

# Social integration: A wake-up call



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The Social Integration Commission has been set up to explore key questions related to the UK's increasing diversity.

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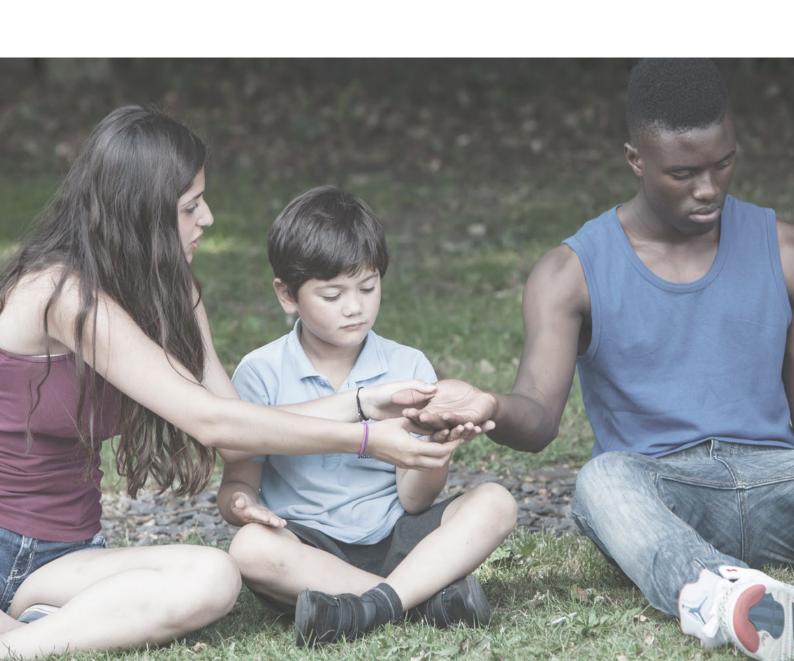


#### **KEY TERMS**

Social Integration The extent to which people interact with others who are different to themselves in relation to age, ethnicity and social grade.

**Diversity** 

Ways that people are different from each other. Although there are many ways that people are diverse in the UK, in this report we specifically refer to diversity along lines of age, ethnicity and social grade.



### Welcome from the Chair

This is the second report of the Social Integration Commission. Our first report – which received extensive and positive coverage earlier this year – revealed the degree of poor social integration which persists alongside the growing diversity of the British population.

In particular we highlighted that a lack of integration is an issue for all groups. White Britons are as likely to have unrepresentative social networks as people from other ethnic backgrounds, and Londoners' networks are amongst the furthest away from reflecting the makeup of the communities in which they live. We also found that one of the most significant areas of poor integration is that between people from different social grades. This lack of integration is something which seems to have important and worrying implications for cohesion and economic inclusion.

Our final report – due out early in 2015 – will explore what can practically be done to promote better integration. Our recommendations will not only focus on the role of government but also on the things that other sectors, agencies, communities and individuals can do to make sure that the UK's trajectory towards better integration more closely matches its trajectory towards greater diversity.

This second report forms a vital bridge between the evidence in our first report highlighting the degree of poor integration and the programme of action we will advocate in report three. In the following pages our focus is on understanding more deeply the nature of integration and why it matters.

The report provides powerful evidence of the negative consequences and financial cost of poor integration for individuals and society. Given the number of variables at play, we are not claiming that the cost figures we give in relation to employment, recruitment and career progression, and community health and wellbeing are more than estimates. However, using the most robust methodology available, the Commission has produced evidence for a noteworthy overall financial cost to the UK of approximately 0.5 per cent of GDP.

More positively, the report contains important new research showing that people gain from better integration and that the small steps taken to help people mix lead to significant benefits in the future.

UK society is a tolerant society that has coped pretty well with some of the potential tensions of increasing diversity. It is not the Commission's intention to spread doom and gloom or to be alarmist. Bringing together our two lines of research showing the consequences and future benefits I would summarise the case made as follows: tolerance is not enough, but it need not be hard to do more. Exactly what that 'do more' might comprise of will be the subject of our third and final report.

I am delighted to commend this report and, in doing so, thank the excellent secretariat provided by The Challenge and the hard working critical friends and advisors to the project, who make up the Commission's impressive membership.

We welcome your thoughts, so please <u>sign up</u> for updates on the Commission's work, and keep in touch with us via <u>Twitter</u> and <u>Facebook</u>, or contact Rosie Evans on <u>info@socialintegrationcommission.org.uk</u>

Matthew Taylor,

Chair, Social Integration Commission



## **Executive Summary**

In our first report we revealed the extent of a lack of social integration in Britain. In this report, we outline the costs and consequences of this lack of social integration both to society and to individuals. In our final report, due in early 2015, we will provide a set of specific recommendations for how we should tackle this problem.

#### Why does social integration matter?

This report focuses on three main areas:

- 1. Why a failure to tackle a lack of social integration will inhibit our ability as a country to deal with some of the major social and economic challenges facing the UK.
- 2. The specific costs in relation to employment, recruitment and career progression, and community health and wellbeing, where the consequences of a lack of social integration are already evident today.
- 3. The positive outcomes of social integration on our perceptions of others and levels of trust.

#### Social and economic challenges: Our ability to solve problems

First, there is a broad point that sits at the heart of why all this matters. While there are many practical steps and initiatives that can be taken to promote an integrated society, research shows that trust in society (both between people and between people and leaders) is significantly correlated with national measures of economic and social progress. The likely explanation for this is that countries with higher degrees of trust find it easier to solve problems. It is already the case that in the UK it often feels that we lack the capacity to solve problems even when most people agree they need to be solved.

A lack of social integration is reducing our ability to solve key economic and social challenges in relation to employment, recruitment and career progression, and community health and wellbeing:

- Long-term unemployment: A lack of contact with those in work makes unemployment last longer. Just one additional employed friend makes it 13 per cent more likely that someone who is unemployed will find a job and return to work.<sup>1</sup>
- Recruitment and career progression: Homogenous networks make it harder for employers to recruit the right talent, and for people with specific skills to find the right jobs.<sup>2</sup> One in four CEOs were unable to pursue a market opportunity or have had to cancel or delay a strategic initiative because of an inability to recruit the right talent.<sup>3</sup>
- Community health and wellbeing: A lack of integration in communities increases anxiety
  and ill-health.<sup>4</sup> The creation of stronger community ties is linked to the prevention of
  depression, especially amongst children.<sup>5,6</sup>

Integration increases trust, and trust increases a society's capacity to solve problems. Without action to promote greater integration, the danger grows that in the face of the many and

complex challenges of the future, instead of asking 'how can we solve this together?', the people of the UK will ask 'who can we blame?' We can already see this is hardening attitudes to both disadvantaged people and immigrants.<sup>7</sup>

The need to promote integration is linked not only to the specific effects we have outlined here, but to our prospects as a country in a challenging world. In short, it is difficult to see how a segregated UK can also be a successful UK.

#### Social integration: A wake-up call

A segregated UK is likely to lead to a society and communities that look and feel significantly different to those in which we currently live. With this report we are ringing an early alarm bell. Unless we take positive steps to actively promote integration, we are on a path towards a fractured society. Some of the consequences of which are already visibly evident in other parts of the world, including developed economies, and will be far-reaching and potentially irreversible.

Schools could become increasingly divided along ethnic and social lines, with one school on free school meals and another located opposite for youngsters from privileged backgrounds. A person's ability to get a job will be determined as much by whom they know and where they're from as their ability. Democracy risks being weakened, as who we vote for, and whether we vote at all, will be determined by our ethnicity, age and social grade.

