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## Executive summary

This report provides updated data and analysis on London's creative industries, drawing on a variety of sources to assess performance trends over the past decade. It also reviews the workforce and business characteristics for this sector in London and addresses both present skills gaps and future requirements.

**Figure 1: Report structure and topics covered**



## Creative industries performance: 2019-present

- The Department for Digital, Culture, Media and Sport (DCMS) defines the creative industries as those originating from “individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. This covers activities like film and TV, IT services, advertising, music and performing arts, and more. The analysis in this report focuses on the creative industries.<sup>1</sup>
- The creative economy, a broader concept, includes people working in creative occupations within the creative industries, people employed in creative occupation but within another industry and people working within non-creative occupations in creative industries.
- Together, the creative industries play an increasingly significant role in London's economy. Pre-COVID-19, in 2019, they accounted for 11.5% (£55.0bn) of the capital's gross value added (GVA), up from 10.2% in 2010.<sup>2</sup> Additionally, London contributed over half of the UK's creative industries economic output.
- From 2019 to 2020, the real GVA of London's creative industries fell by 6.0% to £51.7bn. This was lower than the decline in London's overall economic output (-10.6%) but greater than the contraction in the UK's creative industries (-4.9%).
- The economic impact of the pandemic varied among sub-sectors:

<sup>1</sup> See Definitions for more details on the differences between the creative industries and creative economy.

<sup>2</sup> Data for GVA is in chained volume measures (adjusted for inflation).

- Nationally, the music and performing arts sub-sector was hit hardest, with a real GVA drop of 63.6% in the initial months of the pandemic.<sup>3</sup> The IT, software and computer services sub-sector was less impacted, with a decrease of only 4.5%.
- In London, only the advertising and marketing and IT, software and computer services sub-sectors saw increases in real GVA between 2019 and 2020. Most other sub-sectors experienced significant declines, particularly museums, galleries and libraries, design, and music, performing and visual arts.
- Monthly GVA data suggests that post-pandemic recovery across the UK's creative industries has been robust. Most sub-sectors recorded growth higher than the industry average from February 2020 to June 2023, most notably for crafts, publishing, IT, software and computer services, museums, galleries and libraries and music, performing and visual arts. However, economic output in design was yet to recover.

## Characteristics of the workforce and earnings

- The creative industries support job creation in London. There were 795,500 jobs in the creative industries in 2021, accounting for one in seven (14.7%) jobs in the capital, up from 10.7% in 2010.<sup>4</sup> Despite the pandemic, creative industries employment has increased over recent years, although there is uncertainty around estimates for 2022.
- Not everyone working in creative roles are in the creative industries. Using a broader definition, one in five jobs (21.1%) in London were held by people employed in the 'creative economy' in 2021, up from 16.9% in 2016. This includes everyone working in the creative industries, as well as those working in creative occupations in other sectors.
- London's creative industries workforce is highly qualified, with four in five job holders holding a degree or equivalent qualification in 2021 (compared to three in five across London's economy). However, the sector also offers job opportunities for individuals with qualifications at other levels.<sup>5</sup>
- The creative industries, especially music, performing and visual arts, and design, have a high rate of self-employment.<sup>6</sup> In 2021, over a quarter of all creative industries jobs in London were held by self-employed workers, nearly twice the rate seen in non-creative sectors.<sup>7</sup> However, the growth in self-employment has slowed in recent years and decreased following the pandemic.
- Between 2016 and 2019, median weekly gross pay in London's creative industries was increasing in nominal terms (not adjusted for inflation). However, from 2019 to 2020, there was a drop in employee earnings in the creative industries in both London and across the UK. At the same time, overall earnings in London increased, and UK-wide earnings remained constant.
- Despite these fluctuations, median weekly pay for employees in the sector (£786) remained higher than the London average (£700) in 2022. However, there was significant variation across sub-sectors within the capital – from a low of £366 a week in crafts and £556 in museums, galleries and libraries, to a high of £958 in IT, software and computer services.<sup>8</sup>

<sup>3</sup> Data for the period February to May 2020.

<sup>4</sup> Creative industries accounted for 795,500 jobs in the capital (14.8%) for 2021, compared to 468,400 jobs (10.7%) in 2010.

<sup>5</sup> Overall, 157,000 or 19.8% of creative industries jobs were held by people whose highest qualifications were below degree-level in 2021.

<sup>6</sup> The APS asks a person whether they are working as an employee or self-employed. It is thus based on the respondent's self-classification. The self-employed include freelancers who work for themselves and have no employees.

<sup>7</sup> The share of jobs held by the self-employed in London's creative industries was 26.6% compared to 13.7% in London's non-creative industries.

<sup>8</sup> Data for median gross weekly earnings in 2022.

## Characteristics of businesses

- A considerable number of businesses in London are part of the creative industries. Around 17.4% of businesses (93,300) were in this sector in 2022, although this was down from 19.3% in 2020. The change between 2020 and 2022 was driven largely by a decline in the number of businesses in IT, software and computer services (-11.0% per year).
- The bulk of London's creative industries businesses are micro-sized, with 93.1% employing fewer than 10 people – a pattern consistent with the rest of the UK. Moreover, most businesses (80.3%) in the sector reported an annual turnover of less than £200,000 in 2022.
- London's creative industries sector is dynamic. The sector features a high rate of business births<sup>9</sup>, although this has been declining recently:
  - In 2015, the business birth rate in London's creative industries was 20.0% compared to 17.2% UK-wide (and 22.7% across all industries in London).
  - By 2020, however, the gap between the London and UK creative industries birth rates narrowed to 1.7 percentage points (12.0% vs 10.2%).
  - The decline in London was driven by the IT, software and computer services sub-sector, although births declined in most sub-sectors over this time.

## Inclusion, job quality and workforce diversity

- Although more diverse than in the rest of the UK, London's creative industries show less workforce diversity than other sectors in the capital. Despite signs of improvement, the share of jobs held by women, people with disabilities, older workers, and those from Black, Asian and ethnic minority backgrounds, is still below the London average.<sup>10</sup>
- Socio-economic factors influence employability within the creative industries. For instance, UK-level research indicates that disabled people from a working-class background are 2.7 times less likely to find employment in these industries than non-disabled people. Likewise, people from ethnic minority and working-class backgrounds are estimated to have a one in ten chance of working in this sector – half the odds of those from a white and privileged background.<sup>11</sup>
- In 2021, almost two out of five jobs (38.5%) in London's creative industries were held by people born outside the UK, a far higher proportion than in the rest of the UK (16.9%). The number of jobs held by those born outside the EU and UK has been on the rise, with the share increasing from 21.3% in 2019 to 25.2% in 2021. In contrast the share of EU workers who held jobs in London's creative industries declined from 14.4% in 2020 to 13.3% in 2021.
- Job quality within the sector varied in 2021. Unpaid overtime<sup>12</sup> was relatively high in London's creative industries, with 25.5% of employees reporting working unpaid overtime. This rate was higher than the overall London average (19.3%) and the UK creative industries average (18.6%). However, the incidence of low pay and zero-hour contracts was below average. And career progression prospects were higher than in other industries in London, with 65.5% of employees reporting good career opportunities (compared to an average of 60.0% across other sectors).

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<sup>9</sup> New business registrations are referred to as business births. The birth rate is calculated using the number of births as a proportion of total active businesses.

<sup>10</sup> In 2021, women accounted for 41.0% of jobs in London's creative industries (vs the London average of 46.2%); older people 22.6% (vs 26.6%); people from Asian ethnic backgrounds 13.4% (vs 16.7%); and people from Black backgrounds 3.9% (vs 9.1%).

<sup>11</sup> Creative Industries Policy & Evidence Centre, [Social Mobility in the Creative Economy: Rebuilding or levelling up?](#) September 2021

<sup>12</sup> Unpaid overtime refers to share of employees reporting working unpaid overtime hours.

## Skills shortages and future skills needs

- In 2019, the share of skills-shortage vacancies reported in London's creative industries (16.1%) was below the capital's overall average (21.0%).<sup>13</sup> When compared at the London and UK levels, all creative industries sub-sectors in London, except for design and film, TV, video, radio and photography, reported a lower rate of skills-shortage vacancies.
- There were notable disparities within sub-sectors in 2019, with design, architecture, film, TV and radio facing more significant skills shortages. However, recent data suggests that recruitment difficulties for key sectors related to the creative industries have begun to ease since summer 2022, following an increase in employer skills challenges post-pandemic.<sup>14</sup>
- The creative industries are seeing an increased demand for transferable skills such as management, budgeting, communication, leadership, and project management. In addition, problem solving, critical thinking, creativity and innovation are becoming more important for future employability and adapting to technological change across all sectors.
- Employment in the creative industries is expected to grow over the next decade.<sup>15</sup> Pre-COVID estimates anticipated the UK's creative industries needing 1.2m additional workers by 2030, primarily driven by IT, music and TV.<sup>16</sup> [Skills Imperative 2035](#) projections also suggest that sectors such as professional services, information technology, and arts and entertainment will see relatively strong growth in London to 2035.

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<sup>13</sup> The DfE's Employer Skills Survey defines skill-shortage vacancies as vacancies that are hard to fill due to a lack of skills, experience or qualifications among applicants.

<sup>14</sup> Skills challenges can relate to the inability of employers to fill vacancies due to a lack of skills, qualifications and experience among applicants or skills gaps when the existing workforce is considered to lack full proficiency.

<sup>15</sup> NFER, [The Skills Imperative 2035: What does the literature tell us about the essential skills most needed for work?](#), March 2022

<sup>16</sup> Deloitte, [The Future of the Creative Economy](#), June 2021

## Introduction

This report updates the evidence base for the creative industries in London, building on research published in 2017.<sup>17</sup> It provides a comprehensive understanding of trends within the creative industries, including economic output, employment, earnings and the number of businesses.

- Chapter 1 outlines the methodology used in this report to define the creative industries, following the framework developed by the DCMS.
- Chapter 2 evaluates the performance of London's creative industries, examining changes in economic growth (Gross Value Added or GVA) and employment (jobs).<sup>18</sup>
- Chapter 3 presents an analysis of the workforce characteristics within London's creative industries. It covers the demographic characteristics of job holders, the incidence of self-employment, and various indicators of job quality.
- Chapter 4 analyses trends in earnings within the creative industries and its sub-sectors.
- Chapter 5 offers an overview of creative industries businesses, detailing employee numbers, business birth rates and turnover.
- Finally, chapter 6 explores the issue of skills shortages within the creative industries; and reviews existing research on how skills requirements in the sector may evolve, along with future skills needs.

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<sup>17</sup> GLA Economics, [London's creative industries-2017 update](#), 2017

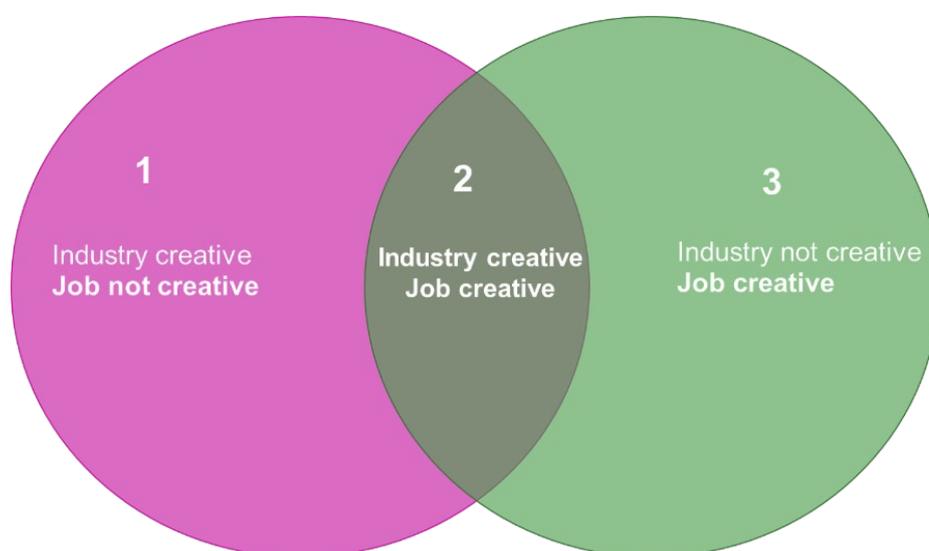
<sup>18</sup> The terms 'employment' and 'jobs' are used interchangeably in this report, unless stated otherwise.

# 1 Definitions

This report uses the definitions of the creative industries provided by the DCMS.<sup>19</sup> In 2001, the DCMS defined the creative industries as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”.<sup>20</sup> In 2014, the DCMS further developed its approach to focus on analysing creative intensity (which refers to the proportion of the workforce in creative occupations) to identify creative industries.<sup>21</sup>

A related concept identified by the DCMS is the creative economy, which can be defined as comprising: people with creative occupations working within the creative industries (e.g., a radio presenter at a local radio station); people employed in creative occupations but within another industry (e.g., a designer working for a bank); and people working in a non-creative occupation in the creative industries (e.g., an accountant employed by a museum).

**Figure 2: The composition of the creative economy and creative industries**



Source: [DCMS Sector Economic Estimates methodology](#). Note: creative industries, 1 + 2; creative economy, 1 + 2 + 3.

In the report, we mainly focus on the creative industries in London, not the wider creative economy. This analysis covers the following nine sub-sectors:

- advertising and marketing
- architecture
- crafts
- design: product, graphic and fashion design
- film, TV, video, radio and photography
- IT, software and computer services
- publishing
- museums, galleries and libraries
- music, and performing and visual arts.

<sup>19</sup> DCMS, [Creative Industries Mapping Documents 2001](#), April 2001

<sup>20</sup> Please see the Appendix for a detailed breakdown of the creative sub-sectors.

<sup>21</sup> DCMS, [Creative Industries Economic Estimate Methodology](#), 2022

## A note on jobs data presented in this report

In line with DCMS economic estimates, this report presents jobs data from the Office for National Statistics (ONS) Annual Population Survey (APS), which combines data from the main Labour Force Survey (LFS).<sup>22</sup>

The APS is a key source for providing detailed information on demographics and occupations. However, it is a sample survey, based on a selected subset of the population, and the data about industries is reported by survey respondents themselves, rather than from businesses. This means that our analysis is subject to uncertainty, especially when considering detailed industry groups at a sub-national level. Moreover, the ONS has noted that LFS/APS data for 2022 should be treated with particular caution:

*“The population totals used for the latest LFS estimates use projected growth rates from Real Time Information (RTI) data for EU and non-EU populations based on 2021 patterns. The total population used for the LFS therefore does not take into account any changes in migration, birth rates, death rates and so on since June 2021. Therefore, levels estimates may be under- or over-estimating the true values and should be used with caution. Estimates of rates will, however, be robust.”<sup>23</sup>*

Uncertainty around 2022 jobs data for the creative industries is further explored in chapter 2. Chapter 3, ‘Characteristics of the workforce in the creative industries’, only uses data up to 2021.

It is also worth noting that, where possible, our analysis is carried out on a ‘workplace jobs’ basis, i.e., it is based on the sum of main and second jobs in London. This includes people working in London but not living there; but excludes residents who only work in jobs based outside of the capital. The total number of jobs in London also differs from the number of workers, because some people have more than one job.

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<sup>22</sup> ONS, [Annual population survey \(APS\) QMI](#), September 2012

<sup>23</sup> ONS, [Employment in the UK: June 2023](#), June 2023

## 2 Creative industries performance

### What does this section cover?

This chapter provides an in-depth analysis of trends in economic output (GVA) and jobs in the creative industries over the last decade. It offers insights into pre-pandemic trends, the impact of COVID-19 on the sector's performance, and the post-pandemic recovery.

### Economic output of the creative industries

This section reviews the economic output, or GVA, of London's creative industries over a decade from 2010 to 2020. GVA reflects the value of goods and services produced by an industry or sector.<sup>24</sup>

The creative industries make a large and growing contribution to London's economy. In the year before the pandemic (2019), they contributed £55.0bn to London's economy.<sup>25</sup> This was equal to 11.5% of London's economic output, up from 10.2% in 2010. With total GVA in the UK's creative sector valued at £105.8bn in 2019, London's contribution was substantial, at 52.0%. In addition, the creative industries also produce spill-over effects on the wider economy (see, for example, the box on job multipliers).

As shown in Figure 3, London's creative industries registered higher growth than both the capital's overall economy and the UK's creative sector. From 2010 to 2019, real GVA in London's creative industries increased by 46.1%.<sup>26</sup> This growth rate was the highest among all UK regions or countries. Over the same period, London's total GVA and the GVA of the UK's creative industries rose by 29.1% and 32.4%, respectively.

However, the pandemic had a significant impact on the sector. From 2019 to 2020, real GVA in London's creative industries declined by 6.0%, dropping from £55.0bn to £51.7bn. This decline was smaller than the contraction of 10.6% across all sectors of London's economy but greater than the 4.9% contraction in the creative industries UK-wide.

