The Ripple Effect
How essential digital skills create social value and improve lives

This report is the first of its kind exploration into the relationship between essential digital skills and social value. It delves into the positive changes that come from an individual improving their digital skills and the social value this generates.

Using best practice techniques, and developed with support from the Department for Science, Innovation and Technology, this research uncovers a web of positive outcomes and brings this to life through stories of real people in six typical archetypes. It also presents emerging analysis on the financial implications of this social value.

The digital skills ripple effect

When an individual has the essential digital skills, their digital capability and confidence creates a ripple effect of positive change in their life and the lives of those around them.

Setting out this ripple effect brings new structure to our understanding of the social value created by digital capability building in working age adults.

The positive impacts of essential digital skills

Digital skills create a web of outcomes and social value. The myriad changes that occur in people's lives can be grouped under three types of positive impact.

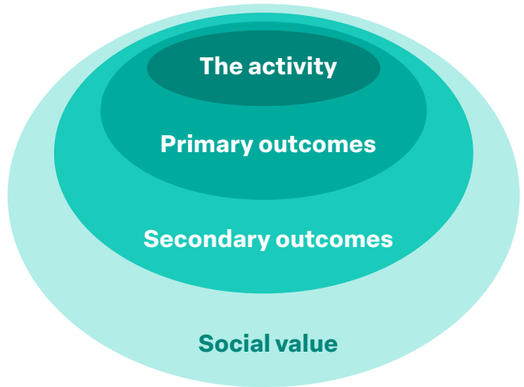
- Improved communication
- Greater choice
- Enhanced contribution

It is this impact that drives the range of social value outcomes set out in this report.

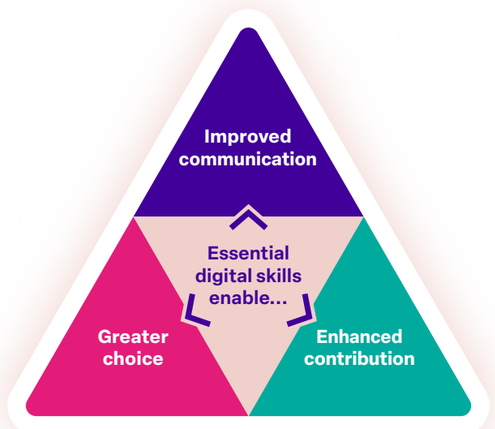
Digital skills create social value

The positive changes that occur when people build their digital skills ultimately create social value. While the sentiment of social value is often well understood, there are several definitions.

In this report we define social value as 'the benefit of improved wellbeing, arising for individuals, families, organisations, and communities, identifiable in the form of outcomes - changes in their lives or situations.' It may be measured financially, or using other metrics'.



The Digital Skills Ripple



The Positive Impact Triangle

Social value in detail

Best practice research techniques have uncovered ten categories of social value and six beneficiary groups.

Social value at work

- Enhanced productivity and profit for employer
- Enhanced flexibility and resilience in the workforce
- People have more sustainable careers and are better off
- Staff happier in role and healthier

Social value at home and in the community

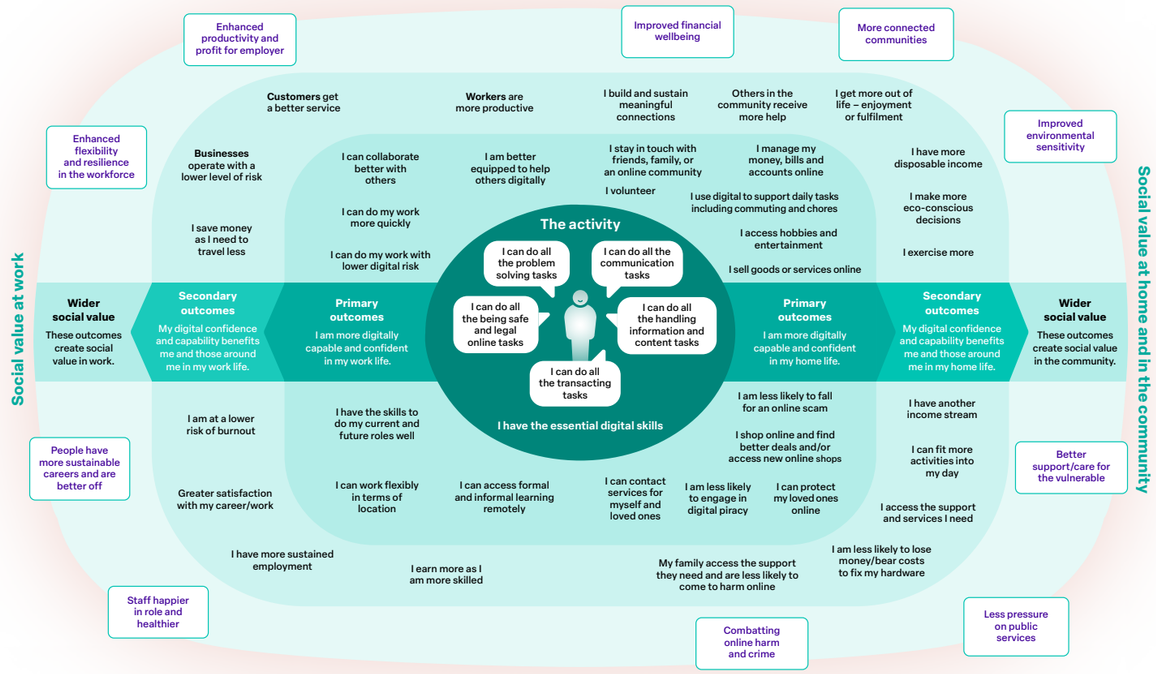
- Improved financial wellbeing
- More connected communities
- Improved environmental sensitivity
- Better support/care for the vulnerable
- Less pressure on public services
- Combatting online harm and crime

