastated and spent a further two years searching for jobs and taking courses, gradually beginning to lose hope of ever finding something.

I knew I was at rock bottom and my confidence was almost non-existent. I was also relying heavily on my family to support me. Not having a job and structure to my day combined with constant knock-backs made this one of the hardest times of my life.

I was losing hope when I got in touch with The Prince's Trust but as soon as I heard about the Get into Retail programme with Asda I thought it sounded perfect for me. I felt as though I got a lot of exposure to the business and immediately became part of the family at the store. My confidence and skills were given a huge boost and it also helped me to excel as an individual.

After the course Asda offered me a permanent position and working for them has literally been life-changing for me. I now have a job that I love and new friends. I've also learnt so much from other members of the team and really feel like I have a bright future ahead of me with them.



CONCLUSION

Despite the positive outlook for business prospects and organisational growth, UK business leaders are clearly concerned about the skills shortages they are facing. They are warning of a potential skills crisis that could limit further growth of their organisations and bring the UK economy to a standstill as older workers retire. Many believe that a skills crisis could hit the UK within the next three years, while two-fifths predict this will happen within the next 12 months.

While this is clearly concerning, employers have highlighted a potential solution through this research. The majority of respondents recognise that upskilling the next generation of workers is vital to avert a damaging skills gap in the near future.

There is, however, an underlying problem with how unemployed young people are perceived by prospective employers. Too many senior executives admit that they overlook applications from unemployed young people and that they need to be more open-minded when it comes to recruiting young people. With a third of employers reporting skills shortages at entry level and more than 817,000 young people struggling to find a job, it is more important than ever for businesses to give jobless young people a chance.

Organisations like The Prince's Trust can provide one solution, working with employers to provide vocational training for unemployed young people. This helps to upskill the next generation of employees and tackle skills shortages. The Trust aims to help 58,000 unemployed young people this year, providing vocational training in sectors with identified skills shortages, such as construction, retail and logistics.

A number of businesses, including HSBC, DHL, Asda and Marks & Spencer have already stepped forward to support The Trust in its mission to upskill the workforce of the future. However, the youth charity now wants to work with more employers to help increase the number of young people it can support this year, while in turn supporting the business community in tackling the skills gaps they are facing.



ACKNOWLEDGEMENTS



WE WOULD LIKE TO THANK ALL OF THE YOUNG PEOPLE SUPPORTED BY THE PRINCE'S TRUST WHO SO GENEROUSLY SHARED THEIR PERSONAL STORIES AS PART OF THIS REPORT.

The publication of The Skills Crunch report would not have been possible without the invaluable support of HSBC, the largest corporate supporter of The Prince's Trust. We are also grateful to DHL and Asda; companies that feature within

the report and partner with The Trust on programmes that directly help unemployed young people into work and training.

Finally, we wish to thank all of the organisations that work with The Prince's Trust, helping disadvantaged young people get their lives back on track.

For more information on how you can work with The Prince's Trust, visit princes-trust.org.uk or call **0800 842 842**.



To find out more about
The Prince's Trust:
visit: princes-trust.org.uk
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