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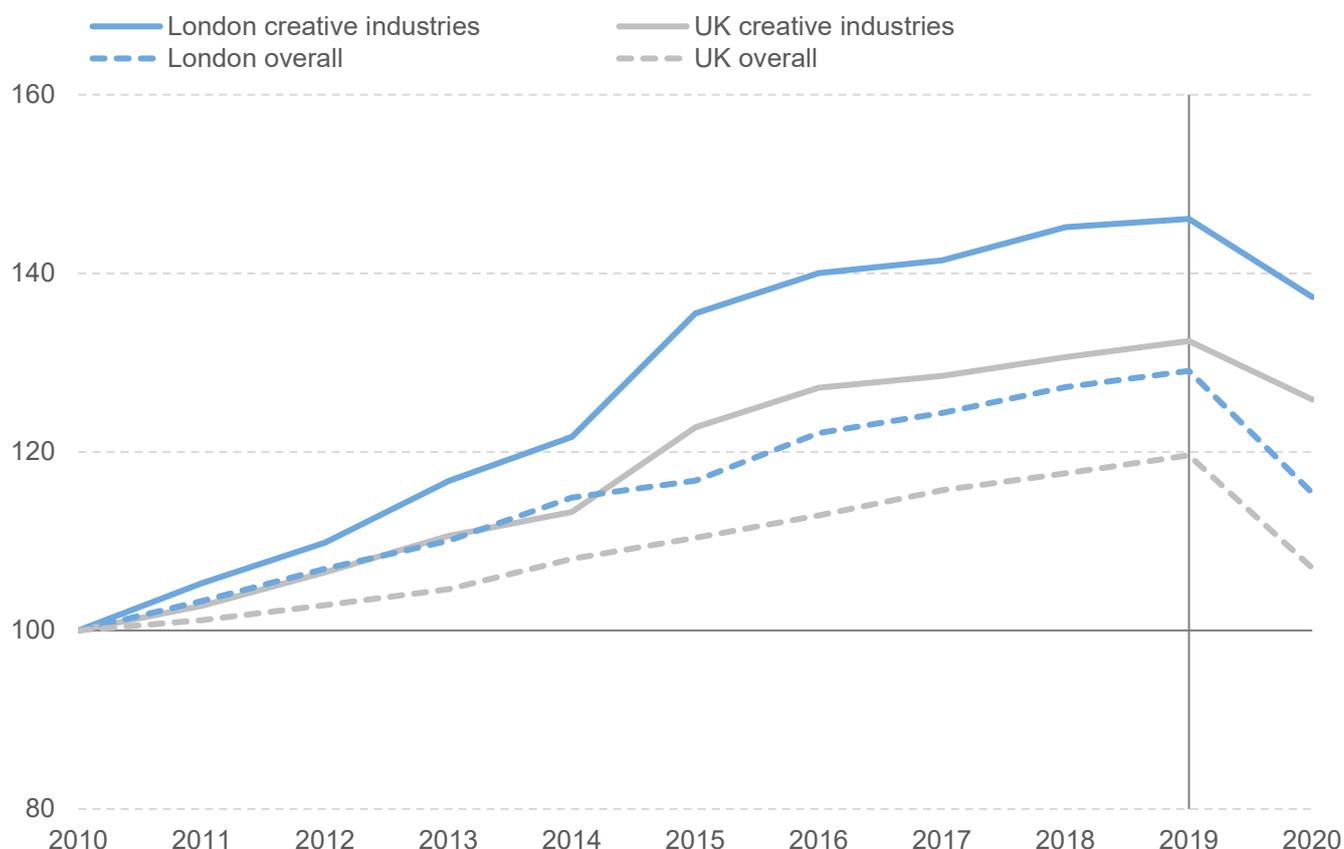
<sup>24</sup> Although a useful measure of a sector's economic contribution, for some sub-sectors of the creative industries, GVA may be an underestimate. For instance, many museums in London have free entrance to the main exhibitions; the benefit of this to Londoners, and in attracting international visitors, would not be fully captured by traditional economic measures. For more information see: Arts Council England, [Guidance note: How to quantify the public benefit of your museum using Economic Value Estimates](#), 2020

<sup>25</sup> DCMS, [DCMS and the Digital Sector Economic Estimates: Regional GVA](#), 2023. Note: in July 2023, the DCMS published updated regional GVA estimates for the creative industries, revising GVA for the period 2010 to 2019.

<sup>26</sup> Estimates of GVA over time are in chained volume measures (i.e. have been adjusted for inflation).

**Figure 3: Change in total and creative industries real economic output (GVA), 2010-2020**

London and the UK, index, 2010 = 100



Source: GLA Economics analysis of DCMS economic estimates. Note: data has been adjusted for inflation

### Forecasts of the impact of the pandemic on the creative industries

In July 2020, shortly after the initial outbreak of the COVID-19 pandemic, [Oxford Economics](#) forecast the following changes for 2020 relative to 2019:

- a £77bn (31%) drop in turnover.
- a £29bn (26%) decline in GVA, with over half of this decline expected to occur in London.
- a decline of 409,000 jobs (287,000 in self-employment and 122,000 employees), with London accounting for 27% of this decline.

The impact of the pandemic on the UK's creative industries sector was initially stark, with real GVA declining by 20.5% between February 2020 and May 2020. This decline was broadly in line with the forecast drop of 26%. However, the sector demonstrated a robust recovery post-pandemic, with GVA increasing by 10.9% between February 2020 and March 2023.

In contrast, our analysis shows that the drop in jobs did not materialise, and the number of jobs in the creative industries in London continued to rise post-pandemic. Moreover, while self-employment slowed both pre- and post-pandemic, the pandemic's impact on self-employment was less pronounced than the forecasts. The furlough scheme was an important intervention to support jobs.

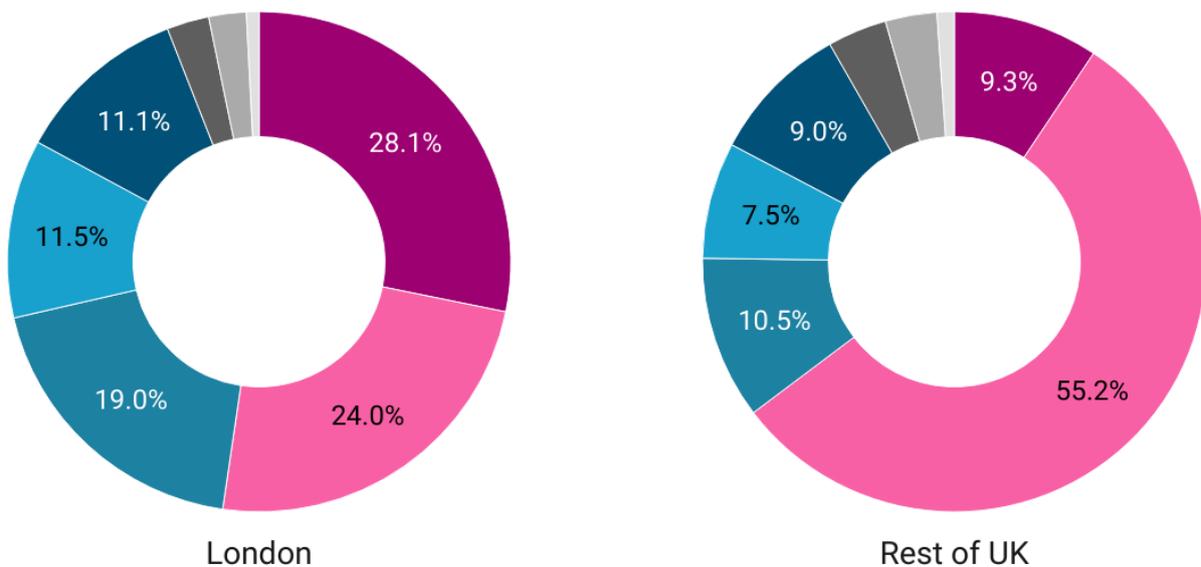
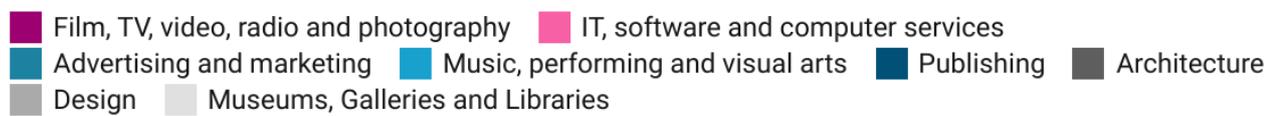
At the sub-sector level, there were variations in economic growth and jobs trend within the creative industries. These trends are further explored in this chapter.

## Sub-sector contribution to the creative industries' GVA

In 2019, the main contributors to the GVA of London's creative industries were film, TV, video, radio and photography (28.1%) and IT, software and computer services (24.0%). Over the years from 2010 to 2019, the contribution made by IT, software and computer services rose from 19.4% to 24.0%, while that made by film, TV, video, radio and photography dropped from 34.7% to 28.1%. At 0.8%, museums, galleries and libraries made the smallest contribution to the GVA of London's creative industries in 2019.

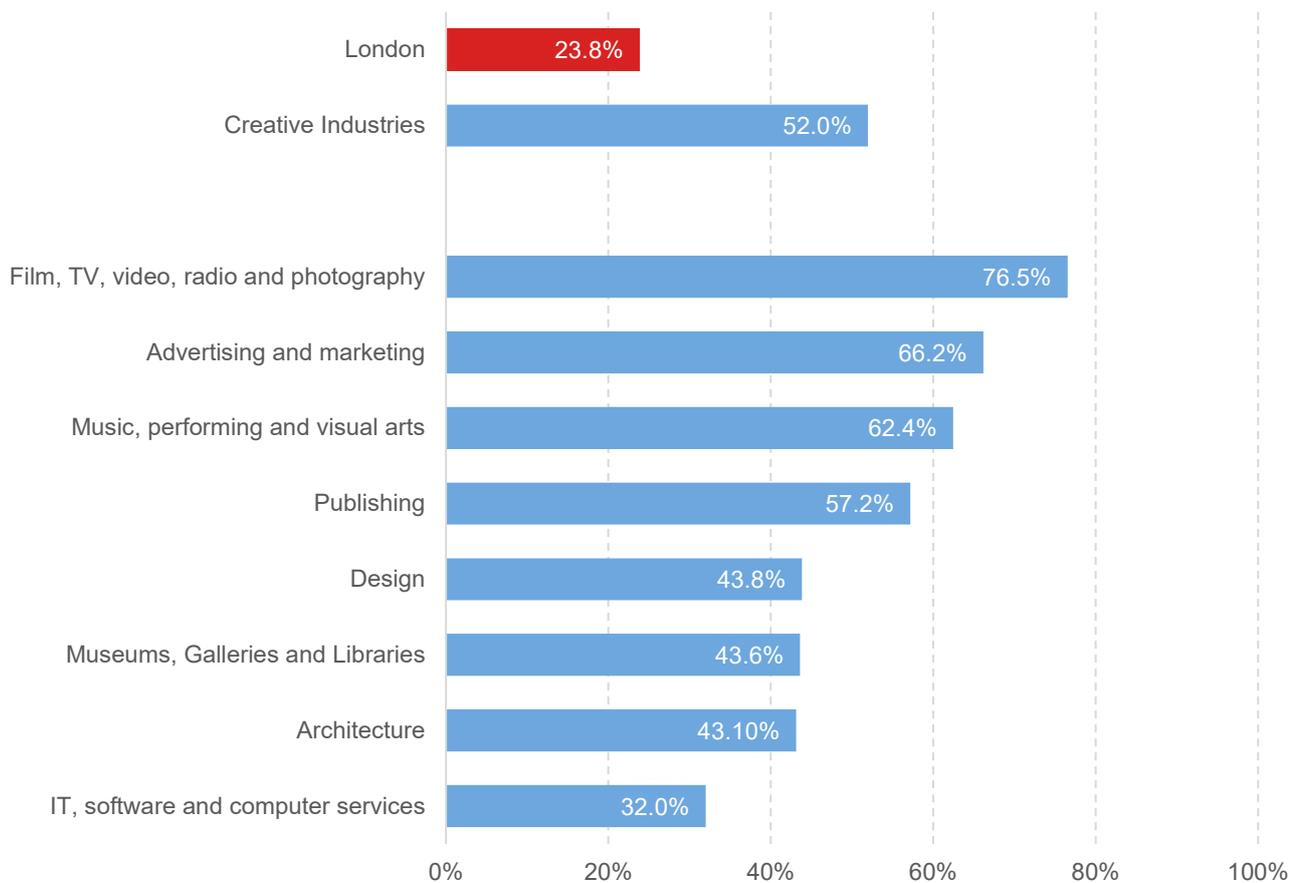
Figure 4 shows that the film, TV, video, radio and photography sub-sector accounts for a larger share of creative industries GVA in London than in the rest of the UK (28.1% vs 9.3%). In contrast IT, software and computer services contribute a smaller proportion of GVA (24.0% vs 55.2%). Nevertheless, as Figure 5 highlights, London still accounts for a significant share of the UK's GVA in this sub-sector, as it does across all sub-sectors of the creative industries.

**Figure 4: Sub-sector share of total creative industries GVA, London and the rest of the UK, 2019**



Source: GLA Economics analysis of DCMS economic estimates. Data for the craft sub-sector not presented due to low reliability of data.

**Figure 5: Proportion of UK GVA attributed to London, creative industries and total, 2019**



Source: GLA Economics analysis of DCMS economic estimates. Note: analysis based on real GVA (adjusted for inflation).

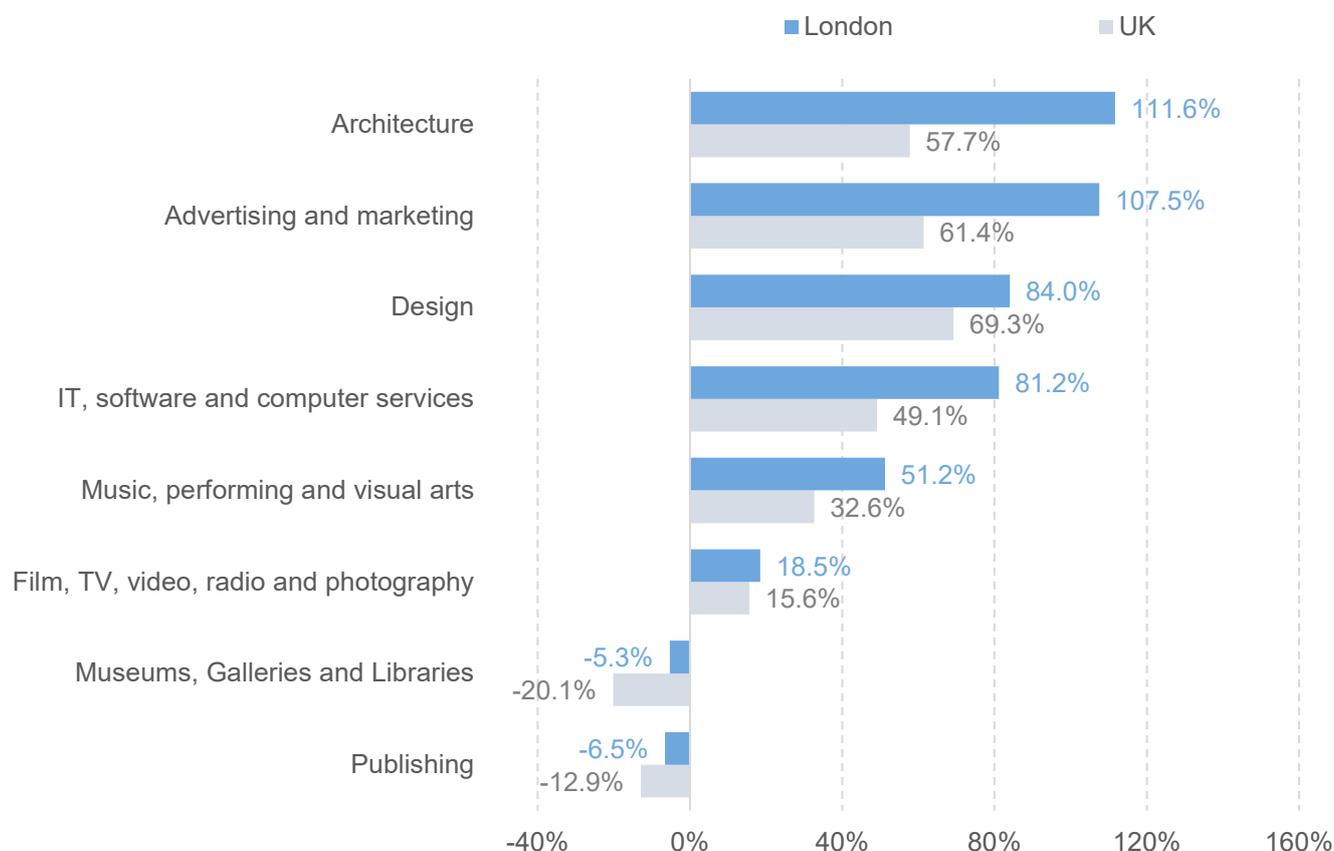
### Sub-sector output trends

From 2010 to 2019 (pre-pandemic), growth in economic output was robust across most creative industries sub-sectors (Figure 6).

At 111.6%, architecture saw the strongest rate of GVA growth among sub-sectors in London. High growth rates were also recorded in advertising and marketing (107.5%), design (84.0%) and IT, software and computer services (81.2%).

Publishing and museum, galleries and libraries were the only sub-sectors in London where real GVA declined over the period (by 6.5% and 5.3% respectively). However, these declines were smaller than at the UK-level over the same period.

**Figure 6: Change in economic output (GVA) by creative industries sub-sector, London and the UK, 2010 to 2019**



Source: GLA Economics analysis of DCMS economic estimates. Note: analysis is based on real GVA (adjusted for inflation).

As noted, the COVID-19 pandemic had a major impact on the economic output of the creative industries.<sup>27</sup> However, activities requiring in-person interactions were more adversely affected than those where a greater shift to remote working was possible.

