



ANNUAL UK DRIVING INSTRUCTOR REVIEW 2020

Introduction and Summary

At FBTC we've been providing Accountancy Services to UK Driving Instructors for over 20 years and in that time, we've witnessed an enormous amount of change within the industry. We saw a need for independent and authoritative analysis and comment on the health of the UK Driver Training sector and a few years ago we launched the FBTC Annual UK Driving Instructor Review.

As the UK's leading provider of Accountancy Services to the Driver Training Industry, FBTC is in a unique position to be able to provide such insight. As FBTC client confidentiality is paramount, we gather information for this report by surveying a random sample of Independent and Franchised Instructors from across the UK.

This year's study provides further insight into Driving Instructors' workload, earnings and level of job satisfaction in what is clearly a dynamic and evolving marketplace.

A smarter working week

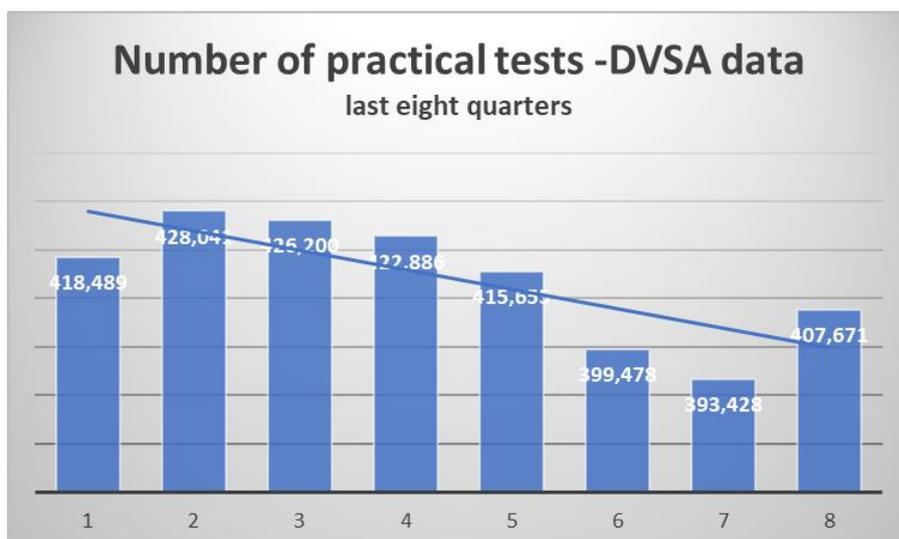
This year's report shows the rising gross earnings has levelled off, and at £762 per week is only marginally higher than last year. But behind this headline, we can see that Instructors have increased their hourly rate ahead of inflation but are working fewer hours.

- **The average hourly rate has increased by 3.8%**
- **The average working week has decreased by 3.2%**

What's driving the reduction in hours worked?

We are assuming that the shorter working week is not a lifestyle choice but is instead caused by fewer Learners in the market.

This is supported by DVSA's most recent data which shows a 4.7% fall in the number of practical driving tests compared to the previous 12 months.



2020 vision

Job satisfaction right across the industry remains at very high levels but Instructors are more uncertain about the future, with just 41% of Instructors believing that their earnings will increase over the next 12 months.

Alan Gott
General Manager
FBTC Accountancy Services

Methodology

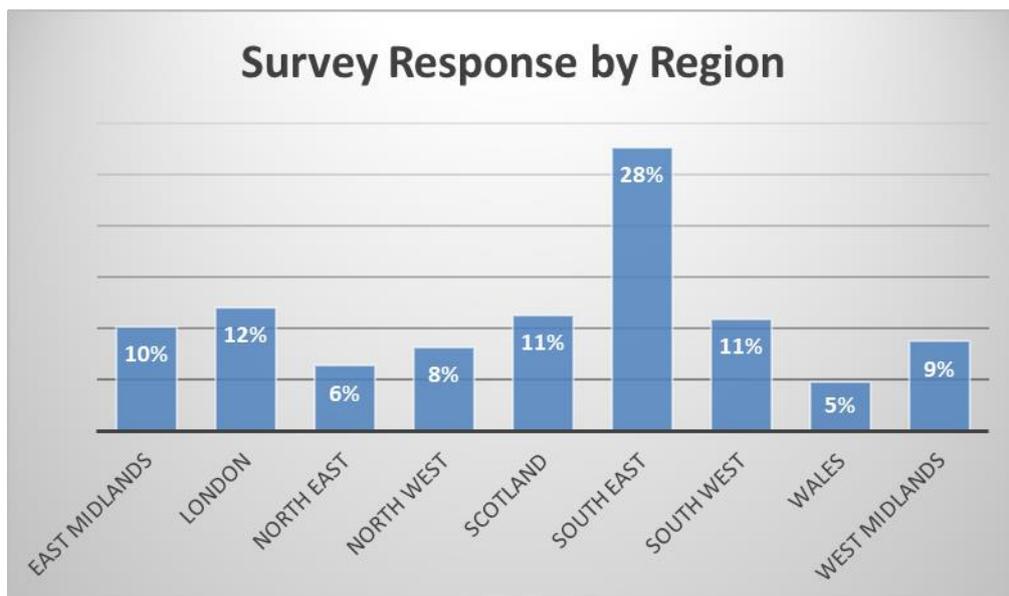
In November 2019 a questionnaire was emailed to FBTC members and was also distributed through Intelligent Instructor, Marmalade Network and the Driving Instructor trade body, ADINJC.

