Motor Industry Chief Calls For 70% Pay Increase For Apprentices

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he leader of the motor industry professional body, IMI, is calling on employers to consider increasing the starting salary for apprentices by more than 70% to compete with academic career paths.

Steve Nash, CEO of the Institute of the Motor Industry, will explain that return on investment research demonstrates that most companies could increase starting salaries from the legal minimum set by Government of £2.73 to £4.73 per hour without loss of profitability. Set to address senior business figures at the IMI Annual dinner in Central London on 12th March, Steve Nash explains the changing landscape in academic and vocational education means the motor industry will need to place a premium on its apprenticeships if it is to succeed in attracting the best young talent.

Steve Nash said, "The industry is telling us it struggles to attract the highest quality school leavers into training to help overcome the technological challenges it faces over the next decade. This demand cannot be met while the industry continues to pay apprentices the legal minimum of £2.73 per hour across the board."

"The education system is now totally geared up to keep young people in school until they're 18 and push them toward university. Meanwhile, young people no longer have access to careers advisors who might send them down a vocational route, since the service was re-organised in 2012. This puts industry at a disadvantage.

"The pool of available young people to go into apprenticeships is set to shrink dramatically despite the election promises we've heard from all the parties. Industry must take action independently."

To offset arguments against raising pay on economic grounds, the IMI has produced evidence to show the motor industry can easily cope with a £2 per hour uplift in the starting salary for apprentices.

Using an econometric model developed by Dr Paul Spear, in a government funded study, the IMI calculates the return on employer investment from a well recruited and productive apprentice, with a starting salary of £4.73, will still be on average 130% on sold hours alone*.

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* try the apprentice calculator here http://www.theimi.org.uk/calculator

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About IMI

IMI is the professional association for individuals working in the motor industry, and the authoritative voice of the sector.

IMI is transforming the automotive industry by setting, upholding and promoting professional standards - driving skills acquisition, establishing clearer career paths, and boosting public confidence. IMI's online Professional Register is here to make sure consumers are in skilled, competent and trustworthy hands.

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