Gated communities will become the norm. Even in areas which at first sight appear socially mixed, buildings will have one entrance for the affluent, and another for those relying on state support. These communities will become increasingly defined by a fear of crime, which will weaken the remaining bonds across age, social grade and ethnicity. This is a vision of a society that could, and should, never come to exist, but the seeds of its existence are currently being sown by our failure to acknowledge the problem.

#### Already evident: The cost of a lack of integration

Secondly, we estimate that a lack of social integration in the three areas of employment, recruitment and career progression, and community health and wellbeing alone **costs the UK economy approximately £6 billion each year**. This corresponds to around 0.5 per cent of the total GDP in the UK. This is comparable to the reduction in public sector net borrowing achieved by the government in the 2014 fiscal year. Specifically, the Commission estimates that approximately £1.5 billion is attributable to long-term unemployment and £700 million to blocked opportunities in the labour market and underemployment, caused by a lack of social integration.

In addition, our research indicates that a lack of integration in the following areas relating to community health and wellbeing costs the UK economy:

• Health and social care amongst the isolated: £700 million

Cardiovascular diseases: £1.2 billion

Suicide: £1.7 billion.

#### The good news: Positive outcomes of integration

Thirdly, we have found that when diverse groups in Britain are integrated it is a mostly positive experience for all involved and has clear positive outcomes on levels of trust.<sup>9</sup> More specifically, our work has found that:

- 1. People in Britain have more positive than negative experiences with people who are different from them: Across all ages, social grades and ethnicities and in both social and work contexts, our experiences of interacting with those who are different from us are likely to be positive. Our friendships are also more likely to be determined by who we have the opportunity to meet, rather than by a preference to seek out people we perceive as similar.
- 2. When integration of diverse groups happens, it is associated with higher levels of trust: The positive interactions we have with people from different backgrounds are positively related to how much we trust others.
- 3. Positive interactions limit the adverse effects that negative interactions have on how far we trust other people: Negative interactions with those who are different from us are associated with lower levels of trust. However the effects of these negative interactions are greatly reduced if we also have more positive experiences.
- 4. Positive interactions between Britons who are different make British people more positive and trusting of people who are also different in other ways: When negative perceptions of one group are challenged through positive interactions, our general attitudes towards other groups are also challenged. Our data showed that, for example, White respondents who had more positive interactions with Asians are more trusting of those aged 65 and over.
- 5. There are straight-forward things we can do to make it more likely that people interact with those who are different, and foster integration:<sup>11</sup> We found that British people have more positive interactions with others who are different from them in the workplace than in their social lives. We believe that this is because the workplace has certain supportive norms which encourage positive interactions, e.g. clear support for equal and open policies by leadership. These are norms that could be built in other settings as well.

In our next report, we will explore what we can do to improve levels of social integration. The Commission will investigate what practically and politically implementable and cost effective

things can be done to encourage social integration. The report will be launched in spring 2015.



## The extent of integration in modern Britain

The first Commission report looked at why it is important to understand social integration and investigated the question, 'How integrated is modern Britain?'

#### Why is it important to understand the extent of integration?

The UK is becoming more diverse in terms of age, ethnicity and social grade:

- In the next 10 to 15 years, the proportion of the UK's population under 18 or over 60 years old is projected to rise from 42 to 47 per cent.<sup>12</sup>
- The proportion of British residents who are members of a minority ethnic group is projected to rise to around 38 per cent by 2050 (from 16 per cent in mid-2012).<sup>13</sup>
- The income gap between the richest and poorest members of society will widen if trends follow the pattern of the last 40 years.<sup>14</sup>

These changes mean that any existing lack of integration across lines of age, ethnicity or social grade will divide increasingly large numbers of people.

**Structural and institutional segregation show signs of increasing.** In addition to aspects of increased residential segregation by ethnicity, our local neighbourhoods are becoming increasingly age segregated. <sup>15</sup> The British educational system shows signs of social segregation by social grade and ethnicity. Half of all children on free school meals are educated in 20 per cent of schools, while the OECD rated our school system as the fourth most segregated for recent migrants. <sup>16,17</sup>

#### What do we know about the extent of integration?

In order to go some way to understand the extent of social integration in Britain today, earlier this year the Commission undertook research into the ways in which we interact with other people in our free time. Our research found that:

- 1. **Highly diverse areas are not necessarily integrated.** For example, despite socialising more with people of different ethnic groups, Londoners are proportionally less integrated by social grade, ethnicity and age than the rest of Britain. We should be active in promoting better integration across all of these measures.
- 2. Ethnic minorities are not the only groups to experience low integration. Apart from those from mixed ethnic backgrounds, all ethnic groups have around 40 to 50 per cent fewer social interactions than would occur if there was no social segregation.
- 3. **Levels of integration are structured around institutions.** Those aged 18-34, where there are high levels of mobility or involvement in further or higher education, are the most ethnically-integrated age group. However, levels of segregation rise from 35 per cent to 56 per cent for those aged 35 to 54 years, as people become increasingly selective about where they settle.

- 4. **School-age young people are segregated by ethnicity.** Young people under 17 years old have fewer than 50 per cent of the interactions with other ethnicities than would be expected if there was no social segregation. This raises questions around what could be done in the educational system.
- 5. There is a social disconnect between employers and those looking for work or seeking to progress in their careers. Those in social grade A have 66 per cent fewer social interactions with those who are unemployed than would be expected if there was no social segregation. This raises significant questions about how social integration may affect access to work when around 40 per cent of jobs are found through personal contacts.<sup>18</sup>

We can draw three main conclusions from these key findings.

Firstly, we need to adjust the focus of the conversation around integration. Residential segregation does exist, but it is not the whole story. Bringing people together to build relationships has the greatest impact on challenging our preconceptions. Equally, we need to understand the interactions between people from different socio-economic backgrounds and ages, as well as those from different ethnic backgrounds.

Secondly, we need to stop the conversation around integration being about blame, and targeted only at recent migrants. Our research has shown that integration is an issue which is relevant for people from all ethnic backgrounds, and also for areas of high as well as low diversity. For example, London is proportionally less integrated by social grade, ethnicity and age than the rest of Britain.

Thirdly, we need to consider how institutions may influence the opportunities for people from different backgrounds to mix. In some situations the nature of structures in society may be actively preventing people from interacting, either because there is a lack of easy opportunities for people to be part of something with others who are different or because the structures themselves are not diverse. In addition, the life choices people make can also influence the opportunities available to mix with others from different backgrounds. For the most part these choices are not wilfully malicious, however, nor are they made in ignorance. Rather that integration is not a driving factor in the decisions we make.

However, do levels of integration impact individuals and our society as a whole? If we are able to live alongside each other in a tolerant way, do levels of integration matter? This is the question we turn to now.

## Does integration matter?

As our society becomes more diverse, social integration matters even more. Our research has shown that while tolerant attitudes and civil contacts are both good and necessary for any modern and diverse society to function well, they are not enough to fully gain the benefits of diversity. We have found that a lack of integration makes it harder to address key economic and social challenges we face today in the UK, and costs our economy billions of pounds each year. With better integration, we will create stronger communities and workplaces, leading to better health outcomes, less social isolation and better outcomes for jobseekers.

## Diversity, integration and trust: Why tolerance does not go far enough

Work done by the Commission shows that while tolerant attitudes and civil contacts are both good and necessary for any modern and diverse society to function well, they are not enough to fully gain the benefits of diversity.

