Unlocking the potential of the BME population
Northwest Regional Development Agency
Methodology Report
May 2010
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Appendix A: About us

This output is based on and comprises both your input and information sourced from third parties (which may include public data sources). While we will use all reasonable care and skill in the collection and collation of this output we cannot warrant or guarantee the accuracy of the output. You acknowledge that outputs which use empirical data and/or statistical data and/or data modelling techniques cannot be taken as a guarantee of any particular outcome and are not intended to be the sole basis of your business decisions. Our standard terms of business apply.

Approved by: Heather Wells
Position: Associate Director
Date: May 2010
1 Methodology

1.1 Overview

A four phased approach was used for this study, combining economic policy and skills expertise of Experian with Centre for Economic and Social inclusion (Inclusion’s) in-depth understanding of the social inclusion agenda. The methodology brought together qualitative and quantitative techniques to examine the extent to which the BME population is under-employed and under skilled and to put forward recommendations for interventions to support this group and to directly inform the Regional Strategy (RS 2010).

Figure 1.1: Our approach

1.2 Stage 1: Reviewing the evidence base

The first stage of the project was to undertake a comprehensive literature review. This was structured around evidence on trends / drivers and BME participation around three core areas: employment; education or training; and unemployment or other inactivity, including the NEET group (not in education, employment or training).

The following sources were used:

- AimHigher - A review of black and minority ethnic participation in higher education - 2006
- BITC - Voluntary Code of Practice - 2009
- Cabinet Office - Ethnic Minorities and the Labour Market - 2003
- CEP - The Economic Situation of... Immigrants in France, Germany and the UK - 2009
- CLG - Regional Economic Performance, a migration perspective - 2009
The output from this stage was an interim report which provided key findings on BME participation in employment, training and inactivity.

### 1.3 Stage 2: Enhancing the evidence base

#### 1.3.1 Economic and skills analysis

The second stage built upon the existing research base, updating data on progression and participation in employment and in education as well as evidence on BME businesses. (See Section 2 for more information on the data source used)

A range of data sources were used to assess pre and post 16 participation and achievement figures. Higher Education Statistics Agency (HESA) participation data provided a useful source of information on participation rates for all higher education students in approved institutions in the UK.

A key data source for the participation in employment analysis was the Annual Population Micro-survey data; provided on special licence through UK Data Archive. This data source provided information on gender, age, employment, qualifications, activity, industry and occupation by ethnicity and enabled spatial analysis down to LAD, vital to inform the RS2010. Mosaic Origins provided further spatial analysis by classifying individuals according to the part of the world their forebears are most likely to
have originated. This was then mapped at Lower Super Output Area (LSOA) to provide a picture of spatial concentrations of each group.

In terms of business analysis, the Global Entrepreneurship Monitor (GEM) data was a key data source used. GEM is the largest single study of entrepreneurial activity in the world. Total Entrepreneurial Activity (TEA) provides an indication of early stage entrepreneurial activity and Established Business Ownership (EBO) provides an indication of the businesses survival. Analysis from the booster survey of GEM data, commissioned by the NWDA was also used in the analysis.

1.3.2 Stakeholder consultation

We used this phase to build upon our earlier economic and skills analysis of the BME population to assess whether it was an accurate picture and to gather stakeholder opinions on the likely barriers and challenges which the BME population face.

We conducted 15 stakeholder consultations, some face-to-face and some via telephone. All consultations were guided by a detailed discussion guide covering key areas such as:

- Their perception of the performance of BME groups in the labour market
- The impact of factors such as – recession / economic migration on BME employment opportunities
- Key challenges / barriers faced by BME groups on entering and progressing in employment and education and suggestions concerning the ways in which to overcome these challenges and the role of the public sector in doing this.

Consultations were conducted with the following stakeholders:

- Evelyn Asante-Mensah, NWDA
- Yvonne Sampson, NWDA
- Shazad Sarwar, BME Advisory Group
- Ekeate Assiak, Race for Opportunity
- Nighat Awan, Ethnic Minority Business Forum
- Dave Harrison, NWDA
- Naheed Arshad-mather, Get Connected Programme
- Jim Johnstone, Business Link Northwest
- Damien Bourke, NWDA
- Chris Koral, NWDA
- Sayyad Osman, North West BME Advisory group
- Hakeel Qureshi, GMBME Network
- Sandyha Sharma, Oxfam
- Kirit Patel, Oxfam
- Hamid Khan, Whitefield Youth Association

Case studies and qualitative evidence from the consultations have been included in the report.