Figure 7 shows that economic output for the UK's creative industries closely followed overall trends until summer 2021. While the creative industries sector rebounded at a higher rate post-pandemic, these initial trends varied widely by sub-sector. For example, focusing on GVA estimates at the UK level:

- Music, performing and visual arts recorded a sharp fall of around 63.6% at the onset of the pandemic (February to May 2020) but then recovered strongly as lockdown restrictions eased.
- In contrast, IT, software and computing services saw a smaller initial GVA fall of 4.5%, which was around 4.5 times lower than the decline seen in the creative industries overall (20.5%).
- Film, TV, video, radio and photography recorded an initial fall in output which was in line with the all-sector average, but the subsequent recovery has weakened since mid-2022, with some uptick during the start of summer 2023.

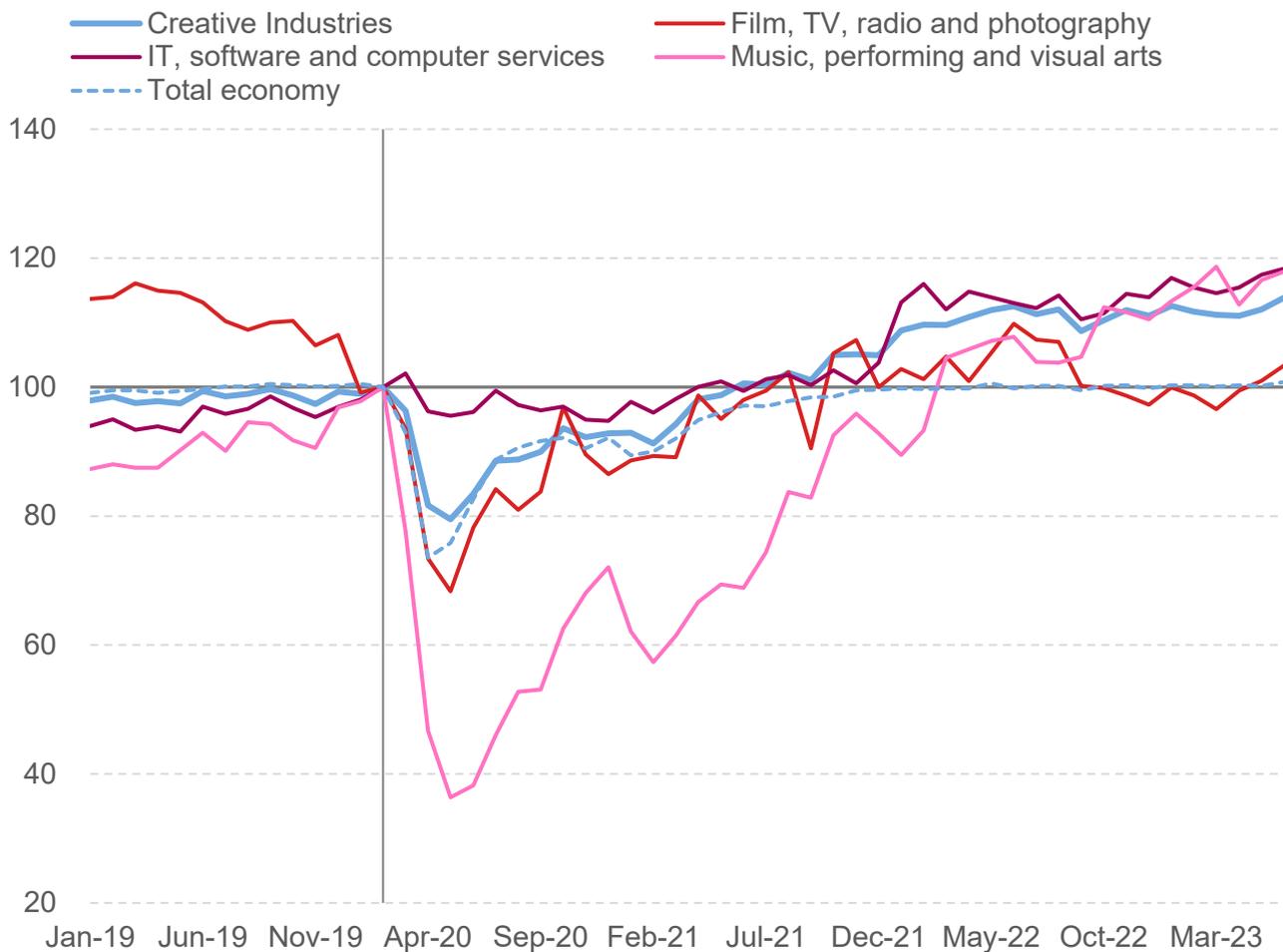
<sup>27</sup> Monthly estimates at UK level indicate the impact of the coronavirus pandemic on the creative industries. As shown in Figure 3 London's creative industries tend to follow a similar pattern to the rest of the UK's (albeit with higher growth in London), so we would expect that London's creative industries would have followed a similar pattern over the pandemic.

Focusing on changes by sub-sector from 2019 to 2020, London outperformed UK-wide trends in advertising, IT, and publishing, while it lagged in design and museums, galleries and libraries.<sup>28</sup>

Figures to June 2023, only available at the UK level, show a robust recovery in most creative industries sub-sectors (Figure 8). From February 2020 to June 2023, there was particularly strong growth in crafts, publishing, IT, software and computer services, museums, galleries and libraries and music, and performing and visual arts. However, GVA contracted in one sub-sector over this period: design (1.7% decrease).

**Figure 7: Index of monthly GVA for selected creative industries (sub-)sectors and total economy, UK, February 2020 to June 2023**

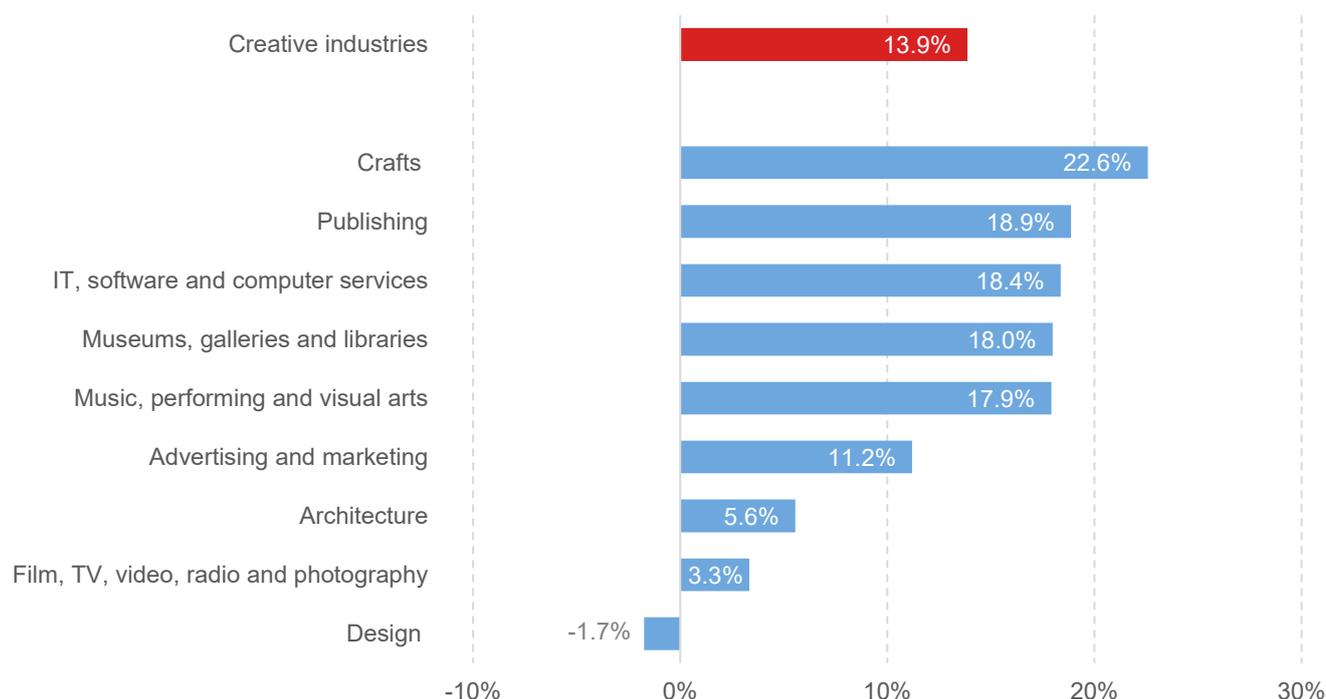
Index February 2020 = 100



Source: DCMS economic estimates – monthly GVA. Notes: this data is provisional and subject to revisions; focus should be on the overall trends. Analysis is based on real GVA (adjusted for inflation). Vertical line is at February 2020.

<sup>28</sup> For more detail, also see: GLA Economics, [The culture sector and creative industries in London and beyond: a focus on levelling up, provision, engagement and funding](#), June 2023

**Figure 8: Change in GVA from February 2020 to June 2023, creative industries and sub-sectors, UK**



Source: GLA Economics analysis of DCMS economic estimates. Note: analysis is based on real GVA (adjusted for inflation).

### Focus on gaming

Gaming is a small but growing part of the creative industries in London. In 2021, industry analysis undertaken by [SG Analytics](#) valued the UK gaming market at nearly £5bn – ranking it fifth globally, below China, the US, Japan and Germany. London, valued at £1bn, serves as a hub for gaming start-ups.<sup>(i)</sup>

The [DCMS](#) estimates that the nominal UK-level economic output, from the gaming sector, increased from £0.4bn in 2010 to £2.5bn in 2020.

According to ONS data, the number of businesses in the UK's gaming sector increased from 1,975 in 2019 to 2,215 in 2022.<sup>(ii)</sup> In London alone, the number of businesses rose from 620 in 2019 to 715 in 2022, when it accounted for 32.3% of this sub-sector's businesses in the UK. Additionally, the number of employees in London's gaming industry increased from around 4,500 in 2019 to 5,500 in 2021.

A report commissioned by the GLA<sup>(iii)</sup> reveals that the UK gaming workforce is highly international, with 19% of workers originating from the EU/EEA and an additional 9% from the rest of the world. Around 10% of individuals working in the gaming industry are from Black, Asian or minority ethnic backgrounds, which slightly exceeds the proportion found in the national working population. The gaming industry is, however, predominantly male: around seven out of ten individuals employed in the sector are men.

(i) [Research](#) based on 2022 revenues places the UK's games market sixth (after the US, China, Japan, South Korea and Germany), and values it at US\$5.5bn.

(ii) The DCMS defines the gaming industry based on the following two industry groups: publishing of computer games (SIC 58.21) and ready-made interactive leisure and entertainment software development (62.011).

(iii) IES, [Source evidence report: Under-representation in the creative and screen careers](#), 2021

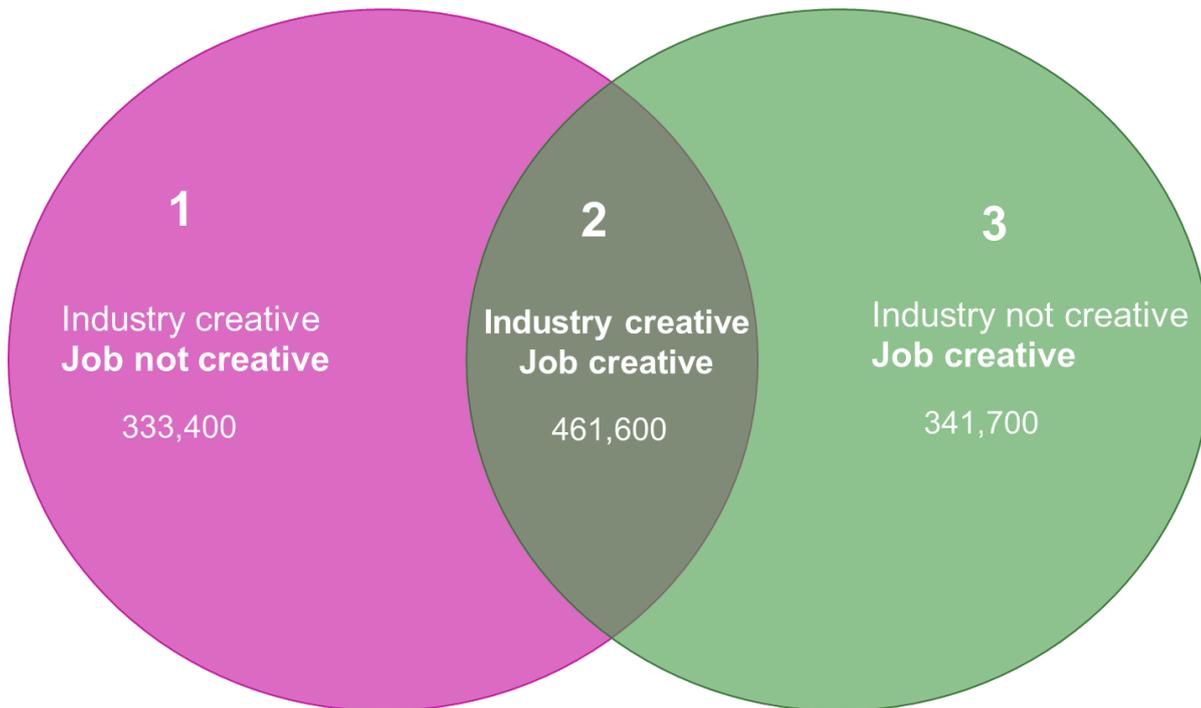
## Employment in the creative industries

This section presents trends, from the ONS APS, in the number of jobs in London's creative industries.

Based on the DCMS definition (Figure 9), in 2021:

- there were 1.1m jobs in the wider creative economy (461,600 plus 333,400 plus 341,700)
- there were 795,000 jobs in the creative industries (461,600 plus 333,400)
- the sum of creative jobs in the creative industries and creative jobs in non-creative industries provides an estimate of jobs in "creative occupations" of 803,300 (461,600 plus 341,700)

**Figure 9: Jobs in the creative economy in London, 2021**



Source: ONS APS, 2021

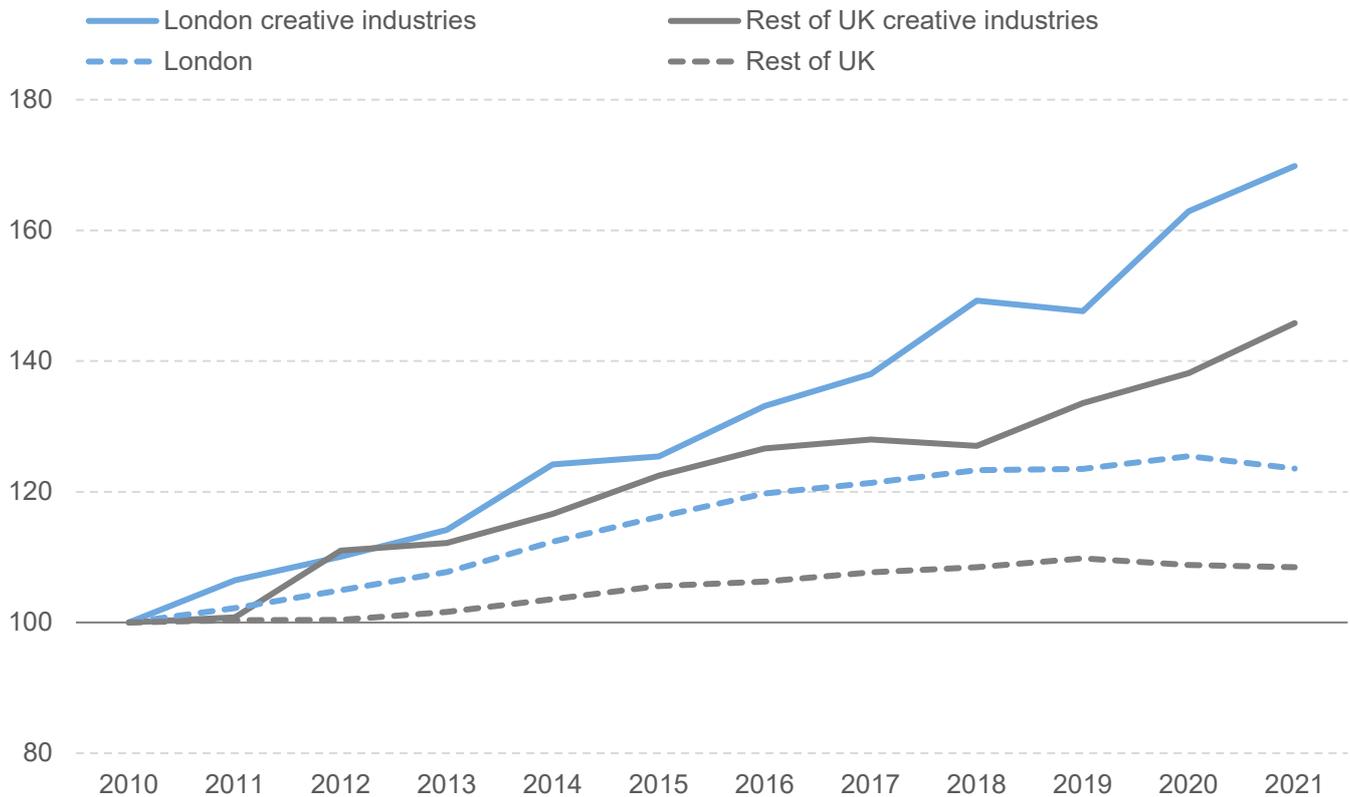
Appendix 5 provides more detail on employment trends in the creative economy. For the rest of this report, our analysis focuses exclusively on jobs in the creative industries (i.e., areas 1 and 2 in Figure 9).