Firstly tolerance is not enough because a diverse society which is unintegrated could lead to a decrease in levels of trust. Academic research has suggested that diversity without integration can be associated with lower levels of trust - both in those from similar backgrounds, and in those from different backgrounds.<sup>19</sup>

Secondly, tolerance is not enough because diverse areas which are socially integrated are associated with higher levels of trust.<sup>20</sup> This "altruistic trust" is based on the belief that we will be better off taking a risk and trusting people that we don't know.<sup>21</sup> Development of altruistic trust is important for society for many reasons. Academic research has found that higher trust societies have higher growth rates, less corruption and crime, are more supportive of equal rights and are more likely to provide for the poor and vulnerable.<sup>22</sup> Integration leads to these benefits because positive face-to-face interactions with others from different backgrounds challenge any previously-held negative preconceptions. These positive experiences then generalise to make us more positive and trusting of people who are different in other ways.<sup>23</sup>

Although positive face-to-face interactions are the most effective way to raise levels of trust, the media also plays an important role in challenging stereotypes and reducing prejudice. Research suggests that interactions with mass media, such as radio, television or film, can also challenge our previously-held views, by creating the 'illusion of face-to-face relationships'.<sup>24</sup> These interactions can result in lower levels of prejudice, changes of belief and even changes of behaviour.<sup>25</sup> The role of the media is particularly important in areas where there are

limited opportunities to meet face-to-face with people from different backgrounds. In these circumstances the portrayal of different groups in the media may be the only interaction available. Some research is also beginning to be done to explore whether interacting online with people who are different from us can lead to similar positive outcomes, such as increased levels of trust.<sup>26</sup> The media therefore plays an important role in challenging or reinforcing stereotypes and prejudices.

Social integration is therefore important for any society which is diverse along lines of age, ethnicity, social background, gender, sexual orientation, religion and many other measures – that is to say all societies. We will now go on to look at the cost to the UK when we are not fully integrated in greater detail.



# The cost of a lack of integration: Economic and social challenges

We have found that social integration matters because a lack of social integration may make it harder to address many of the various social and economic challenges that the UK faces. These are challenges that affect all of us – not just those on the margins. In particular, there are three areas where existing research suggests that a lack of integration between people from different backgrounds has made some of our key national challenges harder to solve:

- Long-term unemployment: A lack of contact with those in work makes unemployment last longer.<sup>27</sup>
- Recruitment and career progression: A lack of broader networks makes it harder for employers to recruit the right talent, and for people with specific skills to find the right jobs.<sup>28</sup>
- Community health and wellbeing: A lack of integration in communities increases anxiety and ill-health. A lack of friendships across age groups can expose individuals to a higher risk of social isolation in later life. More effective social integration leads to increased life expectancy, better recovery times from health issues and fewer mental health issues.<sup>29</sup>

The Commission understands that each of these areas are interconnected, and where possible has endeavoured to draw together these elements. However, identifying these three areas was necessary in order to enable discussion and study.

Using original research by Optimity Matrix, the Commission estimates that a lack of integration is costing the UK approximately £6 billion each year.<sup>30</sup> Specifically:

- Long-term unemployment: £1.5 billion
- Recruitment and career progression: £700 million

In addition, our research indicates that a lack of integration in the following areas relating to community health and wellbeing costs the UK economy:

- Health and social care amongst the isolated: £700 million
- Cardiovascular diseases: £1.2 billion
- **Suicide:** £1.7 billion

These figures and assumptions are outlined in more detail below. The Commission recommends that further work be done on these areas, and others, to better understand the impact of a lack of integration on our ability to achieve change.

The Commission accepts that as estimates, these figures will not be a complete or wholly representative of the cost of a lack of social integration to the UK economy. However, as an estimate based on available information and conducted within a limited timeframe, these figures provide a helpful indication of the magnitude of the impact of a lack of integration.

We will now explore each of these sections in greater detail.

## Long-term unemployment

Better links between those in work and those who are unemployed would ensure that, when jobs are available, jobseekers will hear about these opportunities.

#### What is the problem we face?

In June 2014, 738,000 people in the UK had been unemployed for longer than a year, and around 407,000 for two years or more.<sup>31</sup> In 2013, 2.3 million people in the UK were in insecure employment situations.<sup>32</sup>

#### Why does a lack of social integration make this harder to solve?

**Around 40 per cent of jobs are found through personal contacts**. Research has found that social connections are the leading source of information about jobs and ultimately many (and in some professions most) jobs are obtained through personal contacts.<sup>33</sup> In places where networks are homogenous the flow of information by word of mouth will only reach certain groups.

The long-term unemployed lack connections with those who are in employment. This is increasingly the case the longer a person remains out of work. People in the UK who are long-term unemployed mostly have friends who are unemployed or in insecure jobs, independent of local economic conditions.<sup>34</sup> In the US, 40 per cent of unemployed respondents reported losing contact with friends whilst unemployed.<sup>35</sup>

Building connections between those who are employed and those who aren't helps the unemployed find a job. Only one additional employed friend makes it 13 per cent more likely that someone who is unemployed will find a job and return to work.<sup>36</sup> Social networks are also important for moving jobseekers into the right job.<sup>37</sup>

#### What is the financial cost of a lack of social integration?

Based on original work by Optimity Matrix, the Commission estimates that the economic burden of long-term unemployment due to a lack of social integration is estimated to be in the region of £1.5 billion each year. The cost was calculated using foregone economic output in the form of wages and Jobseeker's Allowance claims of those who are not well socially integrated.

Table 1: Estimated total cost of a lack of social integration in foregone economic output (wages) for those who are long-term unemployed

Number of long-term unem	ployed due	to a lack of	social integra	tion
Input	Year	Coverage	Figure	Source
Total number of long-term unemployed for over one year	2013	UK	845,000	ONS, 2014 <sup>38</sup>
Likelihood of finding employment if one additional employed friend	1992-2007	UK	13%	Caparelli and Tatsiramos, 2011 <sup>39</sup>
Formula	Number of long-term unemployed * Likelihood of finding employment if one additional employed friend			
	845,000*0.13			
Number of people long-term unemployed due to a lack of social integration	109,850			
Cost of lost wages	from long-t	erm unempl	oyment	
Current minimum wage level per hour	2013	UK	£6.31	Gov.uk <sup>40</sup>
Working hours per week	NA	NA	40	Assumption <sup>41</sup>
Weeks per year	2014	UK	52	Gov.uk <sup>42</sup>
Lost economic output from long-term unemployment due to a lack of social integration				al integration
Formula	Number of unemployed due to a lack of social integration * current minimum wage level per hour * working hours per week * weeks p.a.  109,850*£6.31*40*52			
Total lost economic output from long-term unemployment due to a lack of social integration	ca. £1.4bn			

Note: Long-term unemployment is defined as anyone who has been out of work and actively seeking employment for longer than a year. Please note that this estimate assumes the increased availability of jobs.

Table 2: Number and cost of Jobseeker's Allowance (JSA) claims for those impacted by a lack of social integration

Number and cost of Jobseeker's Allowance (JSA) claims for those impacted by a lack of social integration				
Input	Year	Coverage	Figure	Source
JSA claimants who are long-term unemployed	2014 (April)	UK	289,200	ONS, 2014 <sup>43</sup>
Likelihood of finding employment if one additional employed friend	1992-2007	UK	13%	Caparelli and Tatsiramos, 2011 <sup>44</sup>
Formula	JSA due to long-term unemployment * Likelihood of finding employment if one additional employed friend 289,200*0.13			
Number of JSA claimants due to a lack of social integration	37,596			
Cost of JSA				
Weekly contribution and income based JSA (both for the first 6 months and after 6 months) for over 25s	2014	UK	£72.40	Gov.uk <sup>45</sup>
Cost of JSA due to a lack of social integration				
Formula	Number of JSA claims due to social division * weekly JSA level per week * number weeks 37,596*£72.40*52			sion * weekly
Total cost of JSA due to a lack of social integration	ca. £140m			

Note: Long-term unemployment is defined as anyone who has been out of work and actively seeking employment for longer than a year. Please note that this estimate uses current labour market data, and therefore may be capturing partly cyclical trends.