1.3.3 Focus Groups

As part of this stage, focus groups with BME Students and BME entrepreneurs were undertaken in order to obtain more detailed information on the specific challenges and barriers faced by individuals within the BME community.
The focus groups were led by Inclusion and provided excellent insight into the challenges and opportunities facing both young people from a variety of BME backgrounds as well as BME entrepreneurs who have first hand experience of the issues that they faced in starting up and maintaining a business.

- Six BME entrepreneurs from the BME Ambassador groups participated in the focus group (one entrepreneur inputted into the discussion separately via telephone consultation)
- Six BME students from Manchester University (range of years of studying / subjects) took part in the second focus group.

Each focus group followed a detailed guide which helped to steer the discussion and to ensure that key issues were covered. The discussions were also recorded to allow for detailed analysis of the findings.

The output from this stage was a Draft Final Project Report – bringing together both the existing evidence base on BME population and the outcome of our additional economic and skills analysis and stakeholder consultations and focus groups highlighting the barriers and challenges faced by this group. This stage identified key areas of concern for the BME population around – participation in education, employment and challenges facing BME businesses.

### 1.4 Stage 3: Policy Recommendations

#### 1.4.1 Policy Review

The final stage focussed on the policy response to each of the areas of concern identified earlier. The first aspect of this was to examine the existing initiatives and programmes. The policy review included analysis of the schemes that are already underway within the North West including Business Link North West’s business support products for BME Enterprise. We conducted desk based research to analyse these schemes in more detail and where appropriate, complemented with telephone consultations with the individuals responsible for running the schemes. The research identified how well the schemes are operating, sources of funding for the schemes and to identify gaps in terms of provision.

#### 1.4.2 Case Studies

In addition to reviewing activities that were underway in the North West, we identified additional interventions, via the use of best practice case studies.

For those interventions we felt were most transferable to the North West, we built more detailed case studies, using telephone consultations with those delivering these schemes where required, in order to draw practical lessons for the design and implementation of these projects.

#### 1.4.3 Stakeholder Workshops

The final element of this stage entailed bringing together those responsible for shaping and delivering interventions to support the BME population, to test our recommendations for policy interventions.

The stakeholder workshop was attended by a range of stakeholders from across the region. The first element was a presentation of the key findings, followed by two group exercises designed to engage stakeholders in the key policy issues in relation to this study.
1.5 Stage 4: Reporting and dissemination

Stage four then presented the findings from all stages in a Final Project Report. This brought together our earlier analysis as well as the policy recommendations which have been established through best practice case-studies and the policy workshop. It included charts, case studies and GIS mapping where appropriate to present the information clearly and provided an overall executive summary for the report.

This methodology report accompanies the Final Project Report, providing detail on the methodology and data sources used.
## 2 Data Sources

<table>
<thead>
<tr>
<th>ONS</th>
<th>Labour Force Survey (LFS) / Annual Population Survey (APS) and APS Microsurvey</th>
</tr>
</thead>
</table>
| **Description** | The APS was introduced in 2004 and combines results from the Labour Force Survey (LFS) and the English, Welsh and Scottish LFS boosts (the LFS is a quarterly sample survey of households living at private addresses in Great Britain. The sample in Great Britain covers 60,000 households every quarter, resulting in a quarterly publication of LFS estimates). APS datasets are produced quarterly with each dataset containing 12 months of data. Sample includes all people over 16.  

