

# »» Participation in continuing education is unequal – especially by prior attainment

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A large majority of the population is aware of the need for lifelong learning. After all, a third of the workforce took part in vocational continuing education last year, according to a recent survey by KfW Research. The primary motivation is to stay abreast of new developments. However, the general continuing education rate masks several problems.

Almost all participants generally see a certain benefit in the continuing education measure they have completed. But for many the qualification effect is likely to be relatively small. The reason is that a large portion of the approx. 16 million participants attend only short activities and invest only a few hours in continuing education each year. Substantial continuing education courses with generally recognised qualifications are therefore rare.

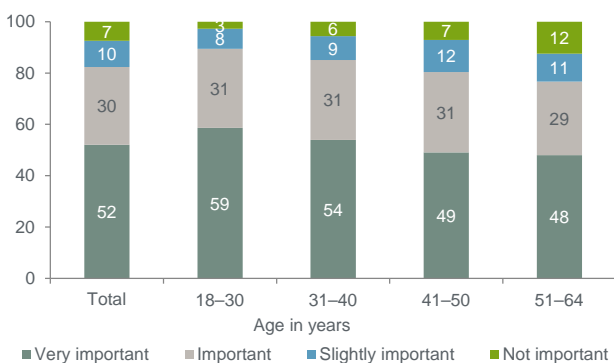
In addition, participation in continuing education is not evenly distributed among the population but strongly depends on prior levels of attainment. University graduates, master craftsmen and technicians undertake education often and regularly, whereas this is the exception for workers with lower qualifications – despite obvious needs. There is a “Matthew effect” in continuing education: those who have shall receive.

learning”. This is confirmed by a recent survey conducted by KfW Research on vocational continuing education (box on p. 5). More than half the German population (52%) regard vocational continuing education as “very important”, a further 30% consider it “important”. The survey revealed generational differences, with younger people giving greater importance to lifelong learning (Figure 1).

In order for people to actually participate in continuing education, they must embrace it as necessary. In 2015 around one third (32%) of the working age population took part in at least one vocational continuing education activity such as courses, specialist lectures, retraining measures, master craftsmen’s qualification or extra-occupational studies. That was nearly 16 million of the 50 million people aged 18 to 64 years (Figure 2).<sup>1</sup>

**Figure 1: The vast majority values lifelong learning**

18 to 64-year old workers’ subjective assessment of the importance of regular vocational continuing education in their field of work. In per cent.



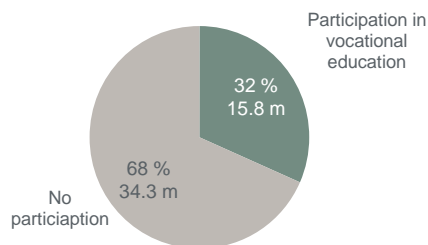
Source: KfW Research

## Four fifths value continuing education, one third engaged in further learning in 2015

The ongoing structural transformation of the German economy is constantly changing the demands of the work environment, making it increasingly rare for vocational education to end with a certificate obtained in younger years. Today society recognises the importance of “lifelong

**Figure 2: Vocational continuing education rate: 32 %**

Participation of workers aged 18 to 64 years in vocational continuing education in 2015.



Source: KfW Research

## Content of continuing education: specialist topics and soft skills

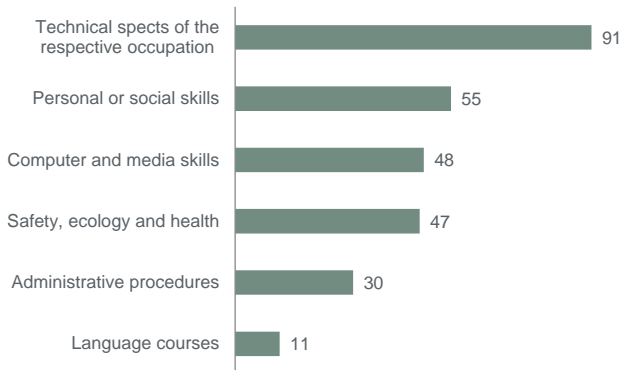
The domain of continuing education is not a uniform system but a vast field characterised by great heterogeneity of providers, events and learning formats.<sup>2</sup> Contents are also broadly diversified, although nearly all learning covers technical aspects of the respective occupation. This was true of 90% of all continuing education participants last year. Courses on administrative procedures, which were undertaken by 30% of respondents, also applied directly to their day-to-day work (Figure 3).