These calculations present the cost of long-term unemployment due to a lack of social integration, and assume the increased availability of jobs. Other factors such as the lack of appropriate education and skills, the nature of unemployment benefit payments, supply of jobs within the labour market, regional inequalities, deindustrialisation and technological advances, labour immobility, net migration, will all influence the operation of the labour market, and potentially reinforces barriers to the long-term unemployed finding employment. However, all other things being equal, if wider job opportunities for all are improved, then it is possible to argue that those who are excluded through a lack of social integration can be seen to have a further disadvantage. Greater social integration should therefore be seen as a facilitator to reduce long-term unemployment.

#### What difference can social integration make?





Two years ago, Jeevan was unemployed and had no connections with anyone who was employed in the energy industry.

"Prior to the Transform course, I wasn't doing anything productive on a day to day basis, and I was anxious about my future job prospects. I wondered what was next for me."

However, Jeevan had a key connection where he could hear about job opportunities – his mentor at Job Centre Plus. His mentor recommended that he take part in British Gas' Transform course to help him gain valuable work experience whilst building a network with those in employment. Each participant on the Transform programme undertakes a BTEC accredited course, with all successful candidates guaranteed a job interview with British Gas. In addition, participants have opportunities to meet senior staff, both from British Gas and other businesses, so they can build their professional networks and develop social skills.

"Whilst on the Transform course, I met British Gas' Recruitment Manager, Head of HR and Head of CSR. I learnt a lot from them and they were able to advise me on what British Gas wanted and expected from their employees. I had the chance to be a panel member at events alongside very senior business people and to share my journey with people I wouldn't have otherwise met, such as MPs."

Jeevan describes mixing with senior people whilst on the Transform programme as having a 'massive impact', and believes that it is the experience of meeting senior people in employment which led to his success in securing his current role as a Resident Liaison Officer for British Gas.

"For me, the main challenge was to do my best to impress at the interview. The Transform programme helped me improve my social skills, making me feel more confident."

The experience of meeting people in a different employment situation to himself made Jeevan feel 'more comfortable' around different groups of people and he learnt a lot from them about the industries they worked in. Young people like Jeevan, who simply wouldn't have met many employers' recruitment criteria, hugely benefit from meeting and working alongside people in senior positions, becoming able to present themselves as strong job-ready candidates.

Twenty three year old Jeevan works as a Resident Liaison Officer for British Gas. One of his key responsibilities is to make connections with local residents, inform them of the job opportunities available in the energy industry and encourage them to take up these roles. Jeevan is well suited to do this role of building networks, given that he was previously one of the residents he now seeks to target.

The Transform programme is run partnership by British Gas, Accenture and Global Action Plan, to establish relationships with young people not in employment, education or training (NEET) and get them into these jobs. To date, 58 young people have been trained on the Transform programme, with 21 converting to employment with British Gas.

## Recruitment and career progression

Making sure that people with the right skills find the right jobs is important for economic productivity, and also to ensure equality of opportunity for workers. Limited networks make it harder for employers to recruit the right talent, and also for people with specific skills to find the right jobs.

#### What is the problem we face?

Labour productivity in the UK is being limited by an inability to recruit people with the right skills. Labour productivity is currently 9 per cent lower per hour than the OECD Euroarea and 12 per cent lower than the G7.<sup>46</sup> In order to compete internationally it is important to ensure that the British workforce is as productive as possible. However, growth is being limited by an inability to recruit the right people with the right skills. One in four CEOs were unable to pursue a market opportunity or have had to cancel or delay a strategic initiative because of talent challenges.<sup>47</sup>

Similarly, **informal networking has an enormous impact on job matching, and can limit access to employment opportunities for jobseekers.** Many (and in some professions most) jobs are obtained through personal contacts. Many people are not applying for certain professions, seeing them as 'closed off' because of a lack of role models or connections. 49

#### Why does a lack of social integration make this harder to solve?

For employers, recruiting through informal recruitment networks limits potential talent pools due to the homogeneity of our social networks.<sup>50</sup> These homogeneous networks can lead to talent mismatches and occupations seeing reinforced cycles of segregation.<sup>51</sup> Using social networks of people similar to ourselves in recruitment reduces the potential of finding the right people for the right jobs. This can be particularly true for higher status roles.<sup>52</sup>

**However, increased integration will expand informal recruiting networks, resulting in sourcing better talent.** Informal networks can be based along lines of many different things, such as social grade, geographical location, and ethnic group. Research indicates that increased social integration leads to an expansion and diversification of these *informal* networks – by creating a mix of networking styles as well as diversifying network members. Thirteen per cent of employers who are recruiting to close skills gaps, say they are recruiting from talent pools they haven't used before. This style of recruitment helps to foster a more open system, and helps to break cycles of stereotyped professions.

#### What is the financial cost of a lack of social integration?

The Commission estimates that approximately £700 million each year is attributable to blocked opportunities in the labour market and underemployment caused by a lack of social integration. The cost was calculated using lost economic output in the form of wages and foregone tax revenue.

Table 3: Estimated total lost income from underemployment due to a lack of social integration

Estimated increase wage if a worker was in the right job			
Input	Figure	Source	
Median wage	£27,000	ONS <sup>55</sup>	
Estimated increase in income if worker in the right job (low estimate)	10%	McGuiness (2006); Sloane (2003) <sup>56,57</sup>	
No. of people who could find a better suited j	ob through better so	ocial integration	
Number of people in the workforce who are over- skilled or over-qualified in current role	4.3 million	UKCES <sup>58</sup>	
Job placement via social networks	31.06%	Frazen and Hanartner, 2006 <sup>59</sup>	
Proportion of people who are not fully integrated by social grade	14%	SIC, 2014 <sup>60</sup>	
Formula	Number of people in the workforce who are over-skilled * Underemployed who could get a better suited job with social integration * Proportion of people who are not fully integrated by social grade		
	4.3m*0.31*0.14		
Number of underemployed who could find a better suited job through social integration	ca. 190,000		
Lost income from underemployment due	to a lack of social in	ntegration	
Formula	Potential wage increase * Number who could find a better suited job through social integration		
	(£27,000*0.10)*190	,000	
Total lost income from underemployment due to a lack of social integration	ca. £510m		

Note: This figure may overestimate the scale of the problem. Individuals may choose to be in 'underemployed' roles, the demand and supply of the labour market may mean, as with the level of long-term unemployment, that the opportunities may not be available, especially on a local or regional basis. Equally, skills and abilities diminish over time if not tested and refreshed, so this effect for a given cohort may not remain constant.