Due to uncertainties around APS-based jobs estimates for 2022, we also focus on data up to the year 2021 only (see Appendix 4 for more information). This means that we have an incomplete picture of the post-pandemic recovery in the sector.

As shown in Figure 10, jobs growth in the creative industries outpaced growth across the overall economy in both London and the rest of the UK between 2010 and 2021. Specifically, the number of jobs in London's creative industries increased by 69.8%, in contrast to 23.6% growth in the capital's overall employment. Similarly, the level of employment in the creative industries in the rest of the UK rose by 45.8%.

**Figure 10: Index of total and creative industries employment, 2010 to 2021**

London and the rest of the UK, index 2010 = 100



Source: ONS APS, 2010-21

### Sub-sector employment trends<sup>29</sup>

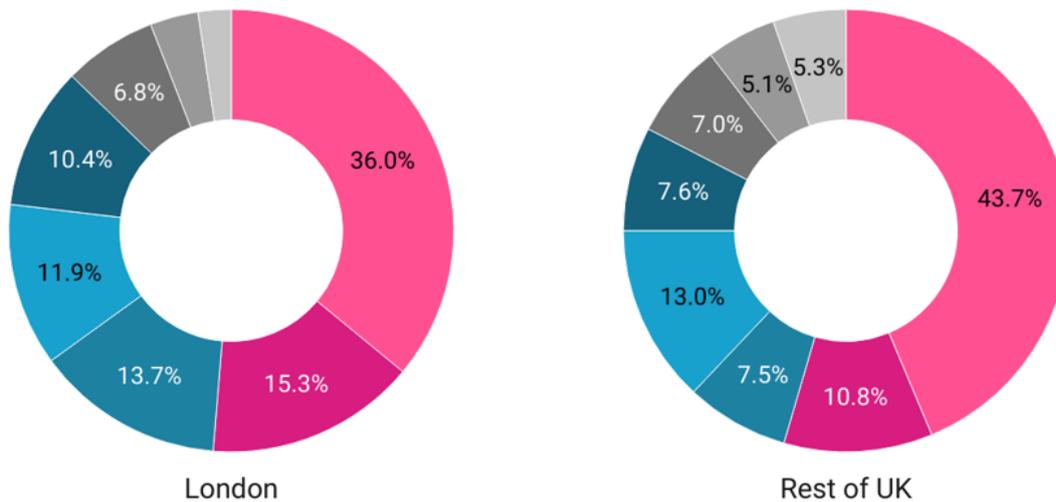
As seen with GVA data, in 2021, the IT, software and computer services sub-sector accounted for the largest share of London's jobs in the creative industries (36.0%), followed by film, TV, video, radio and photography (15.3%) (Figure 11). In the rest of the UK, these two sub-sectors also accounted for the largest job shares. Specifically, IT, software and computer service accounted for 43.7% of jobs, while film, TV, video, radio and photography made up 10.8%. The sub-sectors with the smallest employment shares in London were architecture (3.5%) and crafts and museums, galleries and libraries which jointly accounted for 2.4% of jobs.<sup>30</sup>

<sup>29</sup> In 2021 the number of jobs by creative industries sub-sector were as follows; Advertising and marketing (108,600), architecture (27,800), design (54,000), film, TV, video, radio and photography (122,000), IT, software and computer services (286,500), music, performing and visual arts (94,900) and publishing (82,800). Crafts and museums, galleries and libraries jointly accounted for 18,900 jobs, with crafts averaging 2,000 jobs between 2010 and 2020.

<sup>30</sup> Jobs data for crafts and museums, galleries and libraries from the APS is only available up to 2020, due to the low counts and subsequent disclosure control by the ONS.

**Figure 11: Sub-sector share of total creative industries jobs, London and the rest of the UK, 2021**

■ IT, software and computer services    ■ Film, TV, video, radio and photography  
■ Advertising and marketing    ■ Music, performing and visual arts    ■ Publishing    ■ Design  
■ Architecture    ■ Crafts and Museums, galleries and libraries

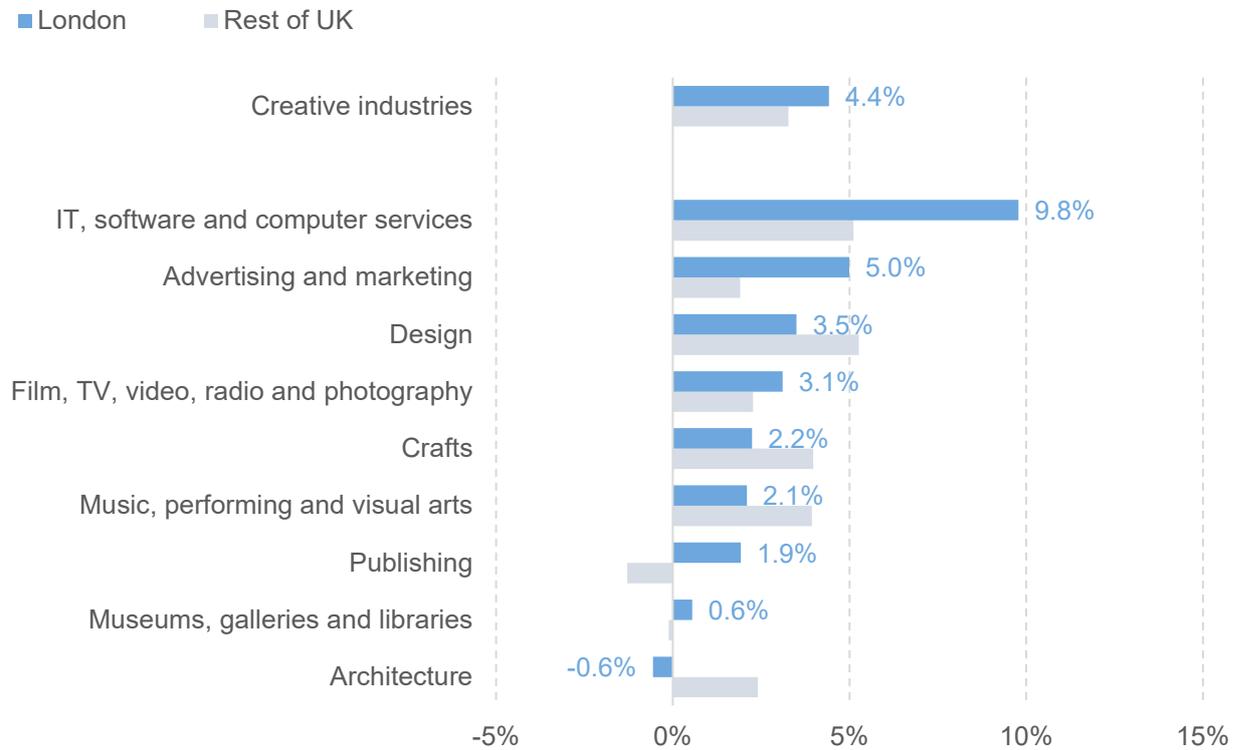


Source: ONS APS, 2021. Note: Due to small sample sizes, data for crafts and museums, galleries and libraries are suppressed for 2021. In 2020, crafts accounted for 0.3% of jobs in London's creative industries and museums, galleries and libraries 4.1%. For the creative industries in the rest of the UK the share of jobs accounted for by crafts was 0.4% and museums, galleries, libraries were 4.9%.

Jobs growth in London's creative industries jobs was strong before the pandemic but varied across sub-sectors (Figure 12). Between 2010 and 2019, average annual growth rates varied from a high of 9.8% a year in IT, software and computer services, to a modest contraction of 0.6% a year in architecture.

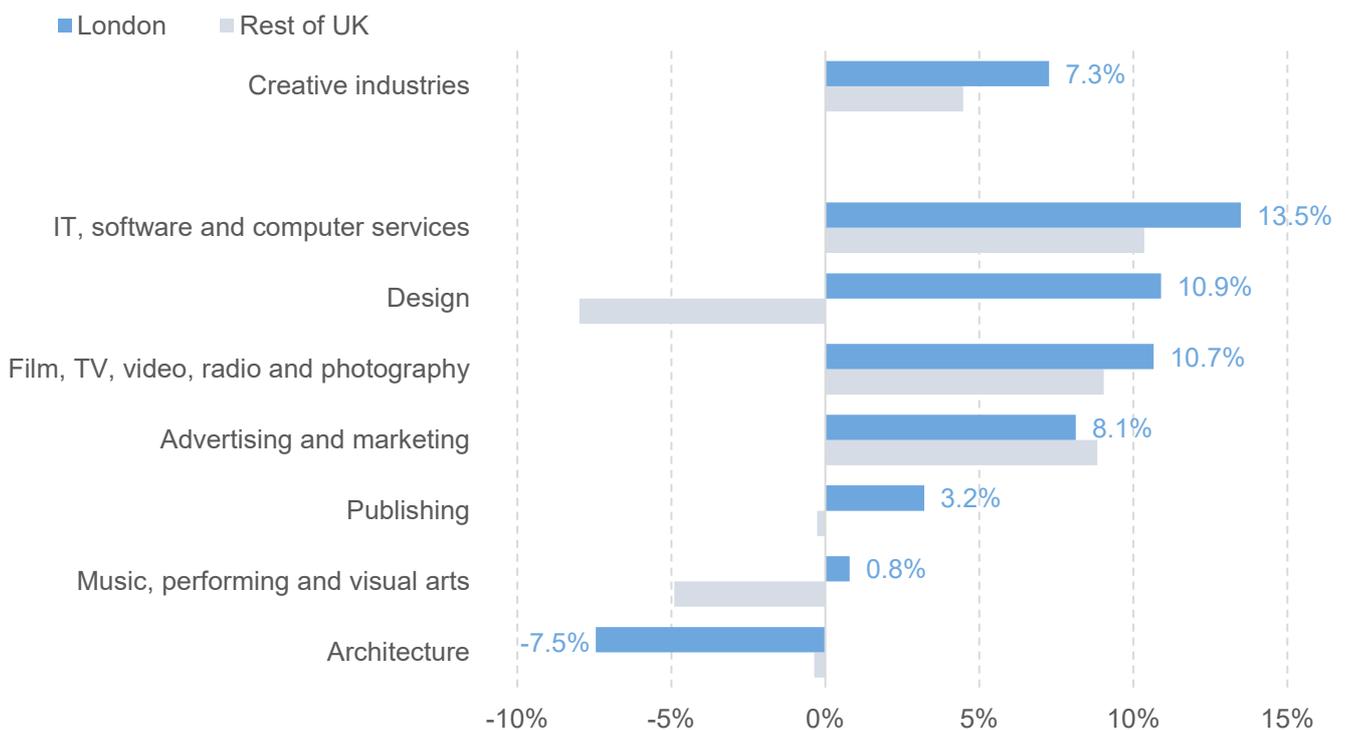
Post-pandemic, from 2019 to 2021, jobs growth was observed across all sub-sectors except architecture. The rate of jobs growth in London was above the UK average for IT and computer services (13.5%), design (10.9%), film, TV, video, radio and photography (10.7%), and advertising and marketing (8.1%) (Figure 13). In contrast, the number of architecture jobs fell relatively sharply in London (-7.5% a year).

**Figure 12: Average annual change in creative industries sub-sector jobs, London and the rest of the UK, 2010 to 2019**



Source: ONS APS, 2010-19

**Figure 13: Average annual change in in creative industries sub-sector jobs, London and the rest of the UK, 2019 to 2021**



Source: ONS APS, 2019-21

## Note on job-multipliers in the creative industries

The creative industries are often seen as a driver of economic development, with significant clusters of activity in urban (and other) areas. They are also highly skilled and produce spill-over effects on the wider economy.<sup>(i)</sup>

'Job multipliers' is a concept that describes how activity in the creative industries can stimulate demand for other services such as bars, cafes and shops. Estimates of job multipliers vary and depend on the approach and underlying data used. Below we present two examples of job multipliers and the impact on the local economy.

1 Multipliers can be created through local spending where people work. Research by the [Creative Industries Policy and Evidence Centre](#), based on UK-level data for 1997-2018, finds that creative jobs generate on average 1.9 non-tradeable jobs due to the local spending by these employees.<sup>(ii)</sup> It should be noted, however, that non-tradeable service jobs can be lower paid.<sup>(iii)</sup>

2. The supply chain is another way in which demand can be stimulated locally. In 2019, a report on [creative supply chains](#) found that every job within the creative industries in London supports an additional 0.75 jobs within the creative supply chain.

For more information on job multipliers see the GLA Economics publication "[The culture sector and creative industries in London and beyond: a focus on levelling up, provision, engagement and funding](#)", June 2023.

### Notes:

(i) Diana Gutierrez-Posada, Tasos Kitsos, Max Nathan and Massimiliano Nuccio, [Creative Clusters and Creative Multipliers: Evidence from UK Cities](#), July 2022

(ii) Non-tradeable jobs are positions generated by the domestic workforce, mainly encompassing services rendered locally.

(iii) Neil Lee, Stephen Clarke, [Do low-skilled workers gain from high-tech employment growth? High-technology multipliers, employment and wages in Britain](#), 2019

### 3 Characteristics of the workforce in the creative industries

#### What does this section cover?

This chapter provides an overview of the characteristics of the creative industries workforce in London. It looks at trends in ethnicity, age, gender, disability, country of birth and characteristics based on occupation-type and employment status. The main source used for this analysis is the ONS APS.

#### Workforce profile by ethnicity

APS data indicates that the share of London's creative industries jobs held by people from white ethnic backgrounds was 76.2% in 2021, down from a high of 81.5% in 2014. In contrast, people from Black, Asian and ethnic minority backgrounds held 23.8% of jobs in the sector, which was still lower than the London average (33.2%, see Figure 14). Looking at trends, there was a notable increase in jobs held by workers from Black, Asian, and ethnic minority backgrounds from 2014 to 2016. However, since then, while there have been yearly fluctuations, the proportion of jobs has remained relatively stable, increasing to 23.8% in 2021.<sup>31</sup>

**Figure 14: Share of jobs held by Black, Asian and ethnic minority backgrounds in London's creative industries and London, 2012-21**

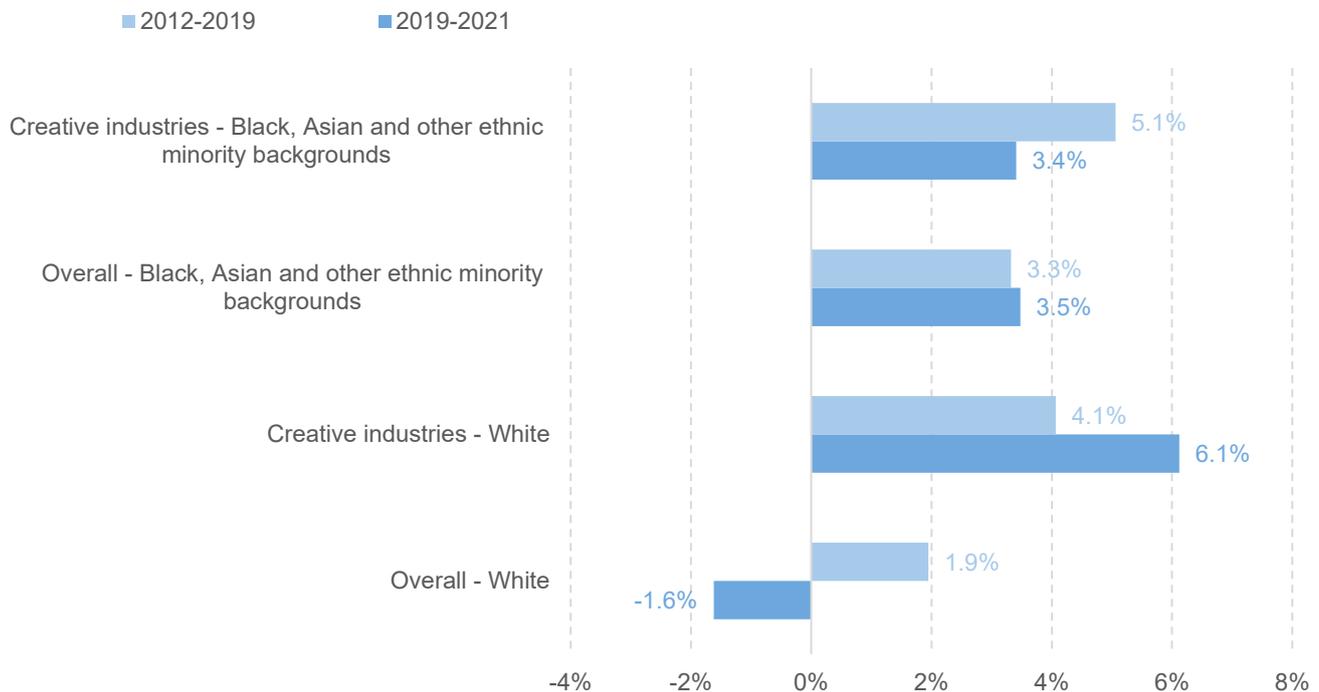


Source: ONS APS, 2012-21

Figure 15 summarises trends in jobs growth by ethnic background for the pre- and post-pandemic periods. Across the years from 2012-2019, the average annual rate of jobs growth in London's creative industries for workers from Black, Asian and ethnic minority backgrounds was 5.1% a year, exceeding the London average across all sectors of 3.3%. However, the post-pandemic (2019-2021) growth rates for this group became more in line with the general London average, at 3.4% compared to 3.5%.

