

A million skilled EU workers see their future outside Britain

Most professionals with PhDs are planning to leave because of Brexit.

Almost a million EU citizens working in Britain – many of them young, highly qualified and much sought-after by businesses – are either planning to leave the country or have already made up their minds to go as a result of Brexit, a study has found.

A survey of 2,000 EU workers in Britain by KPMG, the professional services firm, found that 55% of those with PhDs and 49% of those with postgraduate degrees were either planning to go or were actively considering it.

Based on its overall findings, KPMG estimated that a group equivalent to 3.1% of the national workforce – about a million people – now see their future in Britain as over or hanging in the balance. The main reasons given were that they felt “less welcome and valued” post-Brexit, that the UK “is no longer the place that attracted them” and that they are “pro-European and disagree with Brexit”.

KPMG’s study, to be published this week, also surveyed 1,000 people in the 10 EU countries judged as most likely to supply labour to the UK. Although it found that Britain remained in the top five most desirable EU countries (behind Germany and Sweden but ahead of Denmark and the Netherlands) in which to work, 49% of those questioned said they felt it was now less desirable than before the referendum in June last year.

The findings will reinforce fears of a substantial brain drain and suggests that the loss of talent will hit important sectors such as IT particularly hard. KPMG describes those most likely to leave as “the independent, in-demand, educated and young”.

The problem is particularly serious for companies that have relied on young talent, especially at higher-income levels in sectors such as engineering, construction, property, business services, law and IT – 53% of people working in IT said they would leave or were considering doing so. The higher the income bracket the higher the proportion of those thinking of leaving. While 33% of those earning £15,000 to £20,000 were reassessing their future in the UK, 77% of those earning above £200,000 were doing so, KPMG found.

The report comes amid mounting evidence of a fall-off in the number of EU students applying to British universities. Last week there was also a furious argument within government over whether overseas students should continue to be included in immigration statistics after official figures showed the vast majority returned home after graduating. This contradicted Theresa May’s long-standing assertion that huge numbers stay on even after their visas have expired.

Karen Briggs, head of Brexit at KPMG, said employers would have to work harder to retain key staff from other EU countries and warned that competition from overseas would intensify. “Although almost half of the EU citizens working in the UK plan to stay, what other EU citizens choose to do is definitely hanging in the balance,” she said. “Against this backdrop we expect to see increased competition for talent between employers, and numerous firms seeking to supplement their workforce with AI [artificial intelligence], robotics and automation.”

Briggs added: “Our survey reveals a serious situation for employers relying on EU staff, particularly those who employ independent, in-demand, educated and younger workers. Too few employers are doing enough to support their EU employees and that means the UK is vulnerable to losing IT professionals, creative minds, engineers and specialist finance professionals.

“Compounding this issue we’re seeing a fall in applications from EU citizens to UK universities. This could create a high-end talent pipeline problem and a shortage of chemists, linguists, and other professionals. At the very top end of the graduate market, those who are most sought-after, and thus most highly rewarded, will be the biggest issue for employers.”

In June, the government tried to reassure EU citizens about their future in the UK with what it described as a “big and generous” offer. It set out how they could achieve “settled status” after the UK leaves the EU. But KPMG found that it has left EU workers divided. Some 53% said it had made “no difference” to their views on whether they would leave or stay, while the rest were split between those who said it would make them more likely to leave, and those who said the reverse.