Table 4: Total increased tax receipts attainable by improved social integration

Estimated increase in tax receipts if a	worker was in the r	ight job	
Input	Figure	Source	
Median wage	£27,000	ONS <sup>61</sup>	
Estimated increase in income if worker in the right job (low estimate)	10%	McGuiness (2006); Sloane (2003) <sup>62,63</sup>	
Increase in tax receipt per worker p.a.	£934		
Number of people in the workforce who are over- skilled or over-qualified in current role	4.3 million	UKCES <sup>64</sup>	
Formula	Increased tax receipt per worker p.a. * number of over-skilled/over-qualified		
	934*4.3m		
Increase in tax receipts if all workers were in the right job	ca. £4bn		
Total increased tax receipts attainable b	y improved social in	tegration	
Job placement via social networks	31.06%	Frazen and Hanartner, 2006 <sup>65</sup>	
Proportion of people who are not fully integrated by social grade	14%	SIC, 2014 <sup>66</sup>	
Formula	Increase in tax receipts if all workers were in the right job * proportion of jobs available to be filled with improved social integration * proportion of people who are not fully integrated by social grade		
	f4bn*0.31*0.14		
Increased tax receipts with better social integration	ca. £170m		

Note: The potential reduction in benefits or tax credits has not been calculated

#### What difference can social integration make?





#### **Chinye Obi and Daniel Ahmed**

Sarah Harper (Head of Recruiting, EMEA and India, Goldman Sachs) and Chris Yoshida (Managing Director, Morgan Stanley)

"When I visited an investment bank, it was the first time I had met a black girl who works in that field. It is so important to have that contact, especially as a young person, as it is all about seeing the workplaces for yourself and meeting the people doing the very job you may one day do. It made me really excited and did not compare to just reading something on the internet."

Eighteen year old Chinye Obi of Nigerian descent lives in Barnet, London. She recently completed a three-week paid internship with EY as part of their Smart Futures programme and plans to apply to their school leavers' programme. She has also completed a placement at Bank of America, a short stint at Barclays, and an insight day at KPMG. Chinye is part of a programme called SEO Scholars, run by SEO London, and attributes her ability to build networks with people in this field to the Scholars programme.

SEO London provides opportunities for employers within the fields of financial services, law and the creative industries, to build relationships with young people who come from backgrounds which are often under-represented in their industries.

Through the SEO Scholars programme, aimed at 16-18 year olds in their GCSE and A-Level years, young people are provided with access to role models, who provide the information needed to help them make informed decisions regarding their career options. Chinye states:

"Being part of SEO Scholars has expanded my networks, and the people I have met through the programme are people that I wouldn't have met any other way. I now know a mixture of people, and I have people who I can call upon when I need advice and guidance on my career choices. It is like being part of a big family."

It is not just young people who seek these connections. For many employers, the desire to recruit from a wide talent pool is often hampered by a lack of contact with under-represented groups. In addition to in-house recruitment initiatives, employers may choose to partner with organisations like SEO London, as they provide access to a talent pool they would otherwise fail to come into contact with through their own workplace networks.

Sarah Harper, Head of Recruiting, EMEA and India at Goldman Sachs, testifies to this when she states:

"SEO London allows us to reach many quality candidates, especially from underrepresented communities."

Bringing together employers and young people from different backgrounds is at the heart of all of SEO London's programmes. This contact provides dual benefits for both employers and young people.

'At Morgan Stanley we believe our people are our most important asset. To be the best we need to recruit the best and that is why we partner with SEO. Through SEO we are

able to reach a broad and diverse set of candidates, who are ready to hit the ground running when they arrive on day one.' (Chris Yoshida, Managing Director, Morgan Stanley)

For many young people on the SEO Scholars programme, ongoing interactions with employers plays a crucial role in helping them to find out about and access opportunities they would otherwise not know about or view as unobtainable to someone from their social background. This would have been the case for twenty year old Daniel Ahmed. Daniel was born in Pakistan, moved to Germany as a child and has lived in the UK for the past thirteen years. Daniel found out about the SEO Scholars programme through his Head of Year whilst doing his GCSEs.

"At the time of hearing about the programme, I hadn't given much thought to my future career. My mum wanted me to be an engineer as she thought it was a good job. However, I was still very naive about careers so thought this programme would help me find out what was out there."

Whilst on the programme, Daniel attended an event which enabled him to meet bankers and those working in financial services. At this event, he was encouraged by an investment banker to apply for a fast track internship. Daniel subsequently landed work experience placements with Barclays and UBS.

"Before doing SEO Scholars, I didn't know where I could meet people that worked in those industries and knew nothing about such work experience placements and internships for people my age. None of my family or friends work in such places, so I wouldn't have had the opportunity to meet them otherwise."

This statement chimes with Chinye's experience:

"The only person I knew who worked in banking was my auntie, but she worked for a high street bank. I had never met an investment banker and did not have any connections with people in that industry or know where I could meet one."

Through meeting people who work in financial services and law, Daniel realised that he didn't have to be an engineer and that there were other career options that were more suited to him. Daniel believes that attending events, where he gets to meet and have face-to-face dialogues with people employed in the industries he one day plans to work in, has been invaluable. Being given the opportunity to build such a wide network has been life changing for him. Without these interactions, he argues he would have taken the wrong A-Levels and would not have known about work experience opportunities within the sector until it was too late. He summarises by saying:

"Social integration benefits individuals and companies. It exposes employers to a mix of people that they probably wouldn't come across and stops them from employing the same types of people with the same mind-set. This allows for a variety of ideas, which is always desirable to help a business grow."

Daniel is currently reading Political Economy at Kings College London and is in his second year. Upon graduating, he plans to pursue a career in financial services or law.

## Community health and wellbeing?

A lack of social integration in communities increases anxiety and fear of the unknown, leading to greater ill-health. A lack of friendships across age groups can expose individuals to a higher risk of social isolation in later life. Conversely, more effective social integration leads to increased life expectancy, better recovery times from health issues and a lower incidence of mental ill health.

There are many other areas where a lack of integration impacts our ability to solve key social challenges. As examples, research indicates that a lack of integration is a key influence in the treatment of depression and provision of social care for the isolated, the prevalence of cardiovascular diseases and suicide.

The Commission recommends that further work be done on these areas, and others, to better understand the impact of a lack of integration.

#### What is the problem we face?

The UK has significantly lower levels of trust compared to 50 years ago. The proportion of people who generally trust others has fallen from around 60 per cent in 1959 to 30 per cent in 2005.<sup>67</sup>

These lower levels of trust correlate with lower levels of wellbeing and health. Research shows that low levels of generalised trust correlate with low levels of wellbeing. Research in Canada shows that citizens who did not have high trust in co-workers, neighbours, police and strangers had an 18 per cent lower life-satisfaction score.<sup>68</sup>

Homogenous networks can expose people to a greater risk of isolation in older age, leading to a greater reliance on social care. 1 in 5 older people in the UK are in contact with family, friends and neighbours less than once a week and 1 in 10 less than once a month.<sup>69</sup> Social isolation – as a result of increasingly smaller, more homogenous, social networks – has a comparable impact on early death to smoking or alcohol consumption, and a greater impact than obesity.<sup>70,71</sup>

#### Why does a lack of social integration make this harder to solve?

Diversity and integration are associated with greater levels of trust, however, diversity without integration can be associated with lower levels of trust.<sup>72</sup> Higher residential and social segregation correlates with lower levels of trust in others, as segregation allows the perception of difference when diversity increases - and trust levels are lower where people perceive difference.

**Fragmented communities negatively impact health and wellbeing.** Low levels of trust and associated negative social environments negatively impact our health, our immune systems, stress levels and blood pressure. Low levels of generalised trust correlate with higher rates of suicide.<sup>73</sup>



#### What is the financial cost of a lack of social integration?

A lack of integration, especially along lines of age, increases the risk of isolation in later life as friendship circles age and reduce.

Using work done by the London School of Economics, we estimate that the cost of a lack of integration on health services and social care home helps specifically in relation to heightened depressive symptoms for those over the age of 65 is around £700 million.