Six beneficiary groups

- People of working age
- Employers
- Loved ones
- Communities
- Public services
- The environment

The Digital Skills Social Values Outcomes Framework

The positive changes and the social value created by an individual with essential digital skills are highly interconnected. It is not a linear relationship, rather there is a web of interconnected outcomes. The Digital Skills Outcomes Framework brings this together in a systematic way (see pages 16-17).



Why this matters

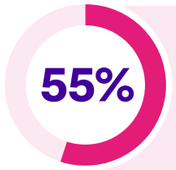
Individuals with essential digital skills are benefitting financially and more broadly in their daily lives through:

- New pathways into employment and longer, more sustainable working lives
- Improved health and wellbeing outcomes, reducing pressure on public services
- Stronger financial resilience and protection against online scams and fraud
- Enhanced productivity and economic participation, boosting UK growth.

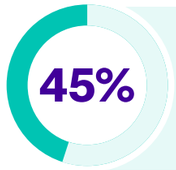
The archetype analysis shows that people using their digital skills most actively are generating £12,000 in annual benefits in addition to their earnings. Much of this benefit goes to the individual, but significant value flows to wider beneficiary groups too.

In contrast, individuals without these skills face missed opportunities, higher costs and poorer outcomes. They are losing out, and so is society. For those with lower digital skills and confidence, the most significant opportunity to come from building their digital skills would be securing and/or sustaining employment for longer, increasing income and pension contributions over their lifetime.

Today 22.4 million working-age adults (55%) do not have the full set of essential digital skills for work, this includes 1 in 2 young people entering the workforce, 1 in 3 workers earning over £75k and 1 in 4 people working in the tech sector. These basic skills include communicating, transacting, problem solving, handling information and content and being safe and legal online.



55% **of the workforce are missing out on at least some social value.**



45% **of the working age population have unlocked significant social value available to them and those around them.**

Compelling economic impact and social value

Economic gains for the UK

- Annual £23bn boost to UK productivity
- £10bn of additional income potential in the workforce
- An £8.5bn profitability increase in UK industry

Social value in the workplace

- Enhanced flexibility and resilience in the workforce
- More sustainable careers and people are better off
- Staff are happier in role and healthier

FutureDotNow can help

FutureDotNow is on a mission, in partnership with business and government, to close the workforce digital skills gap. We're working to ensure adults are equipped with the core digital capability and confidence needed to thrive in work today and our tech powered future.

FutureDotNow is bringing specificity to what that means. Being clear about the core digital capabilities working age adults need whatever sector or role they might work in now or in the future. Working with business and government to surface and solve systemic issues. And providing scalable solutions that every organisation can use.

We're also custodians of the Workforce Digital Skills Charter – a shared statement of ambition signed by over 200 leading organisations. Find out more about our work and how we can help you at www.futuredotnow.uk.

Recommendations

This report provides practical recommendations for policymakers, corporate leaders, government tender respondents, and industry bodies to prioritise social value investment and action on the essential digital skills development of working-age adults.