Soft skills also play a big role, however. A good half of the surveyed participants in continuing education (55%) reported having acquired personal or social skills. The advent of technical innovations and new means of communication entails corresponding training events, with 48% acquiring computer and media skills. Safety, ecology and health are

equally common topics. Despite the advancing Internationalisation of the world of work, relatively few workers take occupation-related language courses. Only 11 % of participants in continuing education reported having learned a foreign language to upgrade their vocational skills.

**Figure 3: Technical content predominates**

Content of vocational continuing education undertaken by participants in 2015. Multiple responses were possible. In per cent.



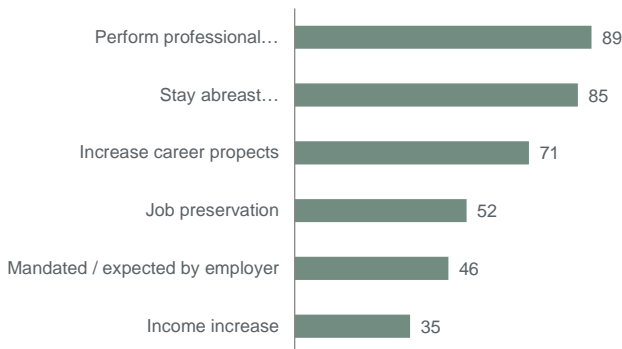
Source: KfW Research.

**The motivation to keep learning: staying up-to-date**

Asked about their motives, the participants acknowledged the importance of changing workplace demands. The drive to “stay abreast of new developments” is important for 85 % of them (Figure 4). The general reason for participating summarised as “perform professional tasks more effectively” was the only motive mentioned more often (89%). The drive to stay up-to-date is primarily associated with career aspects and employment security, with 71 % of participants expecting continuing education to increase their career prospects while 52 % expect it to help them keep their job. Achieving a higher income was cited much less frequently as a direct reason for participating (35 %). Apart from personal motivation, which clearly dominates, almost one in two participants (46 %) indicated that continuing education was required (or at least expected) by their employer.

**Figure 4: Individual motivation is main driver**

Participants’ reasons for vocational continuing education in 2015. Multiple responses were possible. In per cent.



Source: KfW Research

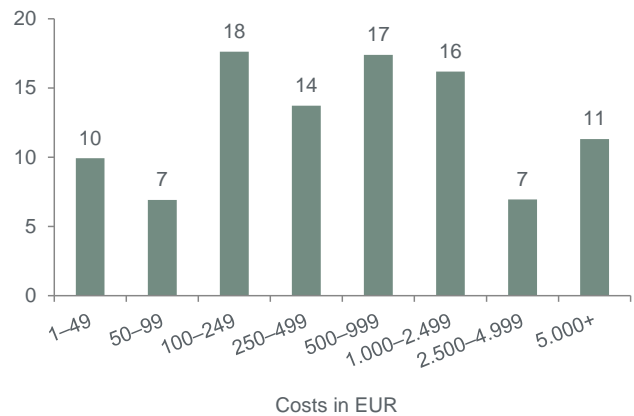
**Most participants do not incur costs – but some invest large amounts**

The majority of participants in vocational continuing education (61 %) incurred no costs in 2015 because most activities in Germany are organised or financed by employers.<sup>3</sup> Of the salaried employees, 70 % apparently attended employer-financed events exclusively and thus incurred no personal costs. The vast majority of self-employed persons, on the other hand, paid for their continuing education themselves (89%).<sup>4</sup>

For the 39 % of participants in continuing education who incurred personal costs, out-of-pocket expenses were around EUR 500 on average, e.g. for attendance or assessment fees, travel expenses and textbooks. One third had comparatively low costs of less than EUR 250 (Figure 5). Another one third, however, spent more than EUR 1,000 on vocational continuing education (a master craftsmen’s course, for example, costs several thousand euros and often involves temporary income losses). For continuing education participants who incurred personal costs, career aspects are generally an important driver, as more of them seek to improve their career opportunities and income. These reasons for participating become more important with rising costs while other motives become less important. High personal education investments are expected to pay off later.