Table 5: Cost of health service, social care home help and lost quality of life for over 65s as a result of a lack of integration each year, 2013

Number of people over 65 who are socially isolated			
Input	Figure	Source	
UK population over the age of 65, mid 2013	11.1m	ONS, 2014 <sup>79</sup>	
Proportion of those aged over 65 who are socially isolated	14%	Victor et al.,2003 <sup>80</sup>	
Number of people over the age of 65 who are socially isolated	1.6m		
Cost saving achieved as a result of	better social integra	ation	
Reduction in depressive symptoms achieved through improved social integration	2.62 (measured on CES-D) <sup>81</sup>	M. Knapp et al., 2013 <sup>82</sup>	
Costs associated with an increase in depressive symptoms by one standard unit	£14.50		
Health service costs and social care home helps per person, per year, from a lack of integration	£38		
Reduced quality of life as a result of depressive symptoms (mid-range) per person, per year	£404		
Costs of health service, social care home help, and reduced quality of life as a result of a lack of integration			
Formula	(Health service and social care home help costs + Reduced quality of life) * Number of people over the age of 65 who are socially isolated		
	(£38 + £404) * 1.6m		
Costs of health service, social care home help, and reduced quality of life as a result of a lack of integration	ca £700m		

Note: This estimate only considers the cost saving in relation to health services and home helps, but no other social care services, and only for those over the age of 65.

Based on original work by Optimity Matrix, the cost of cardiovascular diseases as a result of weakened social networks in those aged over 65 is estimated at £1.2 billion.

A lack of friendships across age groups can expose individuals to weakened social networks and a higher risk of social isolation in later life.

Table 6: Cost of cardiovascular disease treatments for over 65s as a result of weakened social networks, 2013

Cost of cardiovascular disease treatments				
Input	Year	Coverage	Figure	Source
Cost of hypertension (drugs only)	2006	UK	£1bn	NICE, 2011
	2013 <sup>83</sup>		£1.2bn	
Cost of CHD	1999	UK	£7bn	Liu et al, 2002
	2013		£9.6bn	
Cost of stroke	2005	UK	£7bn	NAO, 2005
	2013		£8bn	
Total cost of cardiovascular disease treat	ments, 2013		£18.8bn	
Proportion of NHS spending on those aged over 65 years, whose networks have weakened				5,
Proportion of people over the age of 65 due to limited social networks			10%	Pennix <i>et al.,</i> 1997 <sup>84</sup>
Average cost to NHS of retired household	2007/08	UK	£5,200	Cracknell, 2010 <sup>85</sup>
Average cost to NHS of non-retired household	2007/08	UK	£2,800	
Percentage of NHS expenditure on retired households	Cost to NHS retired household/(Cost of NHS retired household + Cost of NHS non-retired household)			
	f5,200/f8,000= 65%			
Proportion of NHS spending on those over 65 years, whose networks have weakened	65% * 10% = 6.5%			
Cost of cardiovascular disease treatments				
Formula	Total cost of cardiovascular treatments * Proportion of NHS spending on those over 65 years, whose networks have weakened			
	ca. £18.8bn * 6.5%			
Total cost of cardiovascular disease treatments for over 65s as a result of weakened social networks	£1.2bn			

Note: A lack of intergenerational integration may not be the only cause of weakened social networks for those aged over 65. This figure therefore provides an estimate of the upper limit of the possible cost.

Based on academic research and work commissioned by the Scottish Executive, the cost of a heightened suicide rate as a result of a lack of social integration was estimated to be £1.7 billion.

The Commission recognises that suicide is a complex issue and that the factors which lead to such a devastating event for families and communities are varied and multifaceted. We would recommend that these figures be viewed alongside the information provided by expert delivery organisations who work to reduce suicide, such as the Samaritans.

Table 7: Cost saving of decreased suicide rate as a result of improved trust levels, 2013

Decrease in suicide rate as a result of improved levels of trust, achieved through better social integration			
Input	Value	Source	
UK suicide rate, 2012	11.6 per 100,000	ONS <sup>86</sup>	
UK generalised trust levels, 2012	~30%	Green, Janmaat and	
UK generalised trust levels, 1992	~40%	Cheng, 2011 <sup>87</sup>	
Relationship between generalised trust and suicide rates	10% rise in population generally trusting leads to 2.3 point drop in suicide rate per 100,000	Helliwell and Wang, 2011 <sup>88</sup>	
Formula	UK 2012 suicide rate - ((UK 1992 generalised trust – UK 2012 generalise trust) * relationship between generalised trust and suicide rates)		
	11.6 per 100,000 – ((40%-30%) * (2.3/10%))		
UK suicide rate if trust levels at 1992 levels	9.3 per 100,000 <sup>89</sup>		
Number of lives saved each year due	to increasing trust lev	vels to 1992	
UK number of suicide cases 2012	5,981	ONS <sup>90</sup>	
UK number of suicide cases at 1992 trust level	4,795		
Number of lives saved each year due to increased trusting level	1,186		
Cost saving due to red	duced suicide rate		
Lifetime cost of suicide per case in 2009	£1.29m	Platt <i>et al.,</i> 2009 <sup>91</sup>	
Cost of suicide per case, adjusted to 2013	£1.42m <sup>92</sup>		
Formula	Number of lives saved each year due to increased trusting level * cost of suicide		
	1,186 * £1.42m		
Cost saving due to reduced suicide rate as a result of improved trust levels	ca.£1.7bn		

#### What difference can social integration make?



#### Cath

"Social integration is important to everyone, but especially to those who suffer from mental ill health."

Cath is the Chair of a group called iChoir, a grant-funded project by Time to Change in Liverpool.

iChoir brings together people from different backgrounds to help overcome the stigma attached to mental ill health through singing.

"I love the idea of using music to reduce stigma and encourage people to talk openly about mental ill health. The iChoir is very diverse in its membership. We are from all walks of life; some people have mental health issues and some do not and it doesn't make any difference at all. There is one thing everyone who attends agrees on, which is that going to the choir makes them feel good, even on a bad day!"

Cath believes that social contact is key for people with mental ill health as interaction brings value to those whose self-esteem is very low, whilst also helping them to avoid an introspective existence. For many of the choir's members who struggle with mental ill health, attending a regular activity where they meet and mix with different people has proved to be a lifeline, especially during the most difficult times in their lives.

"Being part of iChoir and Time to Change projects has helped me through some very difficult times. Social integration helps those who suffer from mental ill health feel valued and that they can also contribute to their communities."

In her personal and professional experience, Cath has found that directing those with mental ill health to volunteering opportunities and community projects is a great way to avoid segregation and isolation by mixing with those with differing experiences and backgrounds.

However, these benefits are not just those with mental ill health, but by everyone.

"Social integration enriches society as people are then able to contribute their skills, which if everyone does, society benefits from and becomes stronger"

Cath has worked in mental health for many years and came across mental health charity, Time to Change, through her previous role. She also has personal experience of mental ill health herself, and has family members who struggle. Cath has been a member of iChoir now for eight years.

# The good news: Positive outcomes of integration

We have seen that social integration matters because a lack of integration makes it harder to address key economic and social challenges we face today in Britain and because a lack of integration costs our economy billions of pounds each year. Encouraging social integration will therefore lead to stronger communities and workplaces, better health outcomes, less social isolation and better outcomes for jobseekers. This section will now go on to explore the positive outcomes of social integration on trust.

To better understand the positive effects of integration in Britain, the Commission undertook research investigating how the interactions we have with those who are different from us influence how far we trust others. Trust is widely agreed by academics to be the "social glue" which holds groups together – whether that's a local community, an organisation or a whole country – and brings benefits to society.<sup>93</sup>

In summary, research from the Commission supports academic findings that in diverse places, increasing the number of meaningful social interactions between people who are different leads to increased levels of trust. 94 These positive experiences then generalise to make us more positive and trusting of people who are different in other ways. 95 Social integration makes British society stronger.