For this research the following APS dataset was used:  
| **Data Limitations** | The Annual Population Survey is one of the key regularly updated national sources of data on employment / unemployment / occupation and industry. It is survey-based and therefore inevitably there is some sampling bias, however the results have been weighted to correct for unequal sampling probabilities and non-response.  
The data source uses detailed ethnic classification – ETHCEN 15, (introduced from Spring 2001) which enables more detailed analysis of ethnicity with 15 categories.  
The main limitation is around sample size as APS data is not available below local authority level i.e. data is not available for wards and super output areas. Local Authority level data can also only be obtained via a special licence from the UKDA due to confidentiality issues with the dataset (APS Microsurvey data) |
| **Where used** | Figure I.1 Absolute growth of the BME population  
Dates | Q3 1999 and Q3 2009 |
| **Where used** | Figure 2.2 percentage point gap between BME & White employment rates  
Dates | Q3 2006 and Q3 2008  
Notes | Q3 2008 figures were used to show the pre-recession situation |
| **Where used** | Figure 2.4 Employment rates by ethnicity  
Dates | 2004/05  
Notes | Figures combined with those from the General Household Survey |
| **Where used** | Figure 2.6 change in economic activity rates between 2007 and 2009  
Dates | Q3 2007 and Q3 2009 |
| **Where used** | Figure 2.7 NW ethnic minority employment index (total pop index = 100), Figure 2.8 NW A8 employment index (total pop index = 100)  
Dates | Q3 2009  
Notes | The proportions of ethnic minority people/ people from A8 countries working in each industry were indexed against the proportions of the total population working in these industries to give these figures. |
| **Where used** | Figure 2.9 Job growth if proportions employed by industry remain the same |
Unlocking the potential of the BME population

<table>
<thead>
<tr>
<th>Dates</th>
<th>Q3 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>Combined proportions of ethnic minority people working in each industry (from LFS) with Experian projections for how total employment by industry is likely to change</td>
</tr>
</tbody>
</table>

**Where used** | Figure 2.10 % point difference between BME and White activity rates |
**Dates** | April 2008 - March 2009 |

**Where used** | Fig 2.11 average weekly earnings (£) by ethnicity, Fig 2.12 average weekly earnings (£) by ethnicity |
**Dates** | 2004/05 |
| Notes | Figures combined with those from the General Household Survey |

**Where used** | Fig 2.13 presence in working class jobs (%) by ethnicity |
**Dates** | Q3 2009 |

**Where used** | Fig 2.14 employment, by occupation, of women in the salariat |
**Dates** | April 2008 - March 2009 |

**Where used** | Figure 3.2 self-employment rates by ethnicity and gender, Figure 3.3 self-employment rates in the Northwest, Figure 3.4 self-employment rates by ethnicity and gender |
**Dates** | Q3 2009 |

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**Claimant count** |

**Description** | Claimant count data are produced monthly by the ONS, based on the numbers of people claiming Job Seekers’ Allowance. Claimant count is one of two measures of unemployment, which tends to be lower than the International Labour Organisation (ILO) number, as measured in the LFS. This is because the LFS unemployment measure includes all of those out of work, who are looking for, and able to start, work; and not just those claiming benefits. Whilst the LFS measure is the preferred measure of unemployment, claimant count is published more frequently, and tends to be more reliable at local level geographies. |

**Data Limitations** | The data set is updated regularly providing a useful and up-to-date measure of unemployment however there are a number of data limitations. The ethnic minority breakdown is limited to four ethnic groups: Mixed, Asian or Asian British, Black or Black British and Chinese or Other Ethnic Group. Furthermore data is only available back to 2005. |

**Where used** | Figure 2.3 claimant count (Jan 08 Index = 100), Figure 2.5 claimant count (Jan 08 Index = 100) |
**Dates** | January 2008 - November 2009 |
| Notes | Figures indexed to January 2008 |
### ONS General Household Survey

**Description**
The General Household Survey (GHS) is a multi-purpose continuous survey carried out by the Social Survey Division of the Office for National Statistics (ONS) which collects information on a range of topics from people living in private households in Great Britain.

Fieldwork for the GHS is conducted on a financial year basis, with interviewing taking place continuously throughout the year. A sample of approximately 13,000 addresses is selected each year from the Postcode Address File. All adults aged 16 and over are interviewed in each responding household.

**Data Limitations**
This data source is survey based therefore again there could be sampling bias, nonetheless it is a useful source of information on a range of topics from people living in private households in Britain.