**Figure 5: One third invest four-digit amounts in continuing education**

Distribution of personal costs of continuing education (in per cent). Figures relate to continuing education participants with personal costs in 2015 (39 % of all participants).



Source: KfW Research

**Box 1: Financial support for vocational continuing education**

The state supports the costs of individual work-related continuing education in different ways. The German Federal Employment Agency supports some 300,000 work-related continuing education measures each year, primarily for unemployed and lower-skilled workers. Workers with low to medium incomes are eligible for what is known as a Continuing Education Grant, which pays for half the individual continuing education expenses (up to EUR 500). In the year 2014 a good 30,000 workers requested this grant. Further training to become a master craftsman/technician can be supported by a funding scheme known as *Aufstiegs-BAföG*, a combination of a grant and an optional KfW loan extended to 160,000 to 170,000 applicants.

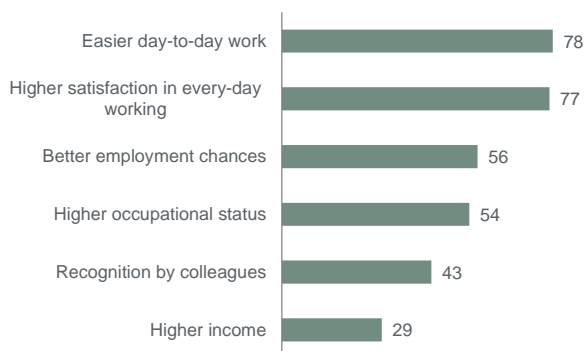
**Effects of continuing education**

Below we analyse three factors to determine in what ways investing in continuing education makes a significant contribution to adjusting and upgrading vocational qualifications: 1) participants' subjective assessment, 2) the time they spent on vocational continuing education, and 3) the question whether continuing education activities lead to a certified additional qualifications.

The participants' subjective assessment was generally positive. Looking back on their continuing education, nearly all of them saw a benefit while only 4% disagreed.<sup>5</sup> The main benefit related to their everyday working life, as more than three quarters found that their day-to-day work became easier and that they felt more satisfied (Figure 6). But more long-term career aspects also played a role. A good half of respondents each identified better chances of finding employment and a higher occupational status as benefits. Fewer of them saw higher income as an immediate benefit of continuing education (30%).

**Figure 6: Key benefit of continuing education: make day-to-day work easier**

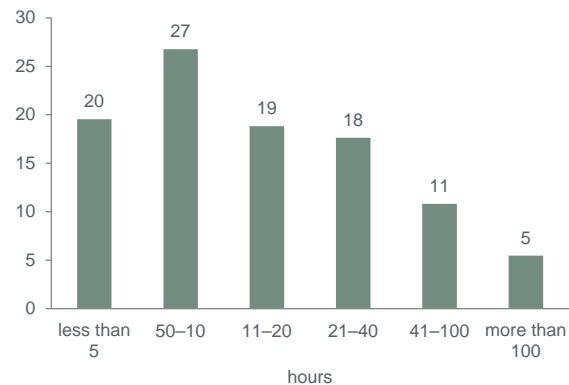
Subjective benefit of vocational continuing education reported by participants (in 2015) who referred to their continuing education activities as beneficial overall (96%). Multiple responses were possible. In per cent.



Source: KfW Research.

**Figure 7: Short continuing education events predominate**

Distribution of the duration of vocational continuing education events in 2014 in full hours (in per cent).



Source: Own calculations on the basis of the Adult Education Survey 2014.