Target audience	Recommendations
Policy Makers	1. **Embed digital skills in procurement:** Embed essential digital skill building of working-age adults as an explicit social value criterion in all major public procurement, referencing the Public Services (Social Value) Act 2012[3] and Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts[4]. 2. **Mandate outcome reporting:** Require transparent reporting on digital skills outcomes in contract performance notices, as outlined in National Procurement Policy Statement[5]. 3. **Raise awareness:** Equip procurement teams with latest evidence of the social value of digital upskilling and its impact.
Procurement teams	4. **Standardise impact metrics:** Collaborate with industry and public sector partners to co-design standard metrics for measuring social value from digital skills initiatives. 5. **Enhance evaluation and delivery:** Invest in improving the commissioning and evaluation processes for social value activities, ensuring flexibility for SMEs and the identification of place-based interventions.
Industry	6. **Align strategy and action:** Integrate digital upskilling of working-age adults into ESG and corporate responsibility strategies, using the Essential Digital Skills Framework[1] to design and evidence digital skills initiatives, and show commitment by signing the government-endorsed Workforce Digital Skills Charter[6]. 7. **Set and report targets:** Establish measurable targets for workforce digital capability and report progress in annual ESG disclosure. The Lloyds Bank Consumer Digital Index[7] provides some baseline data. 8. **Support systemic change:** Partner with credible digital skills delivery organisations and support existing programmes to scale further and faster. Direct investment towards systematic, cross-sector digital skills programmes rather than one-off projects. Ensure senior sponsorship and accountability. 9. **Demonstrate value in government tenders:** Include digital upskilling of working-age adults as an impactful, scalable social value contribution in tender responses.
Industry bodies	10. **Champion and convene:** Raise sector-wide awareness of the social value opportunity. Insights from the Lloyds Bank Consumer Digital Index[7] and FutureDotNow can help. Convene cross-sector forums and advocate for digital upskilling in social value strategies. 11. **Support and signpost:** Help members access resources and partnerships that enable effective digital inclusion and upskilling programmes, including scaling adoption of the Essential Digital Skills Framework[1] and the government-endorsed Workforce Digital Skills Charter[6].
Individuals	12. **Use the Essential Digital Skills Framework[1]:** Review the skills and identify any gaps you might have. Ask your employer or local authority about the training options available to help you upskill.

You can find the full Ripple Effect report at **www.futuredotnow.uk/social-value**

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The Digital Skills Social Value Outcomes Framework

Social value at work

Social value at home and in the community

Enhanced productivity and profit for employer

Improved financial wellbeing

More connected communities

Improved environmental sensitivity

Enhanced flexibility and resilience in the workforce

Customers get a better service

Workers are more productive

I build and sustain meaningful connections

Others in the community receive more help

I get more out of life – enjoyment or fulfilment

Businesses operate with a lower level of risk

I can collaborate better with others

I am better equipped to help others digitally

I stay in touch with friends, family, or an online community

I manage my money, bills and accounts online

I have more disposable income

I volunteer

I use digital to support daily tasks including commuting and chores

I make more eco-conscious decisions

I save money as I need to travel less

I can do my work more quickly

I can do my work with lower digital risk

I access hobbies and entertainment

I exercise more

I sell goods or services online

Wider social value

These outcomes create social value in work.

Secondary outcomes

My digital confidence and capability benefits me and those around me in my work life.

Primary outcomes

I am more digitally capable and confident in my work life.

The activity

I can do all the problem solving tasks

I can do all the communication tasks

I can do all the being safe and legal online tasks

I can do all the handling information and content tasks

I can do all the transacting tasks

I have the essential digital skills

Primary outcomes

I am more digitally capable and confident in my home life.

Secondary outcomes

My digital confidence and capability benefits me and those around me in my home life.

Wider social value

These outcomes create social value in the community.

I am at a lower risk of burnout

I have the skills to do my current and future roles well

I am less likely to fall for an online scam

I have another income stream

People have more sustainable careers and are better off

I shop online and find better deals and/or access new online shops

I can fit more activities into my day

Better support/care for the vulnerable

Greater satisfaction with my career/work

I can work flexibly in terms of location

I can access formal and informal learning remotely

I can contact services for myself and loved ones

I am less likely to engage in digital piracy

I can protect my loved ones online

I access the support and services I need

I have more sustained employment

I earn more as I am more skilled

My family access the support they need and are less likely to come to harm online

I am less likely to lose money/bear costs to fix my hardware

Staff happier in role and healthier

Combatting online harm and crime

Less pressure on public services

Read the full report, 'The Digital Skills Ripple: How essential digital skills create social value and improve lives', at **www.futuredotnow.uk/social-value**.