DSG Socio Economic Sub Group

Action DSG/SESG(2014)M002/A007: Ken Nicol to clarify the wage uplift for ETEC.

Wage Uplift For Trained Apprenticeships

Economic impacts are unlikely to have fully emerged given that the project has been running for just a short time. Given this, gross impacts have been calculated as the wage uplift associated with trained apprenticeships. There will also be a number of those of school age who will go on to take up engineering-related employment locally, as well as elsewhere due to national engineering skills shortages, as a result of the support. However, for school age participants, estimated gross employment is very difficult to estimate. This is because of the elapsed time involved and the range of other factors influencing their employment outcomes.

Applying standard apprenticeship wage uplift data for Higher Education, it is estimated that the wage increase over each individual's lifetime would be approximately 18%. (This assumes that the apprenticeships offered are Level 3 and that the qualifications previously held by trainees were Level 2).

Assuming the average annual salary of a mechanical engineer/electrical engineer is £37,500 (source: *Total Jobs*) it is estimated that this could equate to a total increase of £6,750. Applying this to the 241 apprentices (students through ETEC in 2012/13 and 2013/14) generates gross impacts of £1,626,750.

It should be recognised that this is an upper estimate. This is because it is not known whether the apprenticeships offered are level three, as not all the current apprentices will progress to an average salary of £37,500.

One of the key benefits of ETEC is that the facility is in place and impacts will continue to accrue as more students make use of the Centre.