Overall, the subjective assessments of benefits were congruent with the original motives for participating (see above).<sup>6</sup> When one of the reasons for undertaking continuing education was to be able to complete tasks more effectively, for example, often the result was higher satisfaction in everyday working life. When the aim was to improve the chances of finding employment, the benefit often consisted in career aspects (income, occupational status, job search). Both the motives and the realised benefit differed significantly by participants' age and gender. Employability, recognition, occupational status and income effects are particularly important for young workers. For the older ones the primary goal is to stay up-to-date, and they benefit more often from task simplification and satisfaction in everyday working life. Women also benefit more than average from higher job satisfaction while men benefit more often from career aspects such as higher positions and incomes.

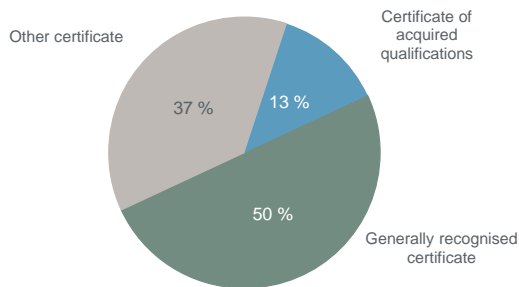
**One in two workers invest fewer than 20 hours a year**

An objective indicator of educational returns is the duration of an event and the total time a person invests in continuing education. Around half of all vocational continuing education events extend over not more than 10 hours of instruction, and one third involve 11 to 40 hours of instruction time. In only 16% of events does the time invested exceed a full-time workweek (Figure 7).<sup>7</sup> The time spent on in-house continuing education is typically shorter than individual activities. On average, workers spend 26 hours on in-house activities but 75 hours on individual activities.

Owing to the high proportion of short in-house continuing education events, the average event is only 36 hours long. Over a year, the average participant attends just under two events which extend over slightly more than 50 hours of instruction in total. However, these average values also include a low number of very extensive activities. The median time invested is therefore much lower, with half the participants spending less than 20 hours a year on continuing education.

**Figure 8: Continuing education rarely leads to qualifications**

Percentage of participants who acquired formal qualifications through continuing education in 2015. Multiple responses were possible.



Source: KfW Research.

**Generally recognised educational certificates are the exception**

Another indication of the content and benefit of continuing education is whether the participant has obtained a certificate of the qualification acquired. This tends to apply to more extensive and substantial continuing education activities. Besides, education certificates are valuable evidence of qualifications for the job market. A closer look at the subjective assessment of benefits shows this as well. Participants give events that provide formal certificates of achievement a particularly positive assessment.<sup>8</sup>

In 2015, 37% of participants in continuing education obtained no certificate documenting the qualifications acquired (Figure 8). And a high proportion of the 63% who obtained certificates of continuing education can provide merely evidence of attendance. This is particularly true of in-house continuing education events where certificates handed out are of value primarily within the company.

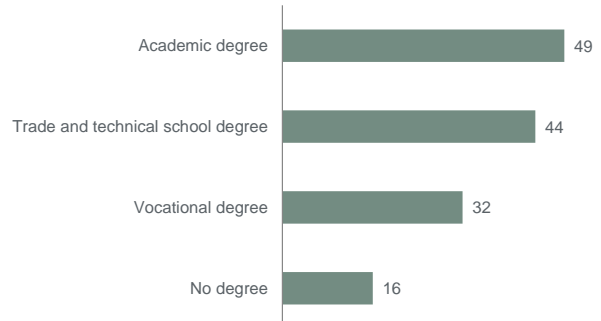
A minority of participants of continuing education acquire additional qualifications documented by a generally recognised certificate. These include examinations by chambers, certificates of adult education centres and work-related driving licenses. Particularly useful are state-recognised qualifications from retraining measures, upgrading training to become a master craftsman/technician or extra-occupational study courses because they usually upgrade formal qualifications substantially. Thirteen per cent of participants in continuing education (4% of the working-age population) attended events that lead to qualifications of this kind.

**Participation in continuing education is unequal – especially by prior attainment**

Another important characteristic of vocational continuing education in Germany is that participation is far from evenly distributed among the population and depends on various socio-economic factors. The one third of the population that undertook continuing education in 2015 is not a representative cross-section. The correlation between participation in

**Figure 9: The higher the qualification, the more continuing education**

Rate of participation in vocational continuing education in 2015 by highest level of prior attainment, working age population between 18 and 64 years. In per cent.