562 responses were analysed, which is in line with previous years' returns and which gives a robust and reliable data sample.

As with previous years, questionnaire completion was skewed towards; male, franchised and southern based Instructors. See below. Survey returns from Northern Ireland are not sufficient for inclusion within this analysis.

Male 74%
Female 26%

Independent 44%
Franchised 56%



On average, respondents have worked in the industry for eight years.

Key Findings

Hourly Rate

Instructors were asked to specify their average hourly income-after deducting the cost of any offers or discounts, this gives a net hourly rate.

UK Driving Instructors are attaining an average net hourly rate of £27.60 which represents an increase of £1.01 per hour and 3.8% more than last year.

This 3.8% increase in the hourly rate is above inflation but has slowed down from the 5.1% increase that we saw in last year's study. In the five years that FBTC has conducted this research, the UK national average hourly rate has increased by £4.46 per hour which represents a rise of 19%.

There is no difference between the hourly rate of female and male Instructors.

There is now a £4.01 per hour regional variation across the UK. The highest lessons prices are in London, the South and Scotland and the lesson prices trail in Wales and the North of England.



Hours Worked

We continue to see a gradual decline in the length of the Instructors' working week which now averages below 28 hours - some two and a half hours less than five years ago. This figure represents "all paid-for driver tuition" and includes, where relevant; fleet, advanced and Instructor training.



This shorter working week is evidenced amongst Franchised, Independent, female and male Instructors. We are assuming that the shorter working week is not a lifestyle choice but is instead an indicator of fewer students in the marketplace.

Gross Weekly Income

UK Driving Instructors are earning an average of £761.94 per week which represents a slight increase over the previous year despite the decrease in the number of hours worked. This is a gross figure achieved by multiplying hours worked by hourly rate.



If these figures are applied to a 50-week working year we can report that the top 18.3% of Instructors are achieving a gross annual income of £50,000 or more, and the top 41.6% are grossing £40,000 or more.

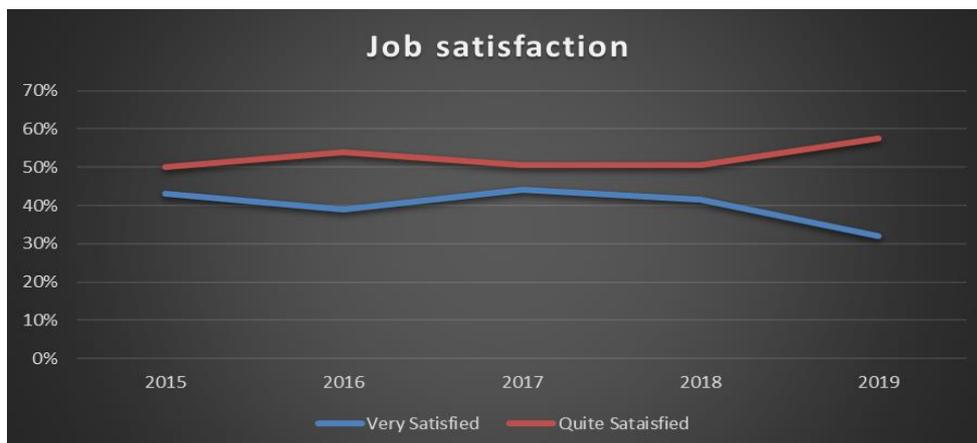
View on future earnings

Levels of optimism continue to decline but 41% of Instructors still expect their earnings to increase over the next 12 months.



Job Satisfaction

89.6% of Driving Instructors are “satisfied” with their job. This is a very high level of satisfaction, but we can see a significant decline in the those who are “Very Satisfied” (32% versus with 41.5% last year).



For further information contact

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About FBTC

Established over 20 years ago, FBTC is a specialist accountancy service for Driving Instructors and the self-employed. Covering the whole of the UK, FBTC provides service to more than 2,200 clients.

The FBTC service is totally comprehensive and includes:

- Self-employment registration
- Compilation of annual accounts
- Annual tax return
- Free bookkeeping software in advance of HMRC's Making Tax Digital
- All communications with HM Revenue & Customs
- Tax and accountancy advice
- Income projections and professional references

All for an affordable monthly fee.

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