#### How the information was gathered and calculated

The Commission conducted two national surveys on the interactions people have with those from different backgrounds and their attitudes towards those groups.

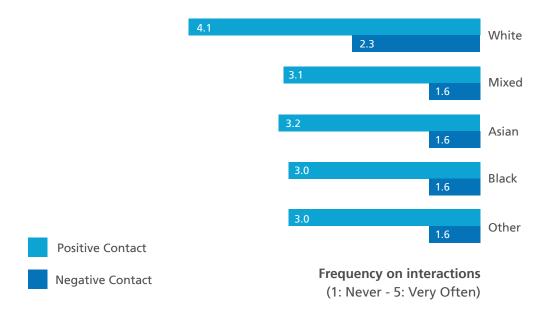
Both surveys were conducted online by Ipsos MORI. Our first survey of 4,269 people included a nationally representative sample of people aged 16-65 living in Britain (3,004) and boost samples of people living in Britain aged 13-15 (225), 66-80 (540), and of Black, Asian and Minority Ethnic backgrounds (500). The first survey was conducted in January 2014 and asked respondents about the quantity and quality of their interactions with people from different backgrounds in a social context, and the general levels of trust of people who were different from them. Our second survey of 1,900 people aged 16-65, representative of Britain's working population, was conducted in May 2014 and asked respondents about the quantity and quality of their interactions with people from different backgrounds in a work-specific context.

#### Trust and social interactions: The creation of a positive cycle

The positive and negative interactions we have influence our perceptions of others, and how far we are willing to make ourselves vulnerable and to trust others. It is therefore important to understand the nature of the interactions we have, and how they influence our levels of trust in those who are different from ourselves.

Research conducted by the Commission shows that we have more positive interactions than negative interactions with people who are different from us along lines of age, ethnicity and social grade. As shown below in figure 1, respondents to our survey reported more positive social interactions than negative interactions with those from a different ethnic background. This is true for both social and workplace interactions.

Figure 1: We have more positive than negative contact with other ethnic groups



Academic research has demonstrated that we have a tendency to be drawn to people who we perceive as similar to ourselves. However, analysing people's networks has indicated that the opportunity to meet people is more important in determining our friendships. <sup>96</sup> Our research shows that we have positive interactions independent of whether people are from a different background or not.

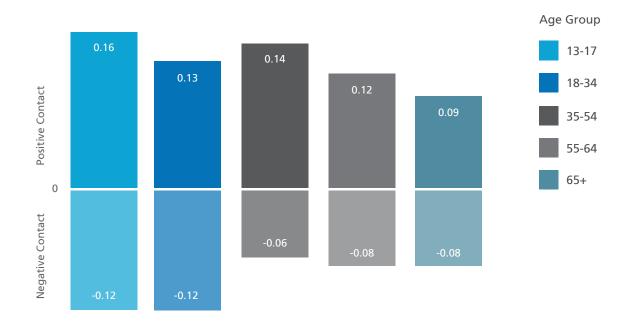
#### **KEY FINDING**

People in Britain have more positive than negative experiences with people who are different from them: Across all ages, social grades and ethnicities and in both social and work contexts, our experiences of interacting with those who are different from us are likely to be positive. Our friendships are also more likely to be determined by who we have the opportunity to meet, rather than by a preference to seek out people we perceive as similar.

**Integration of diverse groups is associated with higher levels of trust**. In our research, both positive and negative interactions between people of different ages, social grades and ethnicities correlate with how much we trust other people. Negative interactions correlate with lower levels of trust in others, while our positive interactions correlate with higher levels of trust in others.

When we compare the relative effects of both of these types of interactions in influencing how far we trust others, our research demonstrates that **positive interactions with people from different backgrounds usually have a much greater effect on how far we trust others than negative interactions do.** Figure 2 shows that positive contact more strongly correlates with how far we trust those from a different age group to our own. This correlation between positive contact and how far we trust those from a different age group is true for all age groups.

Figure 2: Positive contact has a greater effect than negative contact on how far we trust people from other age groups



#### Magnitude change in trust

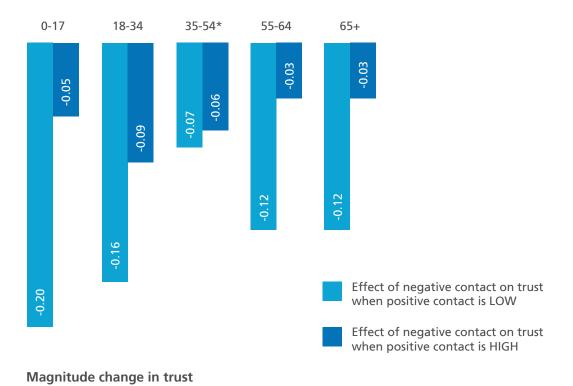
Although positive contact has a greater effect on trust than negative contact for those aged 18-34 years, the difference between the effects of positive and negative contact is the smallest, i.e. positive contact has a positive effect on trust that is comparable in size of the negative effect that negative contact has on trust. Whereas for those aged 35-54 years positive contact has a much greater effect than negative contact does on trust levels.

#### **KEY FINDING**

When integration of diverse groups happens, it is associated with higher levels of trust: The positive interactions we have with people from different backgrounds are positively related to how much we trust others.

In fact, positive interactions protect us from the inevitable negative interactions we sometimes have. The effects of any negative interactions on levels of trust are reduced by our positive experiences. The more positive interactions a person has, the less of an adverse effect negative interactions have on trust levels. This was the case along lines of ethnicity, social grade and age. Figure 3 below shows that when we often have positive interactions with people from different age groups, the negative interactions we have correlate with a smaller decrease in our levels of trust in that group.

Figure 3: Negative contact has a smaller effect on trust in different age groups when levels of positive contact are high



Note: \* Interaction is not statistically significant for 35-54 year olds

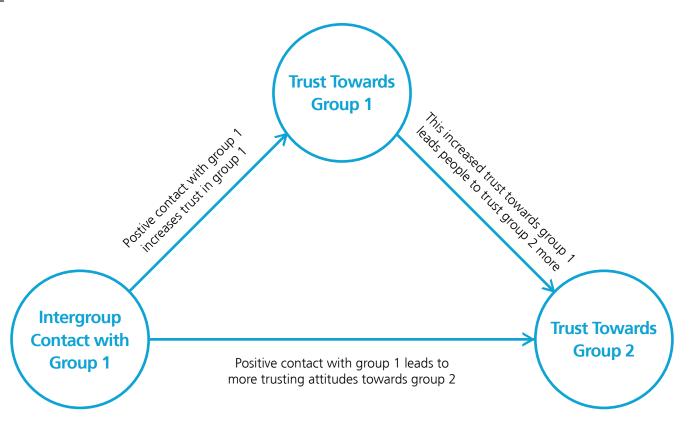
Most dramatically, positive contact plays an important role in protecting against the effects of negative contact for those aged less than 17 years. These results suggest that encouraging positive social interaction remains an effective means of promoting and maintaining harmonious relations between different groups of people, even in the presence of inevitable negative social interactions. In particular we should ensure that young people have the opportunity for positive contact with those who are different from themselves and find ways to encourage them to take up those opportunities.

#### **KEY FINDING**

**Positive interactions limit the adverse effects that negative interactions have on how far we trust other people:** Negative interactions with those who are different from us are associated with lower levels of trust. However the effects of these negative interactions are greatly reduced if we also have more positive experiences.

**Positive interactions have a 'knock-on effect', where our perceptions of other groups become more positive.** Our analysis supported previous academic research that positive interactions with one particular group are often correlated with increased trust towards other groups in general, whatever their age, ethnicity or social grade. This indirect relationship is demonstrated in figure 4 below, where positive contact with group 1 links to trust towards group 1, and subsequently leads to an increase in trust in group 2 (secondary-transfer effect).