Source: KfW Research.

continuing education and prior educational attainment is particularly striking: the higher the qualification, the higher the participation in continuing education. The workforce can be roughly divided into three groups. Those with a tertiary qualification undertake continuing education more often than average. These include graduates as well as non-university trained workers with higher vocational degrees (master craftsmen, technicians). Nearly one in two of these already highly qualified workers (47%) undertook continuing education in 2015. Of those with medium-level qualifications, that is, with completed vocational training, 32% took part in continuing education. This exactly reflects the population average. Far below average, on the other hand, is the participation rate of low-skilled workers (without vocational training), at 16% (Figure 9).<sup>9,10</sup>

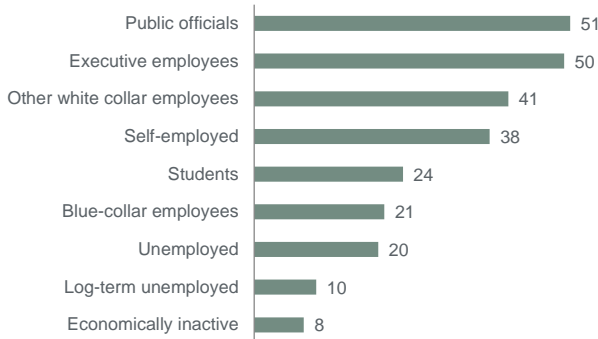
Unequal participation in continuing education as a function of prior attainment means that the field of continuing education on balance does not help to address skills deficiencies from prior learning. Rather, the educational gap becomes even wider over people's working lives. So-called informal learning does not counteract this problem either. This involves individual learning activities outside educational institutions and curricula, such as specialist literature, scientific television or radio programmes, learning from colleagues, or internet research. Informal learning is undertaken predominantly by people who also take part in institutionalised continuing education and thus has not yet proven to be a substitute.<sup>11</sup>

**Public servants and managers are most active, the unemployed come in last**

The link between participation in continuing education and prior attainment is associated with substantial differences in occupational status. Thus, one in two public officials and executive employees undertook vocational continuing education in 2015 – after all, these groups include an above-average share of highly qualified professionals. The participation rate was 41% among other employees, but much lower among blue-collar workers, at 20% (Figure 10).

**Figure 10: Those with a higher occupational status undertake more continuing education**

Rate of participation in vocational continuing education in 2015 by occupational status groups, working age population between 18 and 64 years. In per cent.



Source: KfW Research.

Despite the great importance of in-house continuing education, the participation rate of self-employed persons is just as high as that of employed persons overall, 38%. This demonstrates the above-average level of proactiveness among entrepreneurs in individual business-related continuing education. Unemployed persons participate at far below-average levels (20%), and long-term unemployed persons participate even less (10%). The continuing education activities offered by employment agencies do not offset lack of access to in-house activities.

**Continuing education is not a broad social phenomenon**

Workers who upgraded their skills in 2015 typically planned to do this in 2016 as well (82%). Conversely, non-participants rarely had such plans (24%).<sup>12</sup> Continuing education participation and planning were in alignment for 78% of the working-age population in the observed two-year period. This finding sheds further light on the general continuing education rate of 32%. Evidently, it is not the case that a different one third of the population participates in continuing education every year. Rather, the data indicate that one portion of the working age population undertakes continuing education periodically while another, larger portion generally does not. This portion comprises an above-average number of low-skilled and unemployed workers.

