

# Teacher supply and Covid-19<sup>†</sup>

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To stop the spread of Covid-19 the government has adopted a strict lockdown policy. This has resulted in many businesses facing a significant drop in revenue as many firms have higher operating costs (the cost of implementing social distancing), are selling less (consumer spending fell by roughly 20 per cent in April) or are unable to operate at all (e.g. those in the travel and tourism sector). As lockdown restrictions ease and the economy gradually reopens many firms will see an increase in revenue but it will take time to recover. The Bank of England is forecasting unemployment to peak at 9 per cent this year and to remain elevated through to 2022, which is a similar level of peak unemployment during the 2008 financial crisis, but shorter in duration.

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<sup>†</sup>This analysis was published by the Education Policy Institute on the 18<sup>th</sup> of June 2020. Source: <https://epi.org.uk/publications-and-research/teacher-supply-and-covid-19/> see: Fullard (2020a)

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## **Will Covid-19 solve the shortfall in teacher recruitment?**

The economic and social challenges caused by Covid-19 are likely to persist over the coming year and possibly beyond. However, one possible benefit of the inevitable recession is an opportunity to recruit graduates into teaching who would have otherwise gone elsewhere. Each year since 2012 fewer young people are going into teaching than the Department for Education estimates are required to meet current and future needs and, each year, that gap widens. The wider economic climate may aid the department's efforts to turn this around.

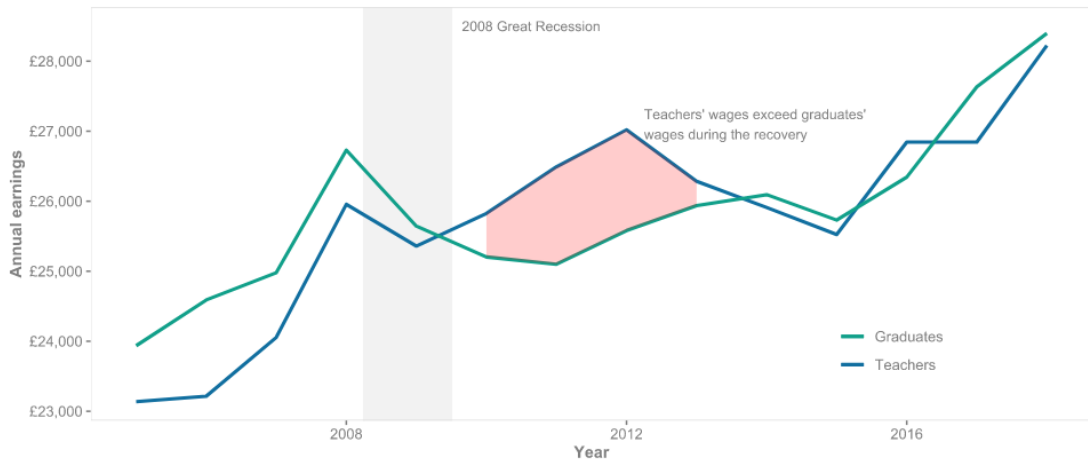
## **The coming recession will improve graduate recruitment**

During a recession it tends to be more difficult for recent graduates to find a job because there are fewer firms hiring. Where there are vacancies, these are likely to be contested by both recent graduates and more experienced graduates who have lost their jobs. A 2016 study in England shows that young people who graduated during the financial crisis were less likely to find a job and those who found a job were typically paid less (Del Bono and Morando 2016).

Occupations such as teaching, whose need for workers is largely unaffected by a recession, become relatively more attractive. As jobs dry up and wages fall, graduates are drawn to the job security and stable wages of teaching. For example, the figure below shows that young teachers' wages were less affected by the 2008 financial crisis than the average young graduate's. As graduate wages fell through the recession and recovered slowly, teachers' wages continued to rise, albeit more slowly than before the crisis until 2012. That made teaching a better prospect for graduates following the recession than it was during the boom times of the early 2000s (Fullard 2019).

