



## **The Failed Generation: The Real Cost of Education under Labour**

**By Chris Skidmore**

This report, as part of the Bow Group's *Invisible Nation* series, highlights the total number of pupils who have taken their GCSEs under Labour. It discovers that an entire generation of almost 4 million pupils have failed to gain their expected qualifications of five good GCSEs including English and maths, and approaching a million pupils who have not gained five GCSEs of any grade. Despite an increase in education spending of 75%, over £70.5 billion has been spent on educating pupils who failed to gain the qualifications now expected in the modern day workplace.

Key points:

- Almost 4 million pupils have left school after 10 years under Labour without gaining the basic qualifications of five good GCSEs including English and maths.
- Nearly a million pupils (931,352) have left with less than five GCSEs of any grade (i.e. lower than a G grade) including English and maths GCSE.
- The cost of educating pupils who did not gain five good GCSEs including English and maths is £70.5 billion.
- Education spending has risen by 75%, but GCSE results have only risen by 9%
- The initial financial cost to pupils who begin work amounts to a total £8.9 billion

- The number of pupils who did not gain five GCSEs of any grade (89,275) is nearly 4,000 more pupils than the previous year, and the highest figure since 1997/98
- The number of pupils not gaining five good GCSEs including English and maths is higher in 2006/07 than in 1999/00, and the number of pupils not gaining five GCSEs of any grade including English and maths is at its highest number since 1997/98
- Back in 1997, 377,877 pupils did not gain five good GCSEs including English and maths. This has reduced slightly to 354,472- only a reduction of 23,400.

### **The Failed Generation**

Since Labour came to power in 1997, over 6.7 million pupils have taken their GCSEs. The most recent cohort of 15 year olds in 2007 were five years old when the present government came to power.

The table below<sup>1</sup> shows that 4.3 million of these pupils failed to gain five good GCSEs including English and maths GCSE, while over 931,000 pupils failed to gain five GCSEs of any grade, including English and maths. The number of pupils not gaining five good GCSEs including English and maths is higher in 2006/07 than in 1999/00, and the number of pupils not gaining five GCSEs of any grade including English and maths is at its highest number since 1997/98:

	15 year old pupils	% gaining 5A*-C inc English & maths	Number <b>NOT</b> gaining 5A*-C inc English & maths	% gaining 5 GCSEs of any grade inc English & maths	Number <b>NOT</b> gaining 5 GCSEs of any grade inc English & maths
1996/97	586,766	35.6	377,877	83.9	94,469
1997/98	575,210	37.0	362,382	83.8	93,184
1998/99	580,972	38.6	356,717	85.8	82,498
1999/00	580,393	40.0	348,236	86.8	76,612

<sup>1</sup> Data has been collated from <http://www.dfes.gov.uk/rsgateway/DB/SFR/s000768/reviseGCSE2008sfrtables.xls> Table 1.

2000/01	603,318	40.7	357,768	86.9	79,035
2001/02	606,554	42.1	351,195	87.1	78,245
2002/03	622,122	41.9	361,453	86.6	83,364
2003/04	643,560	42.6	369,403	86.7	85,593
2004/05	636,771	44.3	354,681	86.9	83,417
2005/06	648,942	45.3	355,620	86.8	85,660
2006/07	656,432	46.0	354,472	86.4	89,275
Total	6,741,040		3,949,804		<b>931,352</b>

### **Cost to Pupil**

Employers have advised that young people with fewer than five good GCSEs risk becoming unemployable. More than 20% said that they would not recruit teenagers with fewer than five good GCSEs or the vocational equivalent, and 15% said that they would ignore the CVs completely, according to a survey for the Learning and Skills Council (LSC).<sup>2</sup> Anthony Thompson, head of skills at the CBI, said in 2006 that five good GCSEs were not only the minimum benchmark, but employers expected teenagers also to be able to read instructions, write clearly and do simple arithmetic.<sup>3</sup>

Research shows that employers would pay an extra £2,261 a year to staff with the benchmark five good GCSEs. Those with five GCSEs grade A\* to C, or their vocational equivalent, would get an average of £13,016 a year, a survey of 271 recruiting managers suggested. This compares with an average salary of £11,412 for a person with just one GCSE or its vocational equivalent.<sup>4</sup>

On this simple calculation alone, those pupils not gaining five good GCSEs and therefore missing out from these initial increased earnings over the past ten years total a lost revenue of **£8,930,506,800**. However, when taking long term income into account, this figure will be far higher.

### **Cost to Taxpayer**

<sup>2</sup> <http://readingroom.lsc.gov.uk/lsc/2006/externalrelations/press/nat-gcsedropoutsunemployable-pr-aug2006.pdf>

<sup>3</sup> The Times, 24 August 2006

<sup>4</sup> <http://news.bbc.co.uk/1/hi/education/6960846.stm>

Since Labour came to power, per pupil spending has risen dramatically, from £2910 per pupil in 1997 to £5080 in 2007:

**Revenue & Capital Funding per School Pupil 1997-98 to 2007-08<sup>5</sup>**

<b>Funding per Pupil (£)</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated outturn</b>	<b>Plan</b>
<b><u>Real Terms</u></b>											
Revenue & Capital	2,910	3,030	3,220	3,640	3,830	4,070	4,420	4,640	4,900	5,080	5,430

Reflecting upon the success of this increased spending, it is clear that the benefits have not been passed on. While spending per pupil has increased by £2170- an increase of 75% since 1997/98, the percentage of pupils obtaining five good GCSEs including English and maths has only increased by 9%.

In particular, the cost to the taxpayer of funding pupils who have then failed to gain five good GCSEs including English and maths is extremely high. The table below sets out the total cost of educating those pupils who failed to gain five good GCSEs including English and maths since 1997. The cost per pupil has been calculated as cumulative, taking the 1997/98 figure as the base. Therefore, the cost takes into account only money spent under Labour since they have been in government. The actual figure would be far higher.

	Cumulative cost per pupil	Pupils not gaining 5A*-C inc English and maths	Cost of pupils not gaining 5A*-C inc English and maths (£)
1997/98	2,910	362,382	1,054,531,620
1998/99	5,940	356,717	2,118,898,980

<sup>5</sup> <http://www.dfes.gov.uk/rsgateway/DB/TIM/m002012/NationalSeriesResearchAndStatsDecGDPfromDAR280108.xls>

1999/00	9,160	348,236	3,189,841,760
2000/01	12,800	357,768	4,579,430,400
2001/02	16,630	351,195	5,840,372,850
2002/03	20,700	361,453	7,482,077,100
2003/04	25,120	369,403	9,279,403,360
2004/05	29,760	354,681	10,555,306,560
2005/06	34,660	355,620	12,325,789,200
2006/07	39,740	354,472	14,086,717,280
<b>TOTAL</b>			<b>70,512,369,100</b>

In total, the cost of educating the 4,311,257 pupils who did not gain five good GCSEs including English and maths with public funds allocated under Labour since 1997 has reached over £70.5 billion.