**Barriers to continuing education: underestimated need and lack of time**

Raising continuing education participation rates overall – and among hitherto underrepresented population groups in particular – is an explicit goal of education policy. An analysis of barriers to continuing education, that is, factors that prevent people from undertaking education activities, can show possible ways of bringing about such an expansion.<sup>13</sup> The very first barrier is that people potentially underestimate their own need for continuing education. In the Adult Education Survey, 44% of the working age population reported a lack of need as the reason for not or no longer participating in vocational continuing education in 2012.<sup>14</sup> This does not necessarily challenge the view that lifelong learning is generally important. After all, the statement on the need for

continuing education referred to a single year, not to the entire working life. Still, it is a familiar phenomenon that general (and socially desirable) views do not always lead to corresponding action.<sup>15</sup>

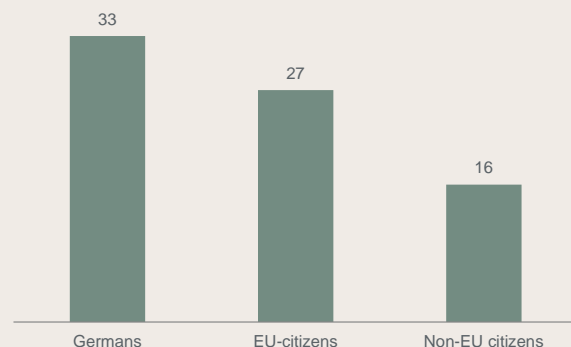
Another barrier is lack of time, with one fifth of the working-age population citing family or work obligations as barriers. Work-related constraints are also associated with lack of support by the employer, deployed by 18% of salaried workers. Aversion to learning and anxiety were also reported, usually preventing affected persons from pursuing continuing education altogether.<sup>16</sup>

**Box 2: Non-Germans have a below-average continuing education rate**

The continuing education rate of non-Germans is 22%, significantly lower than that of the German population (34%). This is particularly true of non-EU citizens (see figure). The differences between Germans and non-Germans (and between the various nationalities) can largely be explained by the level of qualifications and occupational status. Thus, the share of low-skilled workers in the non-German population is higher and tertiary qualifications are less common, at least among non-EU citizens. In addition, non-Germans have a higher unemployment rate, there are fewer public servants and employees among them, and more blue-collar workers. However, even regression analyses that control for education levels and occupational status reveal nationality-related differences. This indicates disadvantages for non-Germans with regard to access, information and/or motivation for continuing education. Among the various dimensions of social integration, language deficits are likely to be the main barrier.<sup>17</sup>

**Figure: Fewer non-Germans undertake continuing education**

Rate of participation in vocational continuing education in 2015 by nationality, working age population between 18 and 64 years. In per cent.



Source: KfW Research.

**Supply constraints: high costs, insufficient information**

In addition to these factors which limit individual demand for continuing education, constraints also exist on the supply side. One tenth of the population complained that no suitable events were being offered. Access to education providers also proved to be a problem, at least in rural areas.<sup>18</sup>

The strongest constraint on the supply side, however, is financial. High costs prevent a total of 14% from undertaking (more) continuing education, and this is particularly true of low-income households.<sup>19</sup> Costs are in fact the most common constraint reported by those who originally intended to participate in continuing education but ultimately abstained (48%). (Box 2 provides an overview of funding available for continuing education.)

Moreover, only 61% of the working-age population reported having a good overview of their own continuing education opportunities. The heterogeneity of the continuing education landscape makes it difficult to navigate through continuing education offers, which is why 28% would like to have more information and guidance. One fifth of non-participants cited lack of guidance as a barrier.<sup>20</sup>

### **Conclusion: imbalances in vocational continuing education**

A current survey by KfW Research shows that one third of the working age population in Germany participated in vocational continuing education activities in 2015. However, this participation rate masks worrying imbalances. First, the continuing education intensity varies significantly. Many participants invest only few hours, and substantial continuing education activities that lead to a generally recognised qualification tend to be rare. One barrier is inadequate permeability from vocational to academic education, which is still in need of improvement. Although access to tertiary education via the “third educational pathway” has been improved in the past years, it is still being used relatively little.<sup>21</sup>

Second, vocational continuing education is not a broad social phenomenon that involves all groups of the population equally. Prior educational attainment plays a particularly

important role – the higher a person’s existing qualifications, the more actively they participate in continuing education. Graduates and master craftsmen undertake education often and regularly, whereas this is the exception for workers with lower qualifications – despite the obvious need. They fail to make up for skills deficiencies from prior learning, so the educational gap tends to widen even more in the course of their working life.