**Where used**
- Figure 2.4 Employment rates by ethnicity

**Dates**
- 2004/05

**Notes**
- Figures combined with those from the Labour Force Survey

**Where used**
- Fig 2.11 average weekly earnings (£) by ethnicity, Fig 2.12 average weekly earnings (£) by ethnicity

**Dates**
- 2004/05

**Notes**
- Figures combined with those from the Labour Force Survey

### Experian Employment projections

**Description**
Employment projections have been developed using LFS data to understand the current profile of the workforce. This has then been applied to Experian’s Regional Forecasts within the North West Regional Forecasting Model.

**Where used**
- Figure 2.9 Job growth if proportions employed by industry remain the same

**Dates**
- Q3 2009

**Notes**
- Combined proportions of ethnic minority people working in each industry (from LFS) with Experian projections for how total employment by industry is likely to change
Mosaic Origins classifies people according to the part of the world their forebears are most likely to have originated. It is available in aggregated form and at person level. For this project Mosaic Origins data at Lower Super Output Area (LSOA) was used.

Mosaic origins is developed using a sophisticated analysis of surnames and their country of origin using genealogy and geographical analysis in association with leading authorities in this field. Over 1.7 million family names and over 600,000 personal names have been examined to identify the Mosaic Origins type to which it is most likely to belong. This evaluation makes use of a number of criteria including:

- Mosaic Origins codes of the surnames held by bearers of each personal name, and vice-versa.
- Geographical concentration of the name both within and between countries.
- Mosaic geodemographic codes in which the name is mostly found.
- Appearance of diagnostic letter sequences (e.g. van at the start of a family name indicating Dutch origin).

The personal and family names that people bear are in most cases useful indicators of where they or their ancestors originate from. However clearly there are some limitations in terms of use of family name.

International migration can make some people’s ethnic identity hard to define unambiguously. Furthermore the more assimilated a community is the more likely it is to have inter-married with the host population and this will clearly impact on how they are classified in terms of their ethnicity. As a result, women are less likely to be accurately classified than men. Nonetheless, particularly among hard to reach groups, it is only in a minority of cases that a woman will marry a man of a different ethnic group.

<table>
<thead>
<tr>
<th>Where used</th>
<th>Figure I.2 Locations of Bangladeshi and Pakistani populations, Figure I.3 Locations of Hindu &amp; Sikh and Chinese populations, Figure I.4 Location of Black African population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dates</td>
<td>2009</td>
</tr>
</tbody>
</table>
### Home Office (HO)/Communities and Local Government (CLG)

#### Citizenship Survey

| Description | The Citizenship Survey (CS) is a household survey of adults (aged 16 and over) in England and Wales. Since 2001, the Citizenship Survey (formerly known as the Home Office Citizenship Survey, or HOCS) has been commissioned every two years. Approximately 10,000 adults in England and Wales (plus an additional boost sample of 5,000 adults from minority ethnic groups) are asked questions covering a wide range of issues, including race equality, faith, feelings about their community, volunteering and participation. |
|-------------|
| Data Limitations | It is survey based and therefore there is likely to be a sampling bias however the data are weighted to correct for unequal sampling probabilities and non-response by sub-group. The weighting ensures that the sample matches the 2001 census population figures in terms of their age, sex and regional distribution. Due to sample size limitations data is not available below regional level i.e. local authority level, LSOA. Ethnicity breakdown is limited to six categories: White, Asian and Asian British, Black and Black British, Chinese, Mixed ethnicity and other. |
| Where used | Figure 1.2 Location of BME population by Index of Multiple Deprivation |
| Dates | 2007 |
| Where used | Figure 2.15 experience of unfair treatment at work due to race |
| Dates | 2007 |