<sup>31</sup> It's important to note that such variations might be influenced by the inherent sampling variability associated with survey data. Caution is advised when interpreting these figures, particularly year-on-year changes.

**Figure 15: Average annual growth rate in jobs held by Black, Asian and ethnic minority backgrounds, pre-pandemic (2012-19) and post-pandemic (2019-21), London, creative industries and all sectors**



Source: ONS APS, 2012-21

## Workforce profile by age

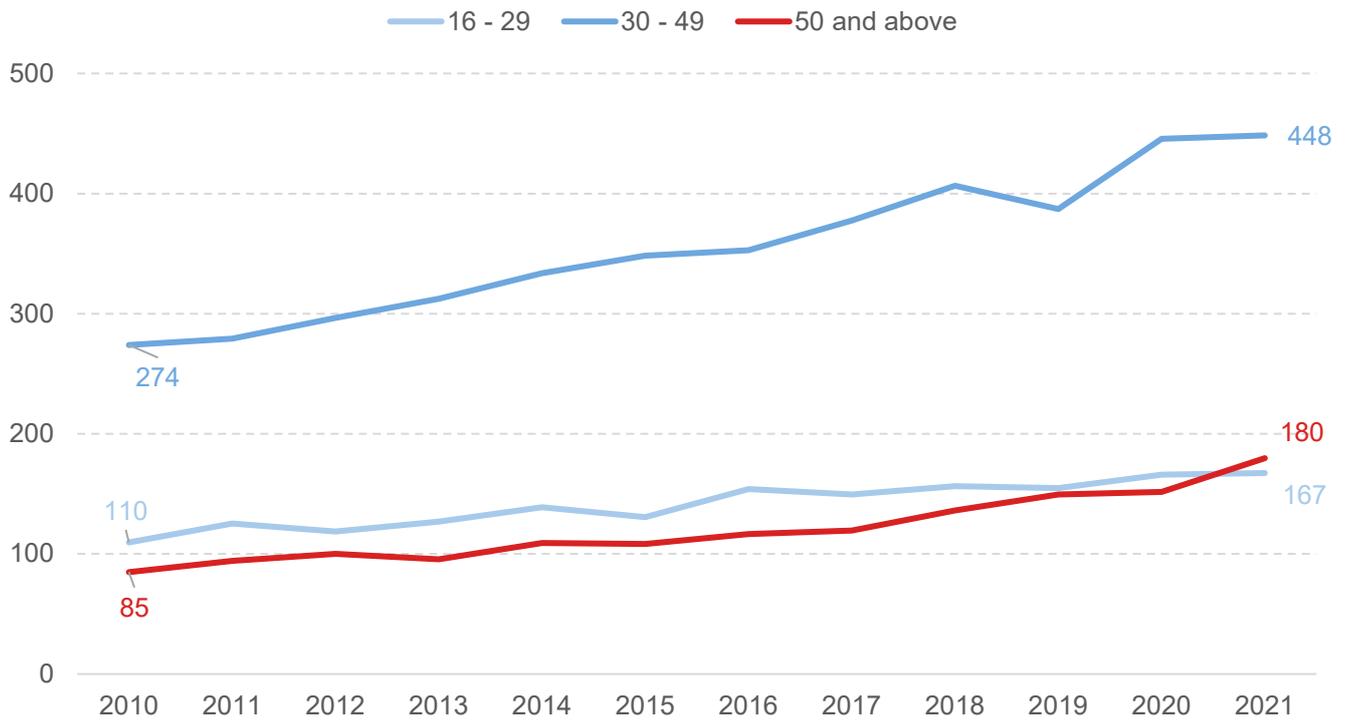
As Figure 16 shows, most jobs in London's creative industries are held by people aged 30-49. From 2010 to 2021, however, there was substantial job growth across all broad age groups, particularly when compared to other sectors (Figure 17).

The number of creative industries jobs held by workers aged 30-49 increased from 273,900 to 448,450 during this time, with robust annualised growth of 4.6%. Those aged 50 and over also experienced robust job growth with an addition of 94,900 creative industries jobs held by workers in this age group, reflecting a 7.1% average annual growth rate. For those aged 16-29, jobs increased from 109,600 to 167,350. With a 3.9% annual growth rate, this group experienced growth slower than other age brackets but considerably above the all-sector average for 16-29-year-olds (0.5% a year from 2010-2021).

The share of jobs held by workers aged 30-49 declined between 2010 and 2021, despite the number of jobs held by this group increasing over the period. In 2021, those aged 30-49 accounted for more than half (56.4%) of creative industries jobs in the capital; this was down from 58.5% in 2010. In contrast, people over the age of 50 accounted for more than one in five jobs (22.6%) in the creative industries, the highest share since 2010.<sup>32</sup> Young people aged 16-29 held 21.0% of jobs in the sector, down from a high of 25.1% in 2011.

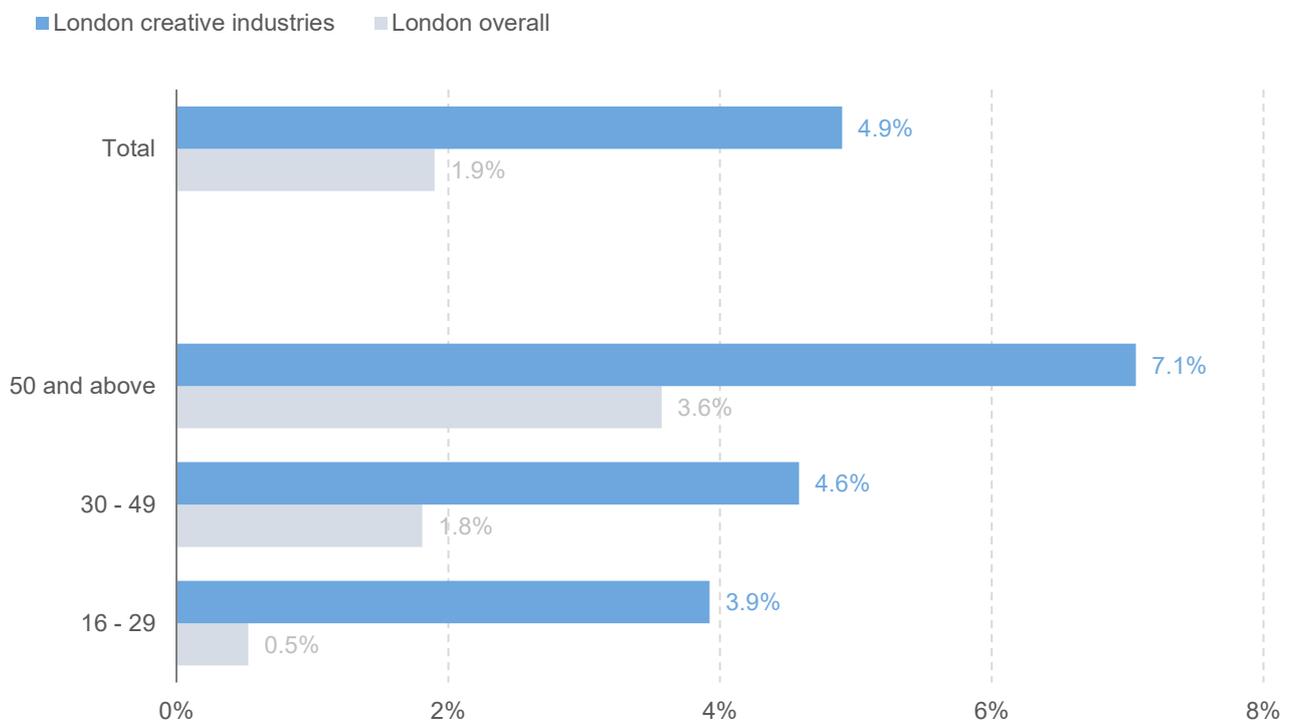
<sup>32</sup> Sectors such as hospitality employ a larger share of people aged 16-29 (38.0%). In construction the share of jobs held by those over the age of 50 years has increased from 22.6% in 2010 to 29.5% in 2021.

**Figure 16: Number of jobs by age, London's creative industries (000s), 2010-21**



Source: ONS APS, 2010-21

**Figure 17: Average annual jobs growth in creative industries and all sectors by age, London, 2010-21**



Source: ONS APS, 2010 and 2021

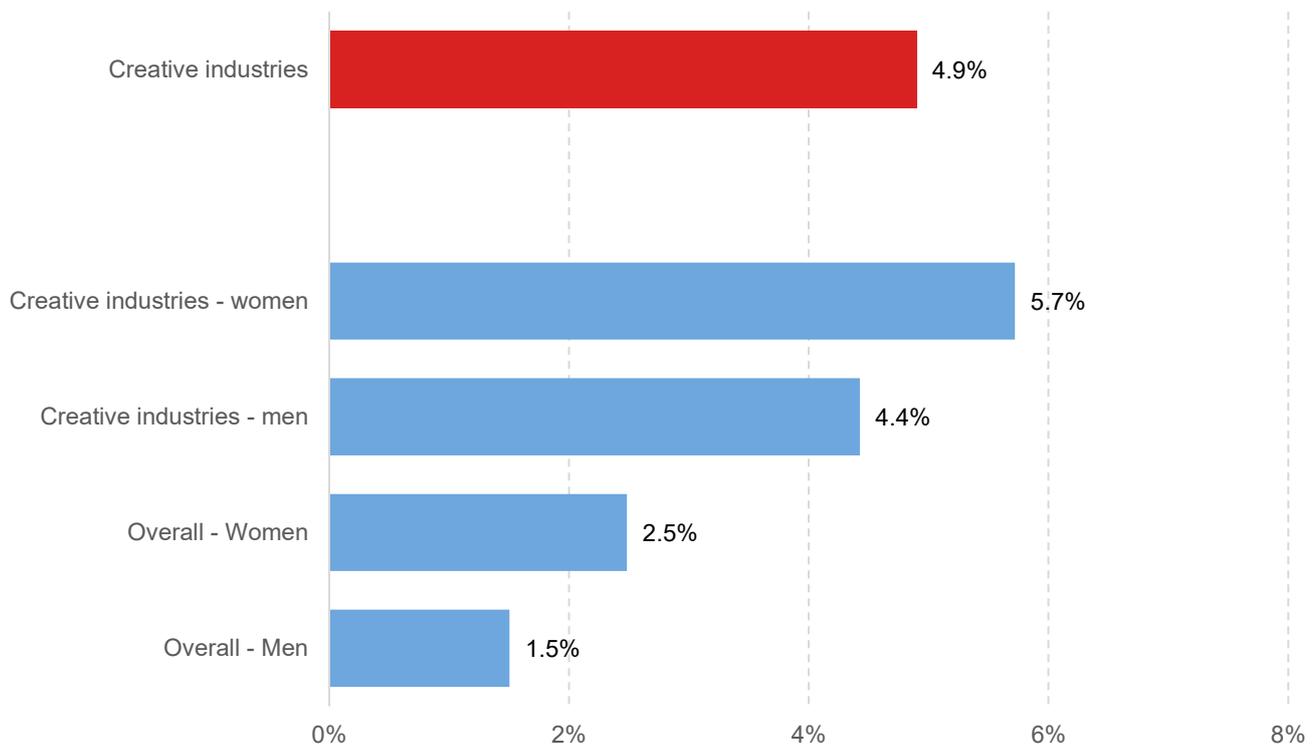
## Workforce profile by gender

From 2010 to 2021, both men and women experienced significant job growth in London's creative industries. The number of jobs held by women increased at an annual rate of 5.7%, while the number of jobs held by men increased by 4.4% a year (Figure 18).

While the share of jobs held by women in London's creative industries is below the London average for all sectors (Figure 19), it has increased over recent years. It rose from 37.8% in 2010 to 41.0% in 2021, reflecting a narrowing of the gender employment gap, particularly evident over the last two years.<sup>33</sup> In comparison, the London-wide proportion of jobs held by female workers increased from 43.6% to 46.2% over the last decade.

The gender employment gap is also less pronounced in certain sub-sectors of London's creative industries. For example, in 2021, more than half of jobs were held by women in design (53.0%), film, TV, video, radio and photography (51.4%) and publishing (51.2%). However, the gap is more pronounced in IT, software and computer services, where women accounted for only 25.1% of jobs in 2021.

**Figure 18: Average annual jobs growth in the creative industries and all sectors by gender, London, 2010-21**



Source: ONS APS, 2010-21

<sup>33</sup> The gender gap measures the difference between the share of employment held by men compared to women. The 18 percentage-point gender employment gap is calculated as the difference in the share of jobs held by men (59%) and those held by women (41%) by women.

**Figure 19: Share of jobs held by women in London and creative industries, 2010-21**



Source: ONS APS, 2010-21

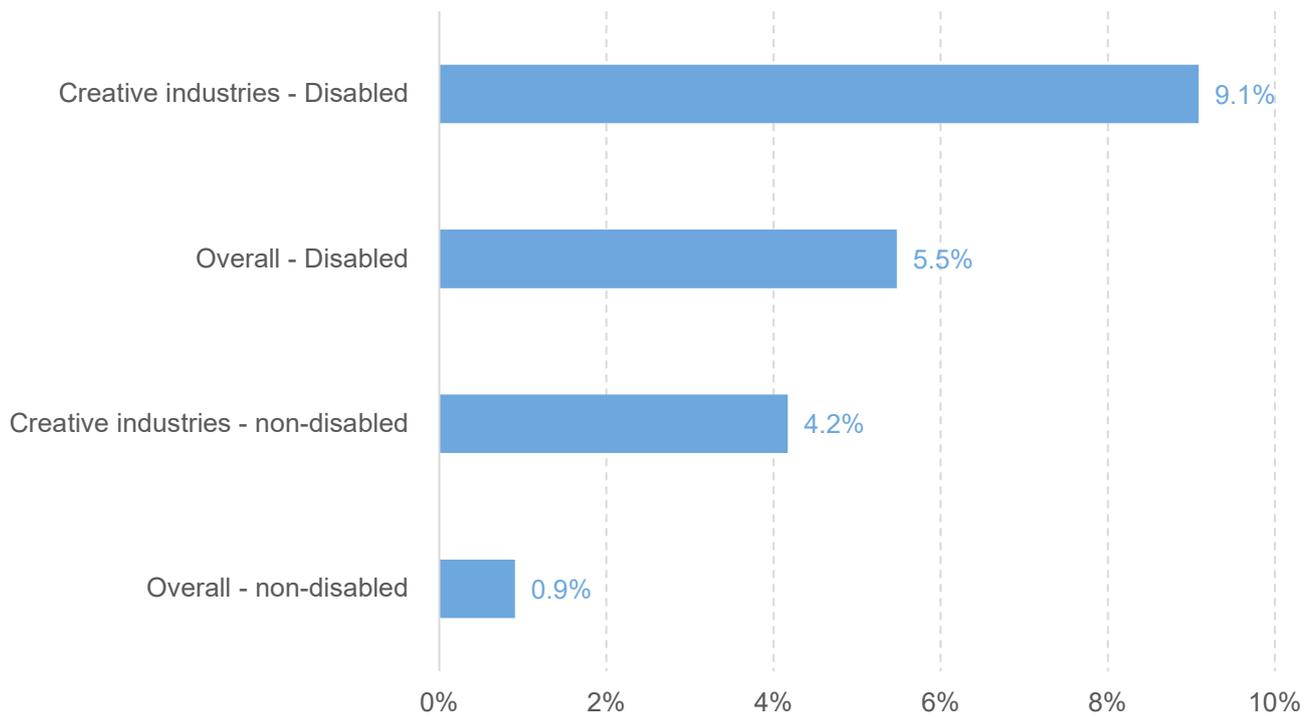
### Workforce profile by disability

There was strong growth in the number of jobs held by people with disabilities in London's creative industries between 2014 and 2021. As Figure 20 shows, the number of jobs held by this group increased by an average annual growth rate of 9.1% over this time (from 49,700 to 91,300 jobs). This was more than twice the rate of growth in creative industries jobs held by people without disabilities (4.2% a year, or an increase from 526,000 to 700,000 jobs).

By 2021, people with disabilities held 11.5% of jobs in London's creative industries sector, up from 8.6% in 2014. This was only marginally lower than the share across all sectors in the capital (12.6% in 2021). At the same time, both percentages remain some way below the overall proportion of people with disabilities in London's working-age population (19.0% of 16-64-year-olds).<sup>34</sup>

<sup>34</sup> The proportion of 16-64-year-olds living in London with a current disability, or who are work-limiting disabled. Source: ONS APS.