In order to make vocational continuing education more widespread, barriers that prevent people from participating have to be removed. These include lack of time and high costs. It is particularly the extensive activities leading to valuable educational certificates that often involve high personal costs. This highlights the importance of funding schemes, ranging from support for the acquisition of basic qualifications as an integral part of active labour market policy to promoting continuing education. Time constraints are often attributed to childcare (and therefore especially common among women). In the years ahead, a key political task will be the further expansion of daycare for children under three and schoolchildren, not just for the purpose of reducing barriers to continuing education, but in a broader context to increase labour market participation. ■

### **Database: representative population survey by KfW Research**

The statistic evaluations made in this article are based on a survey of around 5,200 working-age persons using computer-assisted telephone interviews. The random sample and results are representative of the 18 to 64-year-old population residing in Germany. A detailed documentation of the database is contained in the Appendix of Tables and Methods to the KfW Start-up Monitor 2016, in which the survey on continuing education was included.

<sup>1</sup>This is an extrapolated figure based on the representative survey of workers in the KfW Start-up Monitor: 15.84 million of 50.1 million workers aged 18 to 64 years with a 95% confidence interval of 15.2 to 16.5 million.

<sup>2</sup> The heterogeneity of the continuing education sector is associated with typical semi-professionalism. The proportion of part-time workers and workers on temporary employment contracts is very high among the approx. 700,000 workers in this sector and their income level is relatively low. Although many of the workers are graduates, few of them are qualified educators. The high degree of heterogeneity of continuing education in Germany is regarded as a strength because it enables a decentralised and flexible response to changing educational needs. On the other hand, it is precisely the semi-professionalism in regard to teaching quality that is sometimes viewed critically. Cf. Authoring Group Educational Reporting (2016), Education in Germany 2014, p. 151 ff. (full report in German only).

<sup>3</sup> Some 80% of continuing education activities are in-house (source: Bilger, F. and A. Strauß (2015), Weiterbildungsverhalten in Deutschland, Ergebnisse des Adult Education Survey (Continuing education behaviour in Germany, results of the Adult Education Survey), Federal Ministry of Education and Research (ed.), p. 4). Since co-payments for in-house measures by participants are the exception in Germany, around three quarters of in-house continuing education events were fully financed by the employer in 2013. Cf. Bilger, F. et al. (2013), Weiterbildungsverhalten in Deutschland 2012, Resultate des Adult Education Survey (Continuing education behaviour in Germany 2012, results of the Adult Education Survey), German Institute for Adult Education, p.144.

<sup>4</sup> The personal costs of continuing education for self-employed persons are also higher at EUR 750 per year on average (as opposed to EUR 500 overall).

<sup>5</sup> When participants derive no benefit from continuing education, in most cases it is because they regard the event as unnecessary as the contents were already known and/or too easy.

<sup>6</sup> This is likely due in part to the subsequent and simultaneous survey of both aspects.

<sup>7</sup> Source: Own calculations on the basis of Bilger, F. and A. Strauß (2015), Weiterbildungsverhalten in Deutschland, Ergebnisse des Adult Education Survey (Continuing education behaviour in Germany, results of the Adult Education Survey), Federal Ministry of Education and Research (ed.), p. 41 ff. The survey counted only course lessons and not the (unknown) time invested in preparing and processing the content.

<sup>8</sup>Cf. Bilger, F. et al. (2013), Weiterbildungsverhalten in Deutschland 2012, Resultate des Adult Education Survey (Continuing education behaviour in Germany 2012, results of the Adult Education Survey), German Institute for Adult Education, p.196 (in German).

<sup>9</sup> Some data sources allow the conclusion that the participation of low-skilled workers in continuing education has risen of late – although especially in the context of short in-house events. This is likely due to the good job market situation. The high employment level also means that low-skilled workers are not so often unemployed anymore – and therefore have access to vocational continuing education. Cf. Authoring Group Educational Reporting (2016), p. 145 f., p. 159.