### Higher Education Statistics Authority

| Description | The Higher Education Statistics Agency (HESA) collects a variety of data sets related to students in the individual Student Record. The participation data covers all higher education students in approved institutions in the UK, and it is a statutory duty that institutions provide the data. The Destinations of Leavers from Higher Education (DLHE) Survey is completed by or on behalf of the institutions themselves, and follows up with students at 6 months and 3 years. Response rate targets vary form 80 per cent of UK domiciled full time students, down to 50 per cent of international students. |
|-------------|
| Data Limitations | Highly robust data set, with the destination survey fairly comprehensive although it clearly isn’t a full audit. The data set is not available externally, only the requested data is provided, so there may be underlying quality issues but there is no reason to suppose this invalidates analysis of differences between different ethnic groups. |
| Where used | 1.4 Ethnicity of NW domiciled students participating in HE |
| Dates | 2003/04 - 2007/08 |
| Where used | 1.5 Graduate unemployment 6 months after completion of course |
| Dates | Average of 2003/04 - 2007/08 |
### Individualised Learner Record

**WBL (work based learning) and ER (employer record)**

| Description | The ILR is collected on behalf of the LSC/SFA/YPLA by the data authority, and covers all post-16 learning not carried out in school 6th forms or HE institutions. This includes FE colleges, private, charitable and other learning providers. It is primarily a funding and management performance dataset, however it is collected in a format that is usable by researchers. The Employer Responsive ILR (ILR ER) covers all learning that is done with or for employers, such as Apprenticeships, Train to Gain and employer funded training that takes place at a provider. Up until 2007/08 it was known as the Work Based Learning ILR (ILR WBL). Equivalent data for school 6th forms is captured through the Pupil Level Annual School Census (PLASC, PLAMS element). |
| Data Limitations | In terms of coverage, it only shows publicly funded employer training, which is only a small proportion of training. Aside from this it is generally a fairly robust data set, although surveys do occasionally show some fields contain inaccurate entries. |

**Where used**

- Figure 1.3 Participation in Apprenticeships

**Dates**

- 2007/08

**Notes**

- WBL

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### Global Entrepreneurship Monitor (GEM)

| Description | GEM is the largest single study of entrepreneurial activity in the world. Total Entrepreneurial Activity (TEA) provides an indication of early stage entrepreneurial activity and Established Business Ownership (EBO) provides an indication of the businesses survival. A booster survey of GEM data was commissioned by the NWDA. |
| Data Limitations | GEM UK is the largest, longest-running national study of entrepreneurial activity in the world, however it is based on a surveyed sample of the population, as a result some statistical uncertainty is always attached to the aggregate results. GEM is about measuring entrepreneurial propensity and entrepreneurial activity in different stages of a business’ life-cycle – therefore it may not match with published statistics on business ownership and, indeed, should not be interpreted as such. |

**Where used**

- Figure 3.5 early stage entrepreneurial activity and established business ownership

**Dates**

- 2009
3 Next Steps

This study has provided the NWDA and partners with detailed evidence and policy recommendations on the key areas of concern and opportunity for the BME population in the Northwest. An important recommendation focussed upon the need for close monitoring and scrutiny of education, employment and business outcomes for BME groups and this would require a regular update of some of the key indicators of participation and achievement in order to track progress over time. Furthermore, there are additional data sets which can be used to enhance the analysis and the suggested next steps are outlined below:

- Regular updates of the evidence base would enable the NWDA and partners to track progress in tackling the issues and maximising the opportunities identified for the BME population
- The evidence would benefit hugely from the Census 2011 data, which will provide a rich source of information down to a local level
- In order to enhance the BME business analysis, there could be potential for NWDA to build upon the work conducted by Experian for Business Link North West. This used Experian’s National Business Database (NBD), a comprehensive database of companies in the UK, to understand the under-representation of the BME population in senior management and in particular sectors. It coded the name of the business owner and senior directors for firms in the Northwest with Mosaic Origins to understand the cultural, ethnic and linguistic breakdown of businesses in the North West. There could be potential to update this to provide further detailed information on business ownership.
Appendix A
About us
Experian

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Our capabilities include:

Strategic insight

Formulate policy
We provide policymakers with accurate information on economic performance and the behaviour of citizens and their demand for services now and in the future.

Understand citizens and businesses
We provide a detailed understanding of customers and their needs, to optimise the delivery of services and improve social outcomes.

Operational efficiency

Optimise communication
We improve contact data management to help you create a single customer view, understand channel preferences, target communication and optimise response.

Maximise service delivery
We enable government to transact securely and efficiently with customers by minimising fraud and risk, improving the quality of service provision, reducing operating costs and increasing revenues.

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