**Figure 20: Average annual jobs growth in the creative industries and all sectors by disability status, London, 2014-21**

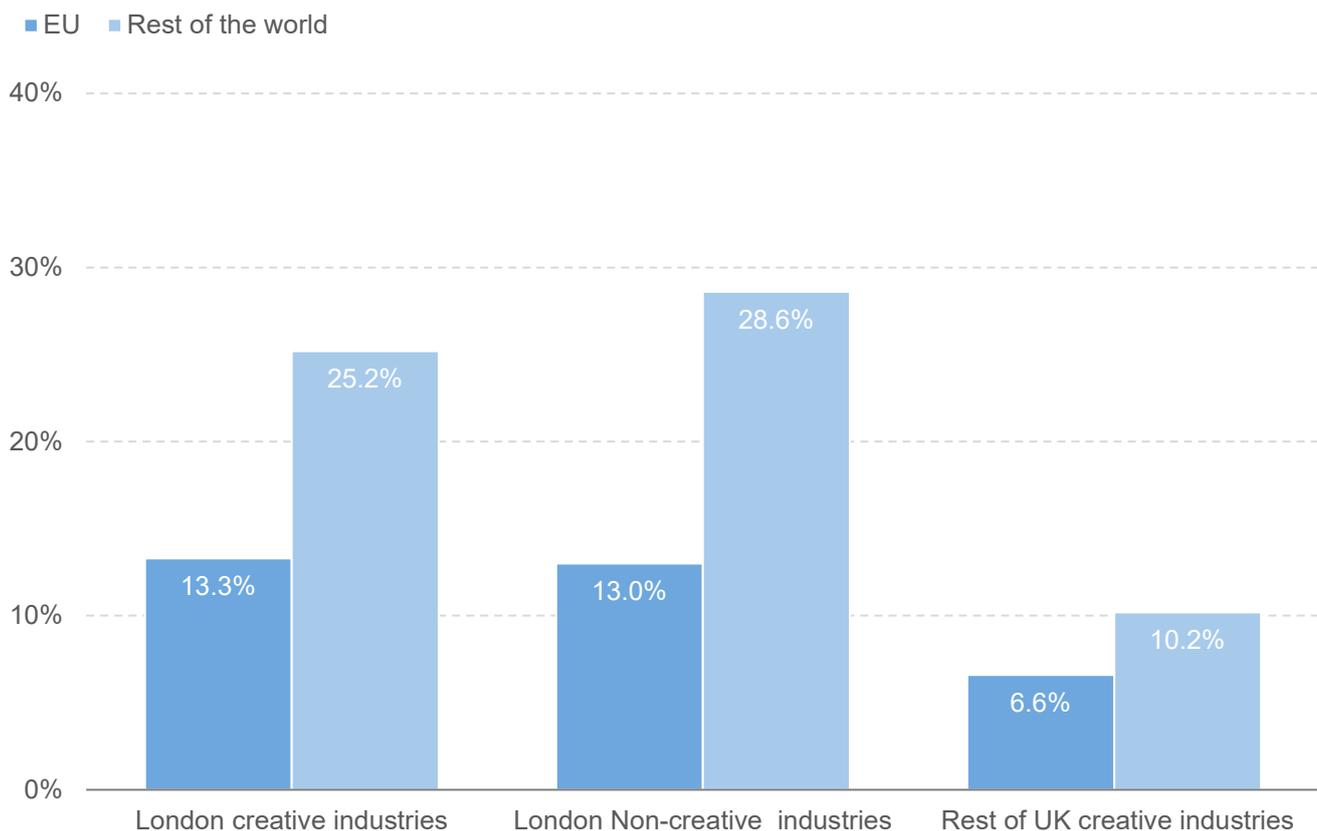


Source: ONS APS, 2014-21.

## Workforce profile by country of birth

People born outside of the UK make an important contribution to London's creative industries workforce. In 2021, close to two out of five (38.5%) jobs in the creative industries in London were held by workers born outside of the UK. This is higher than the share for the rest of the UK (16.9%) but lower than the London share for all other sectors (41.7% in non-creative industries). Figure 21 breaks these statistics down into non-UK nationals born within the EU, and those born outside the EU.

**Figure 21: Share of jobs in creative industries held by selected region of birth, London and the rest of the UK, 2021**



Source: ONS APS, 2021

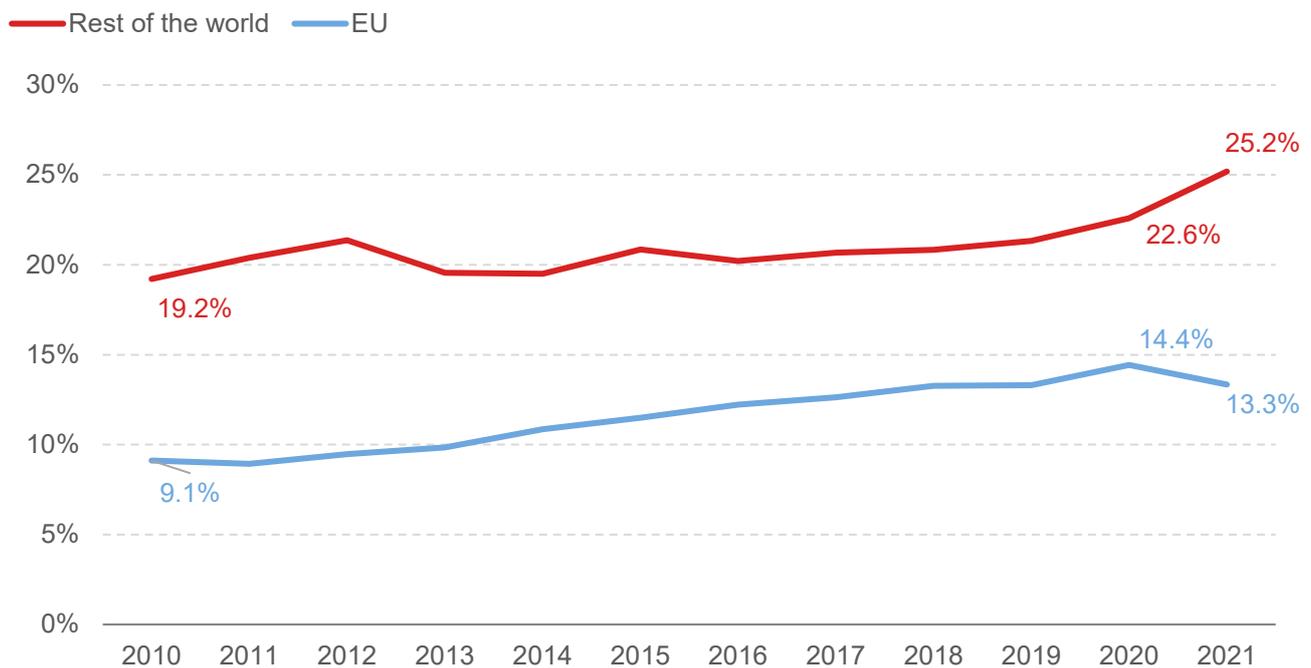
Both EU and non-EU workers saw their share of jobs in London's creative industries increase between 2010 and 2020. However, between 2020 and 2021, the share of EU workers dropped from 14.4% to 13.3%. Over the same period, the share of jobs held by people born in the rest of the world increased from 22.6% to 25.2% (Figure 22). These post-pandemic changes are in keeping with wider trends.<sup>35</sup>

Certain sub-sectors in London's creative industries are more reliant on workers born outside of the UK (EU and rest of the world). These include IT, software and computer services (54.6% of jobs are held by these workers) and architecture (41.0%). In sub-sectors such as music, performing and visual arts (23.4%) and advertising and marketing (25.6%) workers born outside of the UK account for a smaller share of jobs.<sup>36</sup>

<sup>35</sup> For more detail on employment by nationality, see: GLA Economics, [Payrolled employments by nationality](#), April 2023

<sup>36</sup> Note: estimates for the architecture and music, performing and visual arts sub-sectors are based on samples below 25 and should be treated with caution.

**Figure 22: Share of non-UK jobs by region of birth (EU and rest of the world), London's creative industries, 2010-21**



Source: ONS APS, 2010-21

### Workforce profile by qualification level

In 2021, 80.2% of job holders in the creative industries in London held a degree or equivalent qualification (Figure 23). This percentage is higher than the share in the creative industries in the rest of the UK (64.0%) and that for London overall (61.5%). However, London's creative industries also offer opportunities for workers who do not hold a degree. In 2021, 15.8% of jobs were held by people with a qualification below degree level, such as higher education, a GCSE, or GCE qualification.

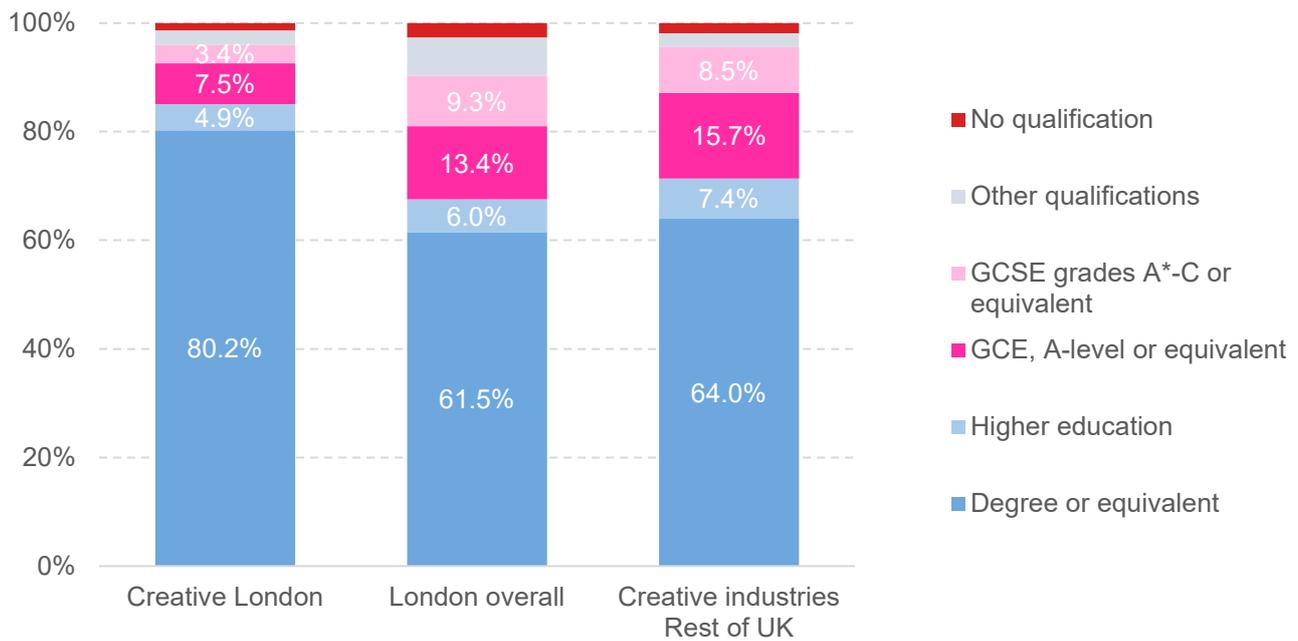
Between 2010 and 2021, job holders in London's creative industries became more highly qualified. The share of job holders with a degree or equivalent qualification increased from 66.2% in 2010 to 80.2% in 2021, while across all sectors in London this share increased from 44.4% to 61.5% (Figure 24). The average annual rate of growth in jobs held by workers with a degree or equivalent in London's creative industries during that period was higher (6.8%) than the London average (5.0%).

Research at the UK level indicates how the intersection of class and education can impact on the chances of finding a job in the creative industries.<sup>37</sup> Recent analysis finds, for example, that "those from a privileged background who are qualified to degree-level or above are 5.5 times more likely to secure a creative role than those from a working-class background qualified to GCSE-level".<sup>38</sup>

<sup>37</sup> For example, see: Creative Industries Policy and Evidence Centre led by Nesta, [Getting in and getting on: Class, participation and job quality in the UK Creative industries](#), August 2020.

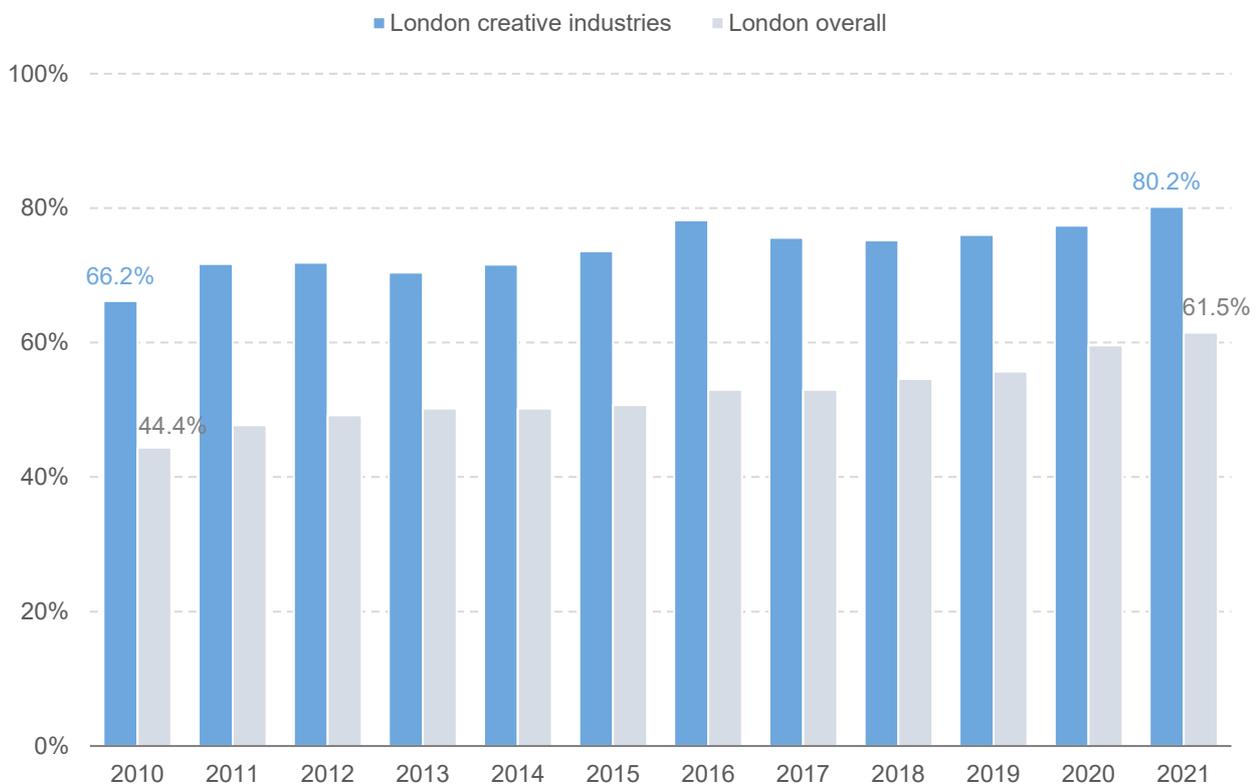
<sup>38</sup> Those from a privileged background refers to people who had at least one parent whose job was a higher or lower managerial, administrative or professional occupation. This analysis uses a definition of creative occupations based on the DCMS definition.

**Figure 23: Profile of job holders by highest level of qualification, 2021**



Source: ONS APS, 2021

**Figure 24: Share of job holders with a degree or equivalent as the highest level of qualification, creative industries and all sectors, London, 2010 to 2021**

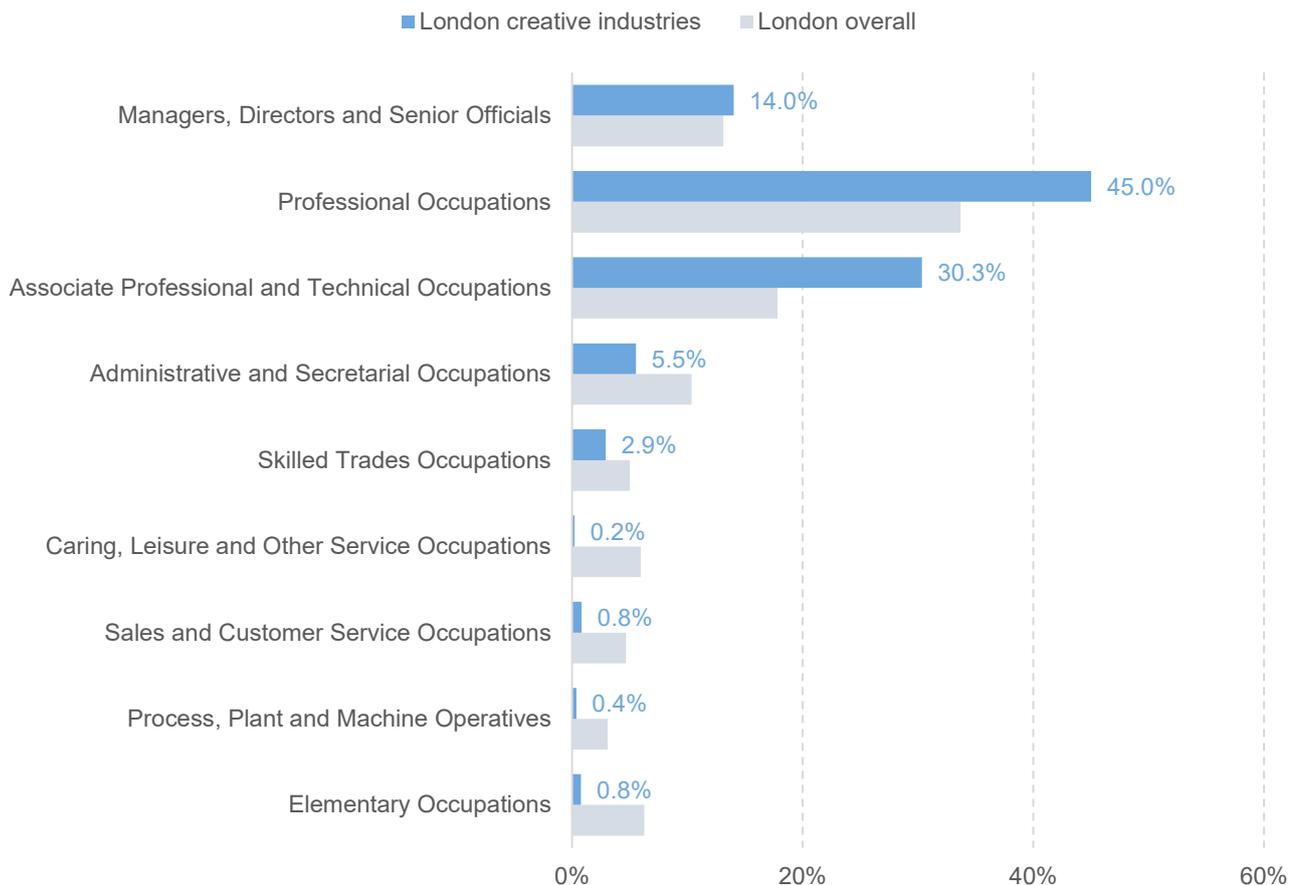


Source: ONS APS, 2010-21

## Workforce profile by occupation

Reflecting the qualifications profile, employment in London's creative industries is mainly found in three occupational groups generally regarded as higher-skilled: managers, directors and senior officials; professional; and associate professional and technical occupations. In 2021, these three groups accounted for nine out of ten creative industries jobs in London (89.4%). This was considerably higher than the share across all sectors in the capital (64.6%) (Figure 25). It was also higher than for the creative industries in the rest of the UK (84.3%).

