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NOT FOR BROADCAST OR PUBLICATION UNTIL THURSDAY 30 MAY 2019

DIGITAL SKILLS PAY GAP WORTH OVER £12,500 A YEAR PER WORKER

- **More than half of the UK workforce lack the essential digital skills for their job**
- **Workers with digital skills paid £12,500 more per year**
- **One in 10 people unable to turn on a smartphone or laptop**
- **Lloyds Bank takes free Digital Academy to the South West**

More than half of UK employees (53%) do not have the minimum level of digital skills*, like using digital collaboration tools or managing digital records and files. This is despite the growing need for a digitally savvy workforce and a 15% surge in the number of employees who need to be online to do their job.

Workers who have digital skills are paid £12,500 more on average per year than those without, the latest **Lloyds Bank Consumer Digital Index** has revealed. The study of more than one million UK adults found that many people don't have basic digital understanding of online tasks including – using search engines finding information online (21%), managing money online (27%) and keeping safe online (34%).

In its fourth year, the Consumer Digital Index uses extensive transactional and behavioural data to measure the digital capability of the UK. The data shows that even among those who are tech-savvy, these digital skills are not translating to the workplace. More than three quarters (78%) of employees go online to help solve problems in their everyday lives, while only two thirds (62%) do this at work.

Despite digital skills now being a workplace essential, almost two thirds (63%) of workers have not received any digital skills training from their employer including more than half (54%) of those in managerial roles and almost three quarters (71%) of manual workers.

Workers in London (56%) have the most advanced digital skills, while those in the West Midlands have the most to gain, with less than a third (29%) of workers having essential digital literacy. Those working in manufacturing have the lowest level of digital skills (36%) compared to 80% in the finance, insurance and property sectors.

Stephen Noakes, Managing Director, Retail Transformation, Lloyds Banking Group, said: "Digital skills are becoming just as important as numeracy and literacy for today's workforce, as workers with these skills are being paid on average £12,500 more. We hope that expanding the Lloyds Bank Digital Academy to Bristol will help to close the current skills

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gap, and that employers and government will continue working together to help more people get online.”

The Great British digital divide

The digital divide spans beyond the workplace, with 11.9 million people (22%) without essential skills for day-to-day online activities. One in 10 (11%) say they are unable to turn on a smartphone or laptop and 13% are unable to open apps.

More than four million adults are ‘offline’, with 4.1 million (8%) not having used the internet over the last three months. Half of those who are offline (48%) are under 60 years old, and (47%) are from households with low income, while people with a disability are 35% more likely to be missing essential digital life skills. The report showed concerns over online safety as one of the biggest barriers to people being online, with more than half (58%) saying it prevents them from using the internet.

Those defined by the report as ‘digitally disengaged’ may also be at risk of missing out on many of the advantages of being online. People without digital skills are 35% less likely to be saving money, and pay on average up to 6% more for utilities.

Lloyds Banking Group expands Digital Academy

Without intervention, by 2030 it is forecast that 4.5 million UK adults will be ‘digitally disengaged.’ To help tackle this issue, the Lloyds Bank Digital Academy – which was first launched in Manchester in 2018 – will be taking its free service to the South West in Bristol later this year.