Figure 4: How positive contact experiences with one group can link to more trusting attitudes towards other groups



Academic research has shown that this 'knock-on effect' occurs because we generalise our attitudes. Positive experiences can challenge our perceptions of one group who are different from us. This can then lead to us to challenge our perceptions of other groups who are also different from us. This challenging of our perceptions leads us to change our general attitudes towards others.<sup>97</sup>

For example, our data showed that White participants who had more positive contact with those from an Asian ethnic background showed increased trust towards those aged 65 and over when compared to those respondents who had fewer positive contact experiences with those from an Asian ethnic background.



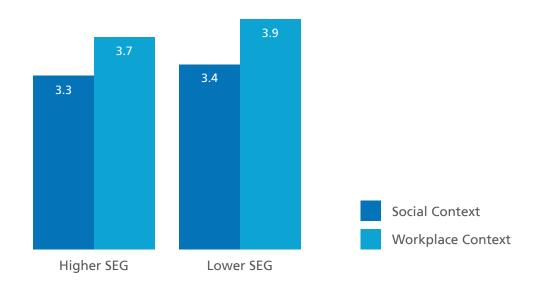
## Integration and the workplace: An example of what encourages integration

This section of the report details our findings on the extent of social integration within the workplace. The Commission looked at the correlation between diversity, integration and positive attitudes towards people from different backgrounds. This was done using the national workplace survey data detailed above, which was conducted by Ipsos MORI, and through a workplace-specific network analysis.

The analysis of contact and trust in the workplace supported all of the conclusions from both the analysis of contact and trust in a social context, and the analysis of the combined sample.

There are things we can do to make it more likely for people to interact with those who are different, and foster integration. Across all ages, social grades and ethnicities and in both social and work contexts, our experiences of interacting with those who are different from us are overwhelmingly positive. However, people have more positive interactions with people from different backgrounds in the workplace than they do in their general lives outside of work. The amount of negative interactions we experience is similar both in the workplace and in our social lives. The greater amount of positive contact in the workplace is therefore not solely because we have more opportunities to meet with people who are different from us than outside of work.

Figure 5: We have more positive contact with other socio-economic groups (SEG) in the workplace than in a social context



Positive Contact at Work and in a Social Context (1: Never - 5: Very Often)

This suggests that the workplace has certain supportive norms which encourage positive interactions, resulting in more positive interactions at work. These norms could include: a shared identity by working for the same employer, shared goals through working on the same projects, official equality policies which establish boundaries for behaviour, building relationships independent of work hierarchies through open plan offices, social activities and charity action days. Previous academic research has shown that workplace interactions have the second greatest impact on prejudice after those with close friends – a greater impact on prejudice than interactions in a neighbourhood context.<sup>98</sup>

In particular, research has highlighted the importance of support for policies and practices which encourage successful social integration by those in leadership positions. <sup>99</sup> This leadership support promotes effective social integration because it legitimises a positive workplace culture and encourages positive behaviours. <sup>100</sup>



### What next?

In our next report, we will explore what we can do to improve levels of social integration. We will bring together a range of experience from policy makers and delivery organisations in order to assess what practical, affordable and cost effective recommendations can be made to increase integration between people of different ages, social grades and ethnicities.

## How can you get involved?

The Social Integration Commission welcomes your thoughts, so please <u>sign up</u> for updates on our work, and keep in touch with us via <u>Twitter</u> and <u>Facebook</u>.

Do you work for an organisation which has experienced the impact of social integration on the social and economic challenges we face? We will be calling for submissions for our final report in spring 2015. Please contact <a href="mailto:info@socialintegrationcommission.org.uk">info@socialintegrationcommission.org.uk</a> for further information.

Want to find out more about integration? Why not read our first report on 'How integrated is modern Britain?'

## Appendix 1

#### **Methodology for calculations**

#### Positive and negative contact and trust

Mean comparisons were performed using a combination of between and within-subjects multivariate analysis of variance. Bonferonni corrections were applied when required.

The results pertaining to the effects of positive and negative contact on trust were obtained by performing a series of regression analyses whereby trust scores were regressed onto the positive and negative contact variables simultaneously.

#### Secondary transfer effect

The generalisation of contact (known as the *secondary transfer effect* in the academic literature) results were obtained by running a series of regression analyses whereby trust towards the secondary outgroup (e.g. people age 65 or over) were first regressed onto contact with the primary (e.g. Asians) and secondary outgroups.

The next step was to then set up a more complete series of regression equations. Trust towards the secondary outgroup was regressed onto positive contact with the primary and secondary outgroups as well as trust towards the primary outgroup. Trust towards the primary outgroup was then regressed onto contact with the primary outgroup.

Evidence for a significant indirect effect was obtained through three tests: first, the test for join significance; second, product-of-coefficients analysis; and, third, a bootstrap analysis with 5,000 re-samples requesting bias correct bootstrap confidence intervals.

## Our partners

The Commission would like to thank the following people for their continued involvement, ideas and guidance.

#### **Chair and Commissioners**

Our Commissioners have ultimate responsibility for directing the affairs of the Commission and ensuring the aims are achieved.

Matthew Taylor
Sir Anthony Seldon
Christine McGourty
Dan Guthrie
Deborah Cadman OBE
Mary Macleod MP
Professor Miles Hewstone
Trevor Phillips OBE

#### **Working Groups**

The Working Groups bring together a broad range of experienced organisations and highly talented individuals to challenge and to provide advice to the Commission.

#### **Employers**

Allianz (Kirsty Wardlaw, Marketing Development & CSR Executive)

Bouygues UK (Martin Schulz, Director of Group Human Resources)

British Gas (Bryan Halliday, Director of Corporate Responsibility)

CIPD (Katerina Rudgiger, Head of Skills and Policy Campaigns)

Ernst & Young (Arun Batra, Director at EY and CEO of National Equality Standard)

Federation of Small Businesses (Sue Terpilowski, London Policy Chair)

Local Government Association (Sarah Messenger, Head of Workforce)

National Express (Jack Kelly, Head of External Communications)

NHS Employers (Mohamed Jogi, Equality and Diversity Consultant)

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Starbucks (Simon Redfern, Director of UK Corporate Affairs)

Thomson Reuters (Carl Clarke, Vice President of Human Resources)

Weber Shandwick (Lisa Pantelli, Head of Employee Engagement & Change Management)

Unison (Matthew Danaher, Community Organising Co-ordinator)

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City Year (Sophie Livingstone, CEO)

Generating Genius (Tony Sewell, Founder and CEO)

London Early Years Foundation (June O'Sullivan, CEO)

Magic Me (Susan Langford, Director)

Mosaic (Jonathan Freeman, National Director)

Near Neighbours (Liz Carnelley, Programme Director)

Shared Lives (Alex Fox, CEO)

Spice (Becky Booth, CEO)

Streetbank (Sam Stephens, CEO)

The Good Gym (Ivo Gormley, Founder)
The Eden Project (Peter Stewart, Executive Director)
The Met BPA (Janet Hills, Chair)
Trussell Trust (Chris Mould, Executive Chairman)

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Beth Johnson Foundation (Steve Robinson, CEO)
British Future (Matthew Rhodes, Director)
Centre for Social Justice (Alex Burghart, Director)
Centrepoint (Balbir Chatrik, Director of Policy and Participation)
Civitas (Anastasia de Waal, Deputy Director)
Demos (David Goodhart, Director)
IPPR (Alice Sachrajda, Researcher)
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