### Teachers' wages exceeded average graduate wages following the great recession

Nominal, annual earnings of teachers (primary and secondary) and non-teaching graduates

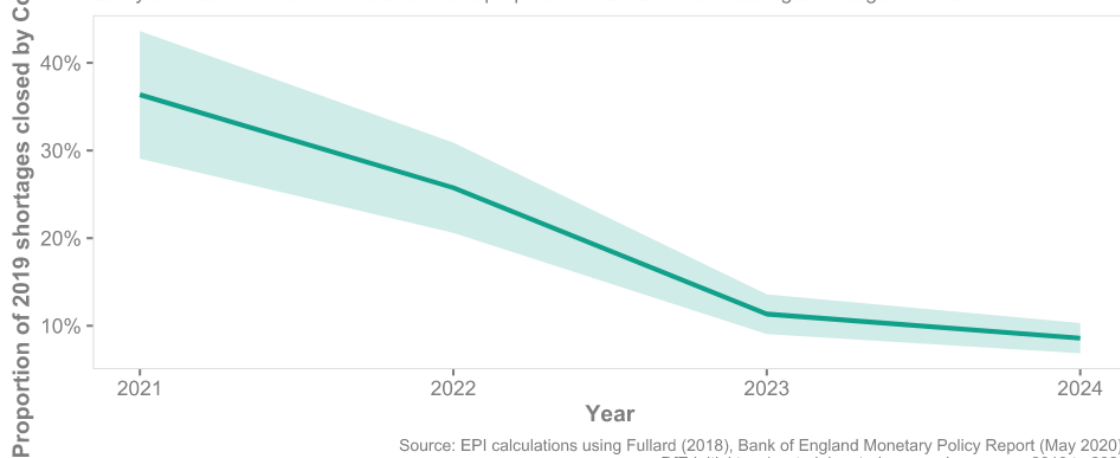


Source: ONS Labour Force Survey, Fullard (2018)

Although there is a lot of uncertainty over how Covid-19 will affect graduates, using the 2008 financial crisis provides a baseline for the likely magnitude of the effect. If we assume that Covid-19 affects graduates in a similar way to the 2008 crisis, but is less persistent, then we would expect roughly 1,800 more graduates to become teachers over the next two years. While this increase might seem modest compared to the 30,000 graduates who enrol into teacher training each year it is important to remember that policymakers have missed recruitment targets by nearly 3,000 places in recent years. As the figure below demonstrates, Covid-19 could reduce recruitment shortages by between 20 and 40 per cent each year over the next two years.

### Covid-19 could close a third of the ITT recruitment gap in 2021

Likely increase in teacher recruitment as a proportion of the 2019 shortfall against target recruitment