**Figure 25: Share of creative industries jobs by major occupational group, London, 2021**

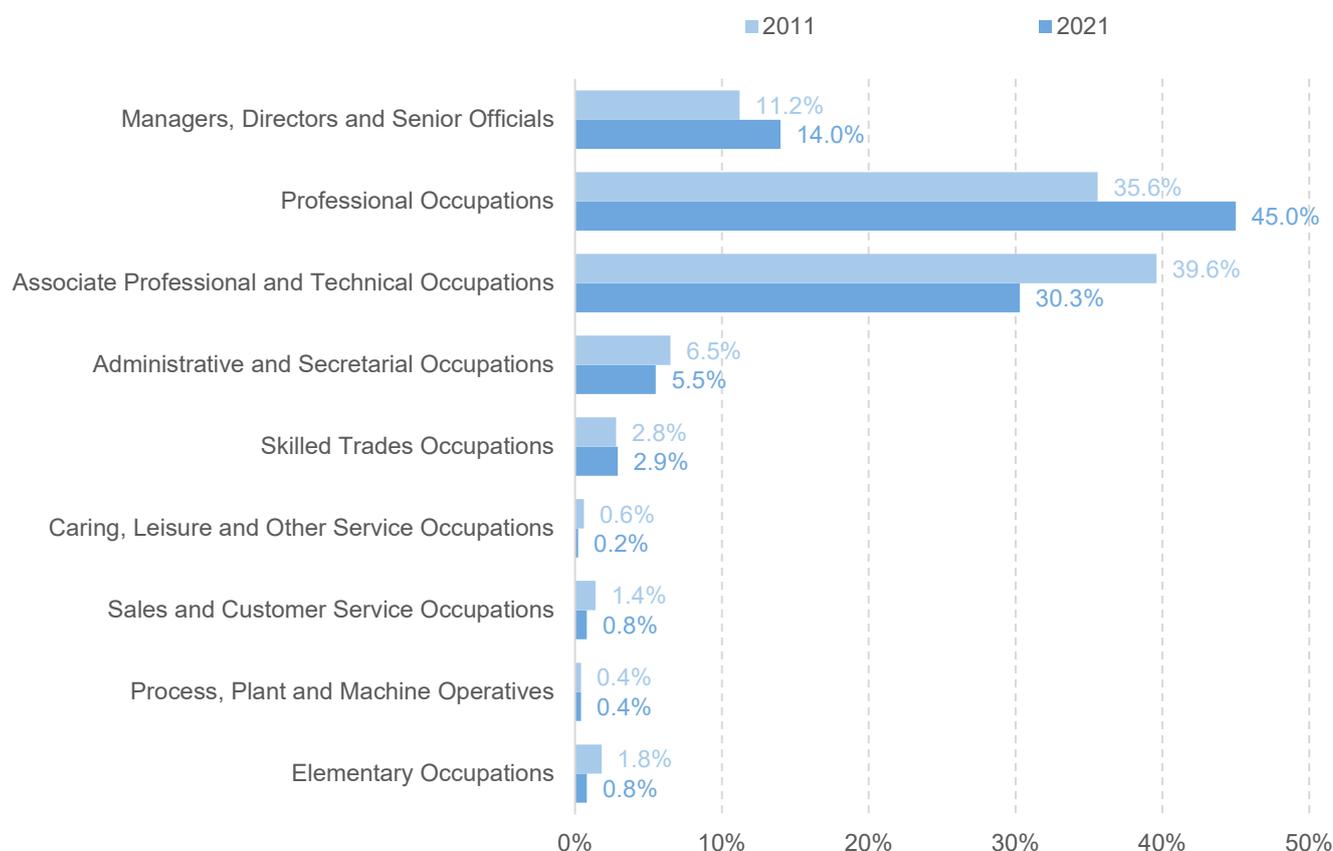


Source: ONS APS, 2021 Note: Data from 2021 uses the SOC2020 rather than SOC2010, and so is not directly comparable with the data for previous years as occupations are recorded in different ways. The [Standard Occupational Classification \(SOC\)](#) is a common classification of occupational information for the UK.

There was, moreover, an increase in the share of jobs accounted for by these 'higher-skilled' occupations between 2011 and 2021. Figure 26 highlights the large increase in professional occupations where the share of jobs in London's creative industries increased from 35.6% to 45.0%; for managers, directors and senior officials there was also an increase from 11.2% to 14.0%.

At the same time, the largest decline over this period was in associate professional and technical occupations, where the share of jobs declined from 39.6% to 30.3%. The share of jobs accounted for by workers in most other occupational groups also declined over the period, albeit more marginally.

**Figure 26: Share of creative industries jobs by major occupational group, London, 2011 and 2021**



Source: ONS APS, 2011 and 2021. Note: Data from 2021 uses the SOC2020 rather than SOC2010, and so is not directly comparable with the data for previous years as occupations are recorded in different ways. The [Standard Occupational Classification \(SOC\)](#) is a common classification of occupational information for the UK.

### Workforce profile by status in employment

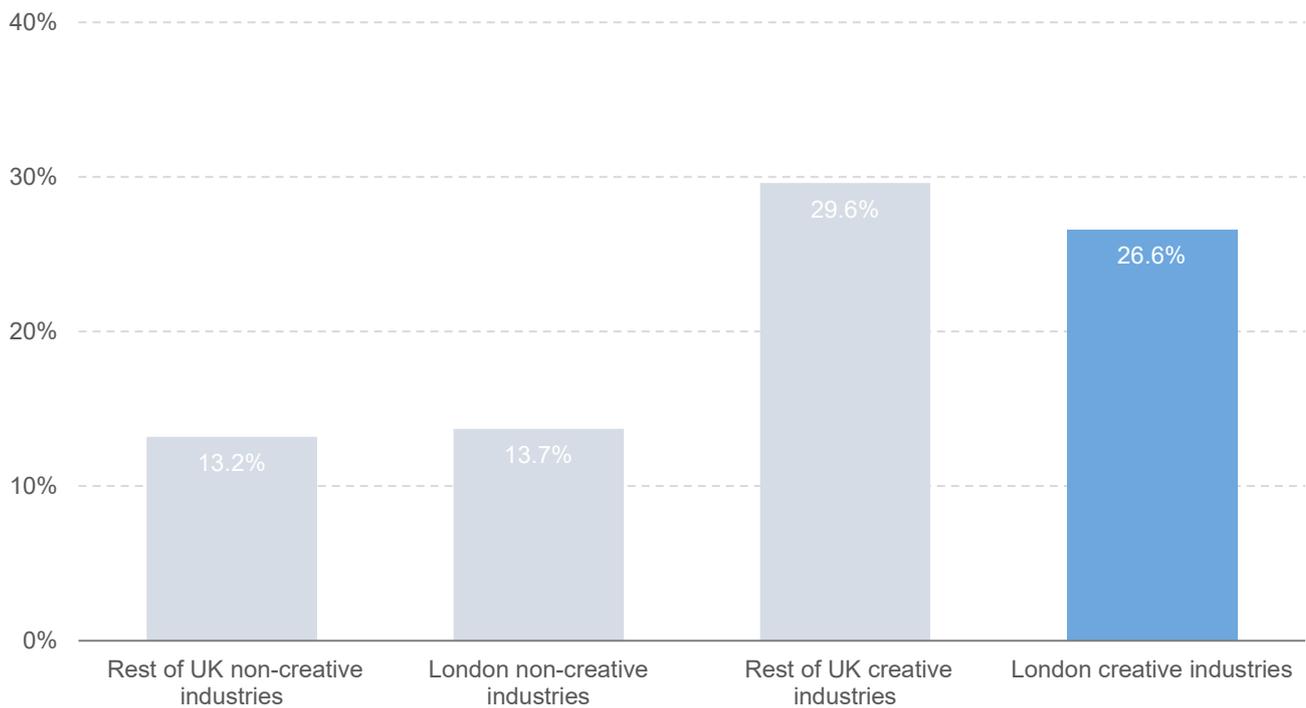
In 2021, in London's creative industries, more than one in four (26.6% or 212,000) jobs were held by self-employed workers, compared to only 13.7% of non-creative industries jobs (Figure 27).

While the overall rate of self-employment remains high, its growth has slowed in recent years, particularly following the pandemic. Between 2010 and 2019, the level of self-employment in London's creative industries increased by an average annual growth rate of 4.4%, rising from 146,000 to 215,000 jobs (Figure 28). This was in line with the rate of growth in employee jobs in the sector (also a 4.4% annual growth rate). Moreover, from 2020 to 2021, self-employment in London's creative industries declined by 3.9% or around 8,700 jobs. This post-pandemic fall can be attributed to various factors, including job losses and workers reclassifying themselves as employees.<sup>39</sup>

Self-employment is more prevalent in certain sub-sectors in the creative industries, especially music, performing and visual arts (60.4% of jobs in 2021) and design (58.1%). However, it is less prevalent in others, including IT, software and computer services (11.9%) and advertising and marketing (15.6%).

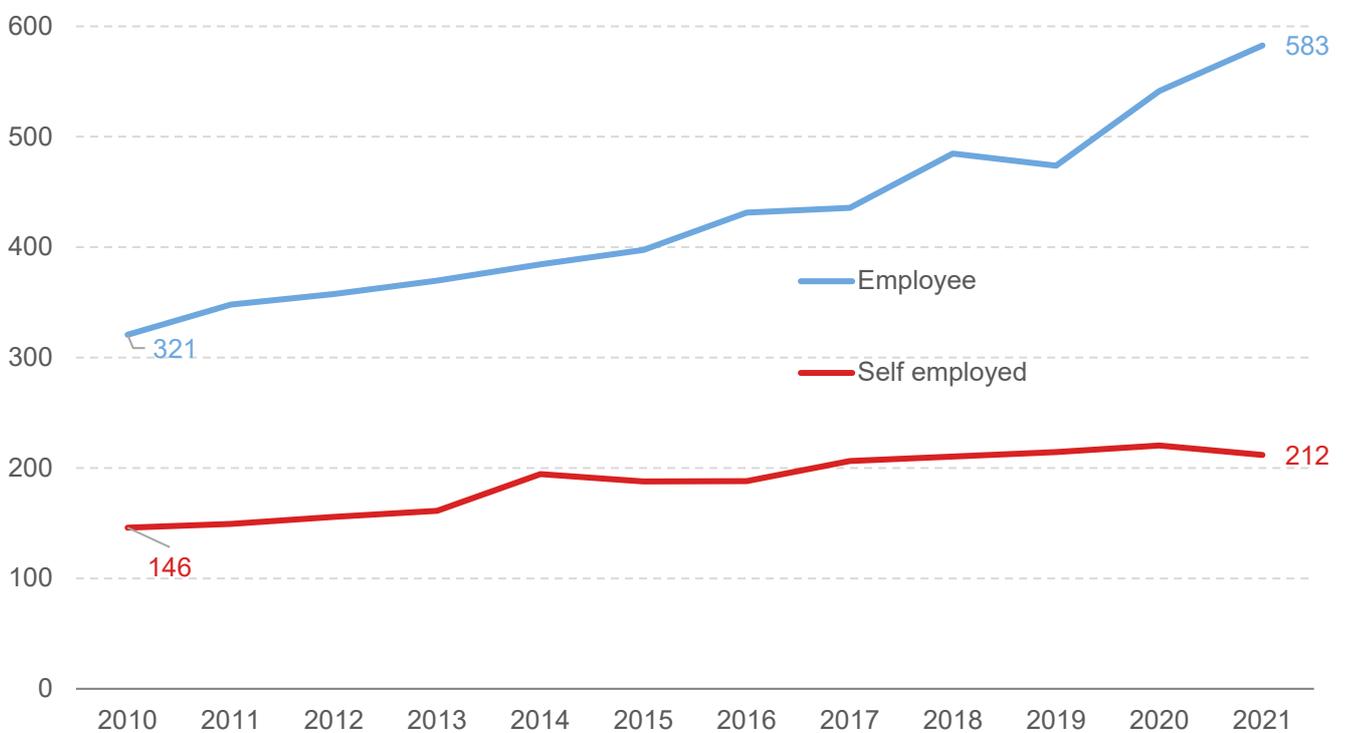
<sup>39</sup> ONS, [Understanding changes in self-employment in the UK: January 2019 to March 2022](#), July 2022

**Figure 27: Share of self-employment jobs in the creative and non-creative industries, London and the rest of the UK, 2021**



Source: ONS APS, 2021

**Figure 28: Creative industries jobs (000s), employee vs self-employed, London, 2010-21**



Source: ONS APS, 2010-21

## Quality of work for employees in the creative industries

Despite the creative industries employing a high share of higher-skilled and degree-educated people, research shows that job quality is mixed and varies by sub-sector.<sup>40</sup> Drawing on ONS data, our analysis suggests that this variance in job quality also exists within London's creative industries.

In terms of indicators suggesting lower job quality, 25.5% of employees in London's creative industries worked unpaid overtime in 2021. This was above both the average for all other industries in London (19.3%) and the UK average for the creative industries (Figure 29). Moreover, 21.6% of employees in this sector did not have satisfactory working hours. This was just below the London average across all sectors but higher than for the creative industries UK-wide.

Looking at job permanency, only 72.0% of creative industries employees held permanent positions in 2021. This was lower than for all other industries in London (81.6%) albeit slightly above the UK average for the creative industries. There were also stark differences by sub-sector, with a higher rate of permanent jobs for employees in IT, software and computer services (86.7%) and museums, galleries and libraries (83.5%) and a lower rate for music, performing and visual arts (40.5%) and design (41.0%).

On a positive note, London's creative industries fare well on other indicators of job quality. Opportunities for career progression were higher (65.5%) than for all other industries in the capital (60.0%). This was particularly the case for employees in IT, software and computer services (74.1%), but not for employees working in museums, galleries, and libraries (26.1%). Overall, the incidence of low pay was also relatively low for employees working in London's creative industries (see more on earnings trends in the next section), as was the occurrence of zero-hour contracts.

**Figure 29: Selected job-quality indicators in London and the UK, 2021**



Source: ONS, *job-quality measures*, 2021. Note: Local pay – earning at least two-thirds of the median pay of their subnational authority of residence

<sup>40</sup> Nesta, [Job quality in the Creative industries](#), The final report from the Creative PEC's Good Work Review, 2023

## 4 Earnings trends for employees in the creative industries

### What does this section cover?

This chapter explores employee earnings in the creative industries. It looks at how pay levels compare with other sectors and broader UK trends, and how they have changed over time. It also describes the distribution of earnings across the creative industries, segmented by sub-sector, gender, and percentile.

We rely on data from the DCMS based on the Annual Survey of Hours and Earnings (ASHE) – the UK's most comprehensive earnings survey. However, it should be noted that this data does not include the self-employed, a significant group in the creative industries, or employees not paid during the reference period. The pandemic also had an impact on recent earnings estimates, particularly for 2020 and 2021.

### Trends in creative industries earnings

In April 2022, median weekly gross pay for all employee jobs in London's creative industries was £786. This was 12.4% higher than the all-sector average of £700. Typical pay for employees working in the creative industries overall was comparable to employees working in the transport and storage, and construction sectors in London (Figure 30).

**Figure 30: Gross median weekly pay by selected sector, all employee jobs, London, 2022**



Source: ASHE earnings by industry and region; and DCMS estimates of earnings in the creative industries. Sectors are not exclusive; for example, there is overlap between the creative industries, the information and communication sector, and the professional and scientific sector.