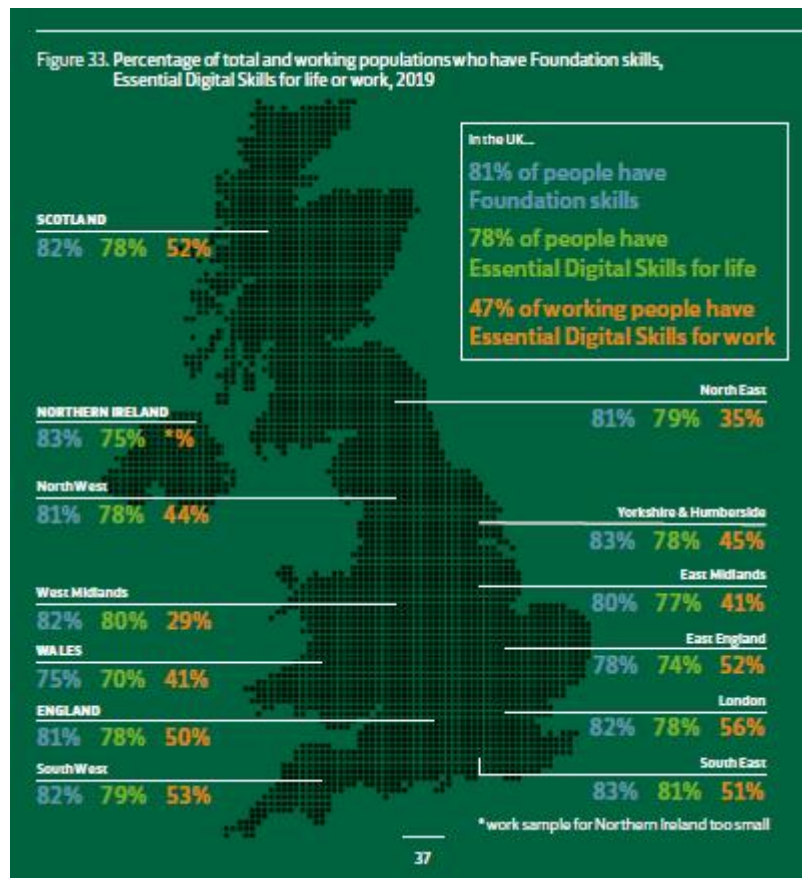
Margot James, Minister for Digital and the Creative Industries, said: “Digital skills are now a near universal demand in job adverts. Today’s report finds that people using the internet for work has risen to more than half of the population. This is not a trend that is going to slow down. We want to create a workforce that is empowered by technology and that means equipping them with the confidence to use it.”

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Percentage of total and working populations who have Foundation skills, Essential Digital Skills for life or work, 2019



Ends
Notes to editors

Lloyds Bank Academy

The Consumer Digital Index (2018) found that 22% of North West residents lacked basic digital skills and one in 10 were virtually offline. The **Lloyds Bank Academy** was set up to help tackle the digital divide, providing free face-to-face and online digital skills training to everyone at locations across Manchester, Stockport, Oldham and Salford. Set up by Lloyds Bank and supported by partners including Manchester Metropolitan University, Google, Skillsoft and Job Centre Plus, the Academy scheme helped over 2,800 people in its first six months. Its curriculum

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is focused on skills designed to help in everyday life and at work, with practical exercises to help people turn knowledge into action.

The success in Manchester is now to be replicated in the South West, with a Bristol Academy launching in late summer.

*Essential Digital Skills

The **Essential Digital Skills Framework** defines the skills needed to safely benefit from, participate in and contribute to the digital world of today and the future. The framework is intended to be used by everyone in the UK engaged in supporting adults to enhance their essential digital skills. The benefits of working to a common framework include enabling progression and transferability of skills – as well as facilitating measurement. Changes have been subject to wide consultation across employers, charities, national and local government departments, academics and individuals. The most significant change to the framework is the introduction of distinct 'skills descriptions' for life and work, to demonstrate progression.

The framework also includes a section on 'foundation' skills, which are those typically required by people not currently using digital technology or using it in limited ways. It is assumed that people gaining these foundation skills will also have the motivation and confidence to engage with digital technology.

There are five categories of Essential Digital Skills for life and work:

- Communicating
- Handling information and content
- Transacting
- Problem Solving
- Being safe and legal online

The consultation and update of the framework were coordinated by Lloyds Banking Group and the Tech Partnership, overseen by a steering group including Accenture, Amazon, BT, British Retail Consortium, Corsham Institute, DfE, DCMS, DWP, Federation of Small Businesses, Good Things Foundation, Greater London Authority, Greater Manchester Combined Authority, HMRC, Microsoft, NHS Digital, the Scottish Council for Voluntary Organisation (SCVO) and SSE. In total, 400 partners contributed to the public consultation. For the annual measure of this framework, please refer to the Lloyds Bank Consumer Digital Index.

£12,500 uplift for digitally skilled employees

To build the Essential Digital Skills framework, 4000 people are interviewed face-to-face; 2,000 of which are currently in employment. To calculate the increase in income for those with essential digital skills for work, the average personal income is calculated of all of those who work and have 0-4 work skills (i.e. don't have essential digital skills for work), and also all those who work and have all 5 work skills (i.e. have essential digital skills for work). The averages were calculated using midpoints from a 15 point scale.

Lloyds Banking Group

Lloyds Banking Group is the largest digital bank in the UK, with more than 15 million customers actively managing their account online and nine million on mobile. We are investing £3bn during the next phase of our strategy, with a strong focus on technology and people.

The transformation of the Group is linked to our purpose of helping Britain prosper, and we will demonstrate our expertise as the UK's largest digital bank through our brands.

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