<sup>10</sup> It is not only the formal educational level that correlates positively with the continuing education participation rate. A clear correlation is also evident with respect to the actual basic skills measured by international comparative studies. Thus, the likelihood of adults with good literacy and numeracy skills undertaking continuing education is roughly twice as high as for adults with low skill levels (cf. OECD (2016), Education at a Glance 2016, page 463). A causality can be demonstrated between prior educational attainment and continuing education (cf. Kramer, A. and M. Tamm, 2016, Does learning beget learning throughout adulthood? Evidence from Employees' Training Participation, Ruhr Economic Papers No. 618).

<sup>11</sup>Cf. Authoring Group Educational Reporting (2016), p. 148 f.

<sup>12</sup> At the time of the survey, 42% of the working-age population was planning to take part in continuing education in 2016. That was 10 percentage points more than the participation rate in 2015. However, the difference between last year's participation and planned participation is no indicator of rising participation rates but above all an expression of the fact that not every plan is put into practice. In addition, the planning rate is likely to be overreported owing to the phenomenon of "socially desirable" responses.

<sup>13</sup> The gap between planning and participation referred to above already allows general conclusions to be drawn about the magnitude of the barriers to continuing education for various population groups. Thus, the difference is particularly large for unemployed persons, whose participation rate of 20% contrasts with a planning rate of 56%. Their barriers to continuing education appear to be particularly high, not least on the supply side. What is also striking is that planning and participation are around 20 percentage points apart for parents, and as much as 30 for single parents. This illustrates lack of time owing to family obligations.

<sup>14</sup> Among non-participants the rate was 58%. The statistics referred to in this section were taken from Bilger, F. et al. (2013), Weiterbildungsverhalten in Deutschland 2012, Resultate des Adult Education Survey (Continuing education behaviour in Germany 2012, results of the Adult Education Survey), German Institute for Adult Education, p. 212 ff.

<sup>15</sup> Although the need for continuing education should tend to be higher for persons with a lower level of education, the barrier "lack of need" shows an inverted picture. In 2012, 57% of the working-age population with not more than a basic school-leaving certificate believed they required no vocational continuing education, but only 32% of those with higher education entrance qualifications held the same view. The difference between acquisition (or rendition) of a societal consensus and its application to a person's own need for continuing education is obviously very big here.

<sup>16</sup> Seventeen per cent of non-participants reported that they no longer wanted to learn like they did in school, and 12% were afraid they would fail to meet the demands (cf. Bilger, F. et al. (2013), Weiterbildungsverhalten in Deutschland 2012, Resultate des Adult Education Survey (Continuing education behaviour in Germany 2012, results of the Adult Education Survey), German Institute for Adult Education, p.212 ff.). As fear of failure is a delicate topic, survey data probably even underestimate this barrier.

<sup>17</sup> Cf. Öztürk, H. (2012), Soziokulturelle Determinanten der beruflichen Weiterbildungsbeteiligung von Erwachsenen mit Migrationshintergrund in Deutschland – Eine empirische Analyse mit den Daten des SOEP (Socio-cultural Determinants of Participation of Adult Migrant Workers in Germany – an Empirical Analysis based on data of the SOEP), Report. Zeitschrift für Weiterbildungsforschung, 35 (4), p. 21–32 (full report in German only).

<sup>18</sup> Only 4% of the overall working-age population deplored this, but 10% in municipalities with fewer than 20,000 inhabitants; Cf. Bilger, F. et al. (2013), Weiterbildungsverhalten in Deutschland 2012, Resultate des Adult Education Survey (Continuing education behaviour in Germany 2012, results of the Adult Education Survey), German Institute for Adult Education, p.222.

<sup>19</sup> High costs were reported by 31% of all respondents, but by only 10% of persons in employment.

<sup>20</sup>The Federal Ministry of Education and Research (BMBF) began to trial telephone-based continuing education counselling on 1 January 2015.

<sup>21</sup> Upgrading training qualifications (referred to as "Aufstiegsfortbildungsabschluss") have been recognised as a general higher education entrance qualification since 2009. Graduates with medium-level vocational qualifications may acquire subject-specific university entrance qualifications if they have sufficient work experience and pass the admission examination. However, the inconsistent recognition of work achievements is a practical barrier to permeability.