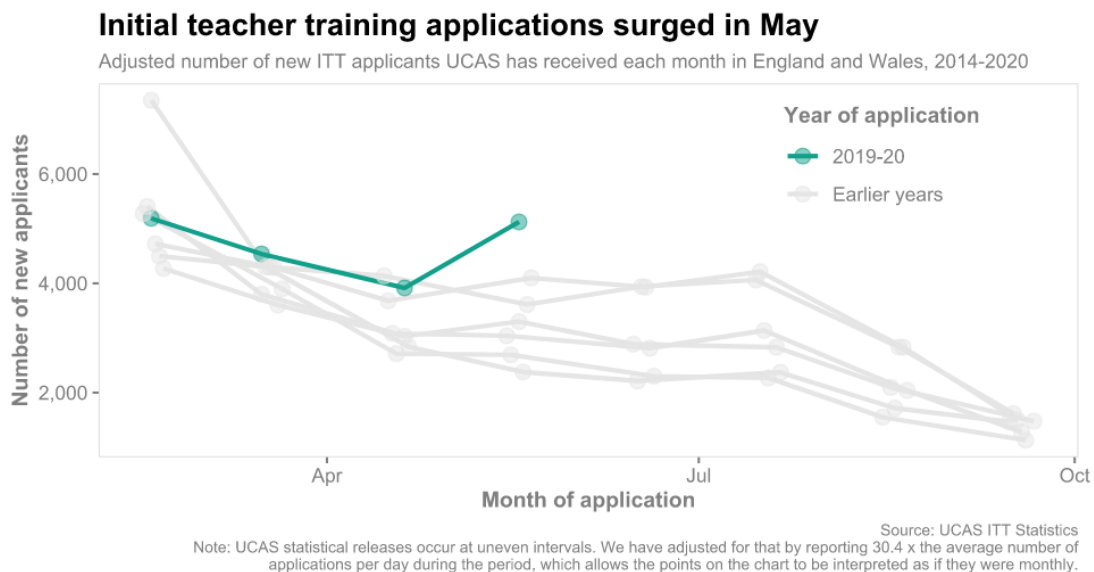


Source: EPI calculations using Fullard (2018), Bank of England Monetary Policy Report (May 2020), DfE Initial teacher training: trainee number census 2019 to 2020

Note: We assume the graduate unemployment rate peaks in 2021 at 4.4%, as at the peak of the 2008 recession, then rebounds quickly, as in the BoE forecast. The shading represents a ±20% variation in the effect of Covid-19 on the graduate unemployment rate.

## The effect may already be showing up in ITT enrolments

Recent UCAS data suggests that Covid-19 may have had an immediate effect on applications to teacher training programmes. The latest UCAS data from May shows that the number of applicants is greater than in any year since 2014. Although this does show that applications have been strong over the two months we must wait until there is more data available until we can attribute these changes in applicant behaviour to Covid-19.



While it is likely that more graduates will apply over the coming months, we would expect the main increase in enrolment to start in the 2020-21 round. Following the 2008 recession, ITT enrolment did not peak until the 2009/10 application round, which started roughly 13 months after the recession struck.

## Retention and quality may also improve

The difficulty of obtaining a job during a recession may also reduce the number of teachers who leave the profession. A recent survey of teachers found that 14 per cent of respondents said that they had had second thoughts about changing jobs because of Covid-19. As more than 36,000 classroom teachers leave teaching each year, even a modest effect on attrition

(e.g. a reduction 5 per cent) will have a large effect on the number of teachers in the school workforce (1,800).<sup>1</sup>

The relative attractiveness of teaching may also draw in a wider pool of talented graduates who would have otherwise passed teaching over for a job elsewhere. Nothing is more important for pupils than the quality of their teacher and it's possible that the recession will nudge some graduates towards a career in the classroom (Fullard 2018). That is exactly what happened in Florida: teachers who were drawn into the profession by recessions helped their pupils make about 3 months of additional progress (Nagler et al., 2020).

### **The effects could fade over time**

However, the example of Florida also provides a cautionary tale. The authors of that study also found that teachers drawn into the profession during a recession were more likely to quit when other opportunities became available again. Similarly, many of the teachers who changed their mind about quitting and did not leave teaching during the recession might be delaying their decision, rather than changing it entirely. Consequently, the boost in teacher numbers might not last long.

### **Swift policy action may mitigate the losses**

By attracting more graduates into teaching and reducing the number of teachers who leave the profession, Covid-19 could ease teacher retention and recruitment challenges over the next few years. However, while this might help in the short term, we cannot be complacent as many of these teachers could leave as soon as alternative job opportunities become available. Any mass exodus from the occupation is likely to be especially felt by children from less affluent backgrounds who are already less likely to be taught by a subject specialist.

Policymakers need to prioritise strategies to ensure that we keep the best teachers in the profession where they are needed most. As our recent publication suggests, retention incentives such as £2,000 per year to existing early career teachers in shortage subjects and doubling the extra payments for teaching in challenging areas could help ensure that the excellent young graduates who became teachers due to Covid-19 remain in the profession for

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<sup>1</sup> For a summary of the effect of Covid-19 on teachers attrition intentions across different time horizons see Fullard (2021).

years to come benefiting students who, would have otherwise, not been taught by a subject specialist qualified teaching professional.

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