



## Spring 2026

**SKILLS GAUGE** from **The 5% Club** provides regular, essential insights into employers' views on the evolving skills landscape, Government reforms to the skills system, and the latest 'earn and learn' provision within their organisations.

**The 5% Club** is at the forefront of developing the country's workforce and has a powerful voice – its members have over 2 million employees in the UK, including 130,000 in 'earn and learn' roles.

Produced in association with [The St Martin's Group](#), the **SKILLS GAUGE** results are used by Government, Skills England, employers, universities & further education colleges, and training providers – and directly inform discussions at **The 5% Club Business Leadership Council**, chaired by the Rt Hon Anne Milton.



A total of **398 employers** took part in the **Spring 2026 SKILLS GAUGE** in April 2026. At three-quarters of these participating employers, over 5% of employees were in 'earn as you learn' roles such as apprenticeships, graduate training programmes or degree course student placements.

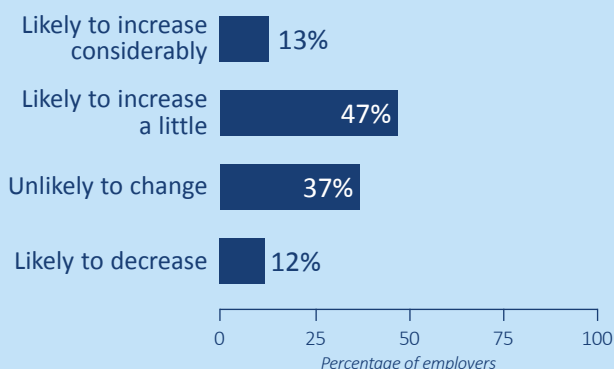
This research is the first major assessment of employers' reaction to the Government's recently-announced changes to the skills and apprenticeships system, which were launched in March 2026.

Results from the **SKILLS GAUGE Spring 2026** show that most employers expect to recruit, develop and retain the skilled workforce they need over the coming year – and many are planning to increase the size of their workforce. However, the majority of employers believe the UK economy and business confidence has deteriorated further in the past 12 months – and are less optimistic than they were a year ago, that the Government's latest changes to the skills and apprenticeships system will improve skills provision.

### Employers' Outlook for the Year Ahead

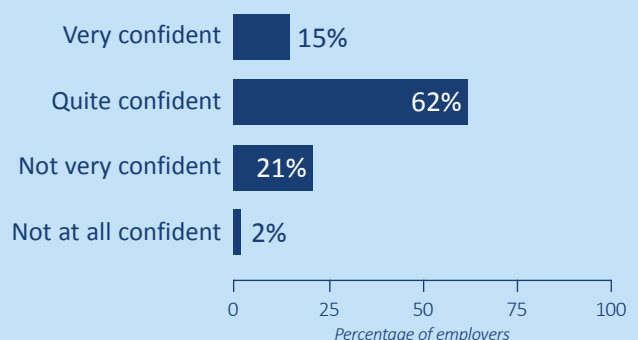
- Three-fifths of employers questioned for the **SKILLS GAUGE** expect that their **workforce will grow** in the next 12 months, but most anticipate that it is likely to 'increase a little'. A third of employers say their workforce is unlikely to change – and one in eight believe it will decrease in the year ahead.
- Three-quarters of employers are confident their organisation will be able to **recruit, develop and retain the workforce** it needs in the coming year, although most are 'quite confident' rather than 'very confident'. Over a fifth are concerned that their workforce **won't have all the skills** required.
- Employers' seem more cautious, compared to a year ago, when over two-thirds planned to increase their workforce and four-fifths were confident their organisation would have the skills it needed.

*How do you expect your organisation's UK workforce to change in the year ahead?*



The 5% Club **SKILLS GAUGE Spring 2026**

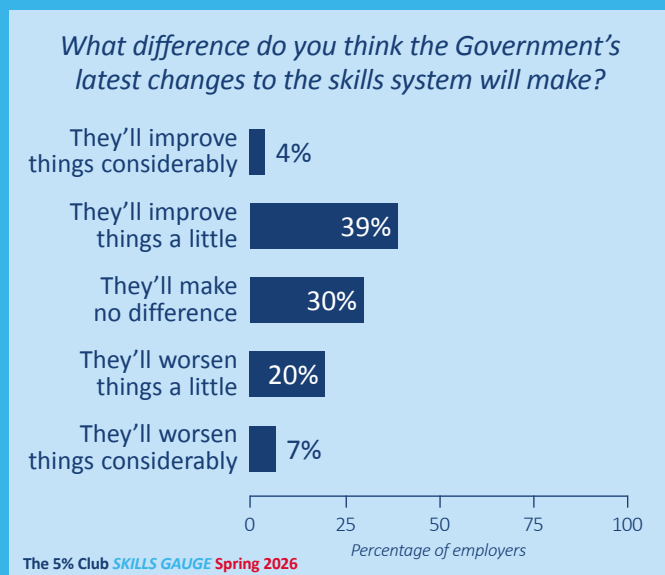
*How confident are you that your organisation will be able to recruit, develop and retain the skilled workforce it needs in the next 12 months?*



The 5% Club **SKILLS GAUGE Spring 2026**

## Employers' Views on the Skills System

- A total of 70% of employers participating in this year's **SKILLS GAUGE** feel the current skills system **meets their organisation's needs**, but 30% warn that it does not adequately address their requirements.
- When questioned about the Government's recently-announced changes to the skills system (*such as the launch of Apprenticeship Units, more Foundation Apprenticeships, new financial incentives to recruit young people, and the defunding of some management & leadership apprenticeships*) – **two-fifths of employers are supportive**, although most think things will improve 'a little'. Almost a third said 'they'll make no difference' and over a quarter believed the changes are likely to worsen the skills system.
- Only a quarter of employers believe the latest changes to the skills system will make their organisation **more confident to invest in skills in the year ahead**, with the remainder saying they will make no difference – or are liable to hinder confidence.
- Employers' reaction to these latest changes is **noticeably less positive** than a year ago, when over three-fifths of employers thought the changes announced in 2024-2025 would improve the skills system, and half said the changes would increase their confidence to invest in skills provision.



## Employers' Views on Youth Recruitment Incentives and the UK Economy

- Employers were asked about what effect the Government's **newly-announced financial incentives** for organisations to recruit more young people would have on their recruitment. A third of employers thought the new incentives would help them 'a little' to **recruit more young people** over the next year, but almost two-thirds said it was unlikely to make a difference.
- Over three-quarters of employers questioned for the **SKILLS GAUGE** believe that the **UK economy and business confidence has worsened** over the past 12 months, with a quarter saying things had 'worsened considerably'. Only one in six employers think there has been an improvement.
- This is a more **downbeat assessment** than a year ago, when three-fifths of employers taking part in the Spring 2025 **SKILLS GAUGE** thought that the UK economy and business confidence had deteriorated since the General Election in summer 2024.