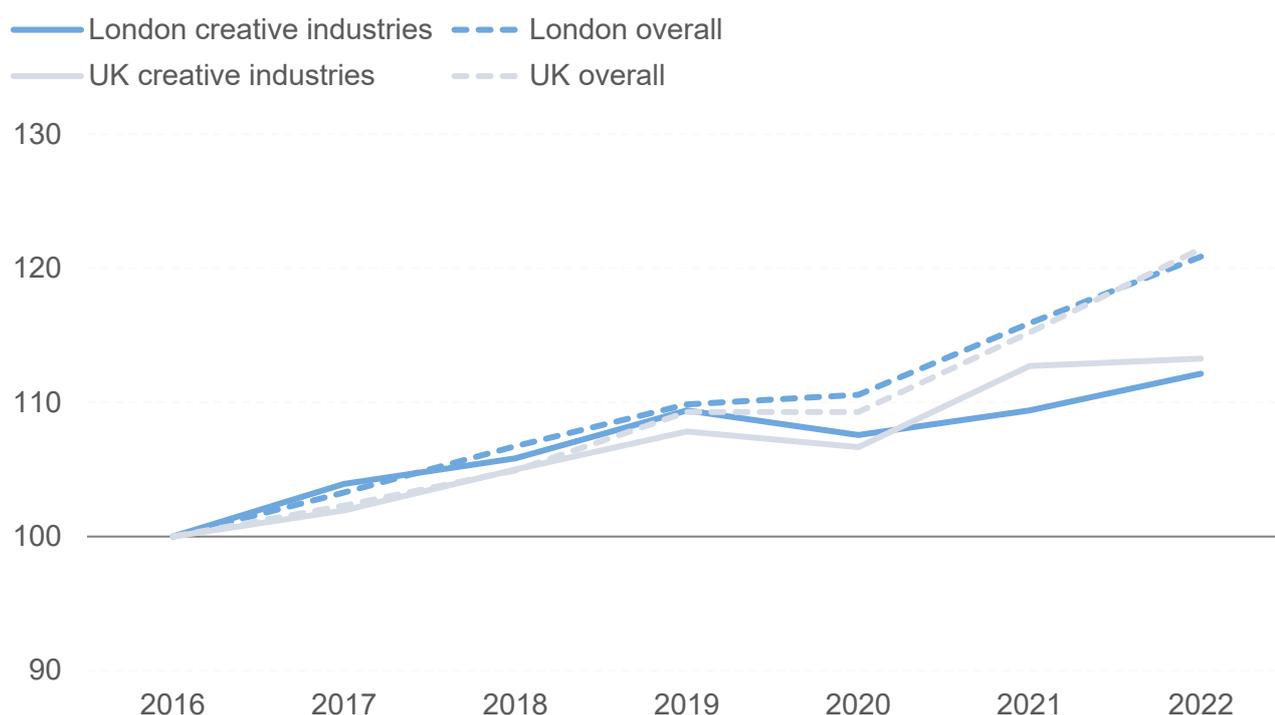
Since 2016, the median level of pay in London's creative industries has been increasing in nominal terms. Figure 31 shows the trend in median weekly earnings, unadjusted for inflation. The data reveals an increase in earnings between 2016 and 2019, with nominal gross median weekly wages in the creative industries increasing by 9.4%. This rate was in line with the all-sector London average, which saw growth of 9.9%; and it was higher than the UK creative industries, which increased by 7.8%.

The impact of the pandemic on the creative industries was also reflected in earnings. However, as the ONS has noted, the pandemic and furlough scheme make interpreting recent trends more difficult.<sup>41</sup>

In 2020, there was a drop in median earnings for employees in the creative industries, both in London and across the UK; this is in contrast to the general trends across all sectors at the London and UK levels (Figure 31). From 2020 to 2022, there was a positive shift, with median earnings in London's creative industries rising by 4.2% in nominal terms. At the same time, it's notable that this growth rate was below the averages for London across all sectors (9.3%) and for the creative industries UK-wide (6.2%).

**Figure 31: Index of gross median weekly pay for the creative industries (London and the UK) and all sectors (London and the UK), 2016-22**

London and the UK, index 2016 = 100



Source: DCMS sector estimate: weekly pay gross 2016-22. Note: earnings not adjusted for inflation.

Table 1 shows average annual growth in median gross weekly earnings in real terms (i.e., adjusted for inflation). Real earnings growth in the creative industries in London between 2016 and 2019 was 0.8% a year; lower than the London average (1.0%), but higher than for the creative industries UK-wide (0.3%). Between 2020 and 2022, there was a contraction in real earnings for the creative industries in London (2.9% a year decrease) and the UK (2.0% decrease).

<sup>41</sup> The ONS highlights that, during the pandemic, [earning estimates were affected](#) by changes in the composition of the workforce and the impact of furlough, making interpretation difficult. Also, data collection was disrupted with lower response rates in 2020 and 2021, and thus the data is subject to more uncertainty and should be treated with caution.

**Table 1: The impact of the pandemic on real median gross weekly earnings for the creative industries and all sectors in London and the UK**

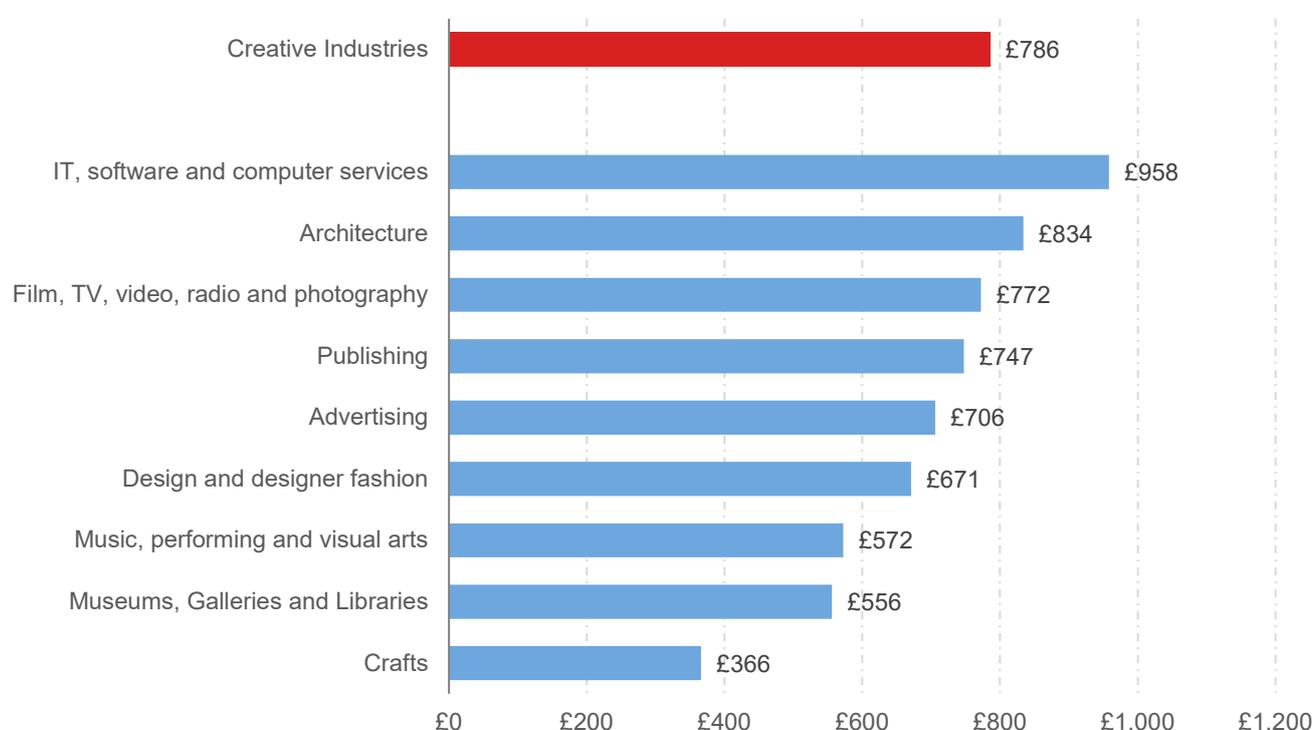
	Average annual growth (%)		
	2016-22	Pre-COVID (2016-19)	COVID (2020-22)
<b>London</b>			
Creative industries	-1.0	0.8	-2.9
All sectors	0.2	1.0	-0.6
<b>UK</b>			
Creative industries	-0.9	0.3	-2.0
All sectors	0.3	0.8	-0.2

Source: ONS ASHE, earnings by industry and region; and DCMS estimates of earnings in the creative industries (2022). Note: earnings adjusted by ONS's consumer prices index, including owner-occupiers' housing costs (CPIH).

### Trends in median gross weekly earnings by sub-sectors

Figure 32 highlights the spread in earnings within the creative industries by sub-sector. Notably, employee pay in the IT, software and computer services sub-sector exceeds the other sub-sectors, with median weekly earnings that are 22.0% higher than the creative industries average. All but Architecture has median earnings below the sector average.

**Figure 32: Median gross weekly earnings for creative industries sub-sectors (all employee jobs), London, 2022**



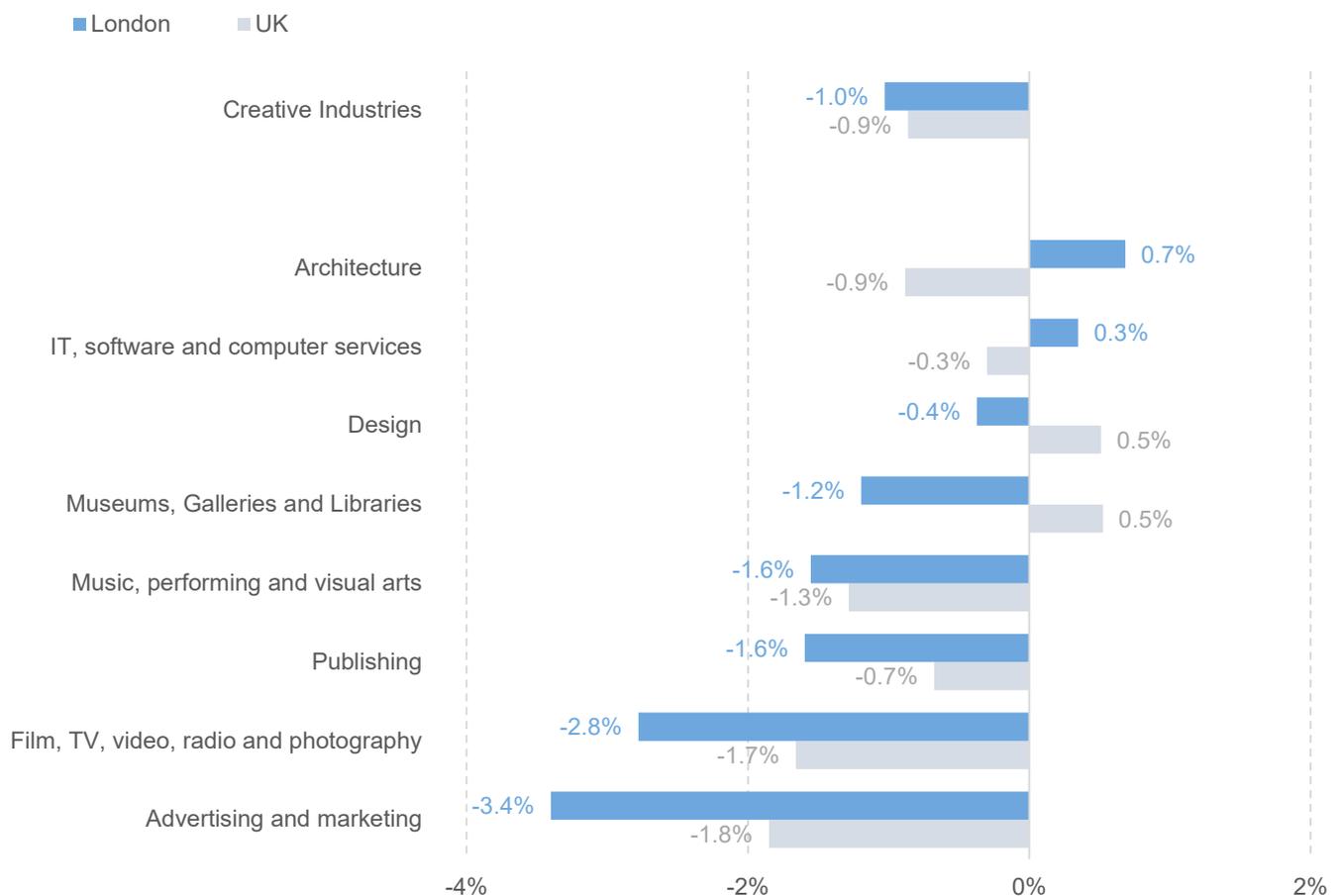
Source: DCMS estimates of earnings in the creative industries and its sub-sectors, 2022.

Figure 33 shows the annual rate of growth in real median earnings between 2016 and 2022 by creative industries sub-sector. It shows that median employee pay fell in real terms across most sub-sectors over this

time, with the exception of architecture and IT, software and computer services. Advertising and marketing saw the largest fall, with median gross weekly pay decreasing by 3.4% a year in real terms, followed by film, TV, video, radio and photography (2.8% a year decrease).

These changes are mainly driven by post-pandemic trends. From 2016 to 2019, the annual average rate of growth in real median weekly pay increased across six of the nine creative industries sub-sectors in London, but contracted in film, TV, video, radio and photography (decline of 8.2% a year), publishing (1.0% decrease) and museum, galleries and libraries (3.0% decrease). From 2020 to 2022, however, the real median earnings contracted annually across eight sub-sectors, only increasing in architecture (3.1% a year increase).

**Figure 33: Average annual growth rates in real median gross weekly pay in the creative industries sub-sectors, London and the UK, 2016-22**



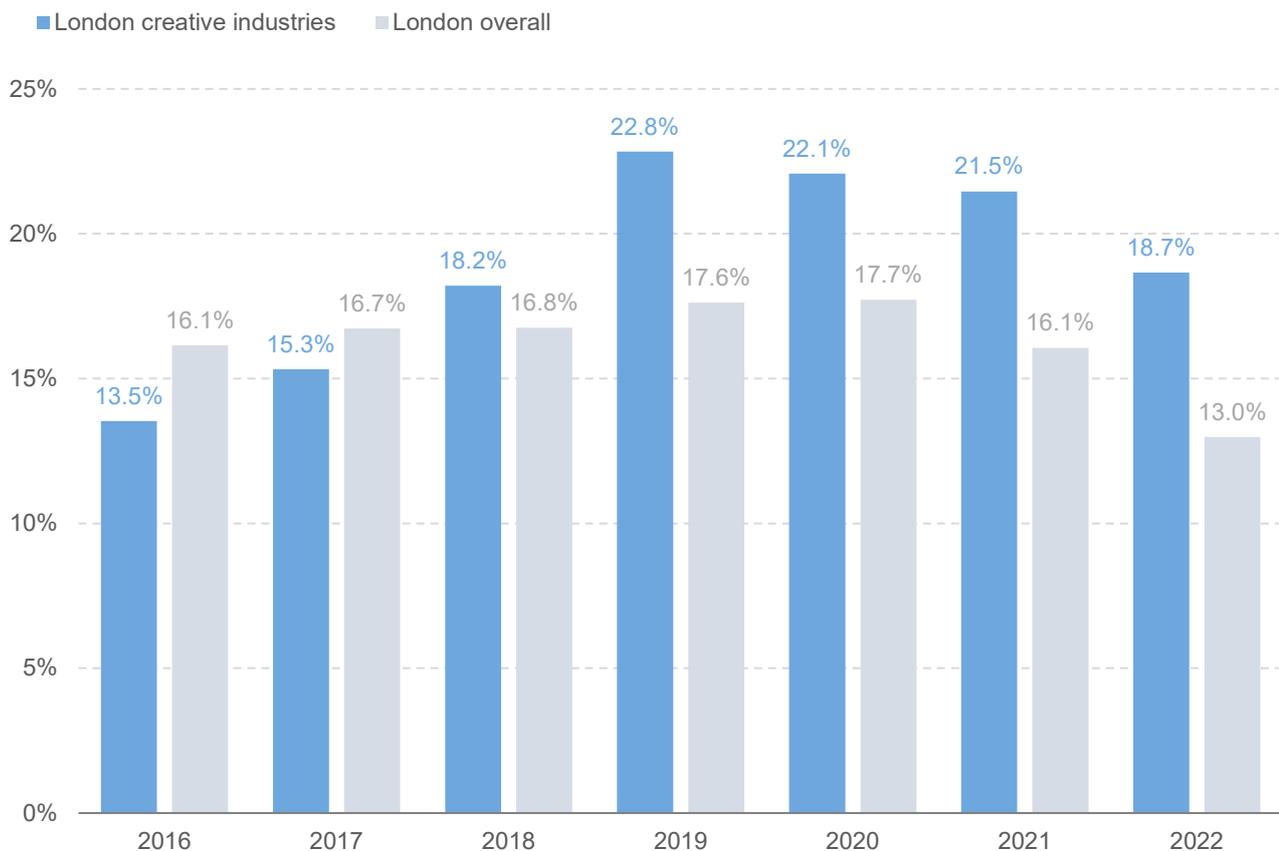
Source: DCMS estimates of earnings in the creative industries and its sub-sector, 2016-22.

## Trends in the gender pay gap

The gender pay gap reflects the difference in median hourly gross pay for men and women. In April 2022, the gender pay gap in London's creative industries stood at 18.7%, notably higher than London's overall gender pay gap of 13.0%.<sup>42</sup>

The gender pay gap in London's creative industries has narrowed over recent years, declining from a high of 22.8% in 2019. Despite this improvement, the sector's gender pay gap was still 5.1 percentage points higher in 2022 than in 2016. This contrasts with trends across all sectors in London. The overall gender pay gap in London declined from a high of 17.7% in 2020 to 13.0% in 2022, a figure which was also 3.1 percentage points below its 2016 level.

**Figure 34: Gender pay gap, London's creative industries and all London sectors, 2016-22**



Source: DCMS economic estimates – gender pay gap in DCMS sectors, 2016-22

<sup>42</sup> Gender pay gap estimates are reported as percentages, where the figure is the percentage difference from male pay. A gender pay gap of 18.7% indicates that for every £1 earned by a man in the sector, a woman earns just over £0.81.

## 5 Characteristics of businesses in the creative industries

### What does this section cover?

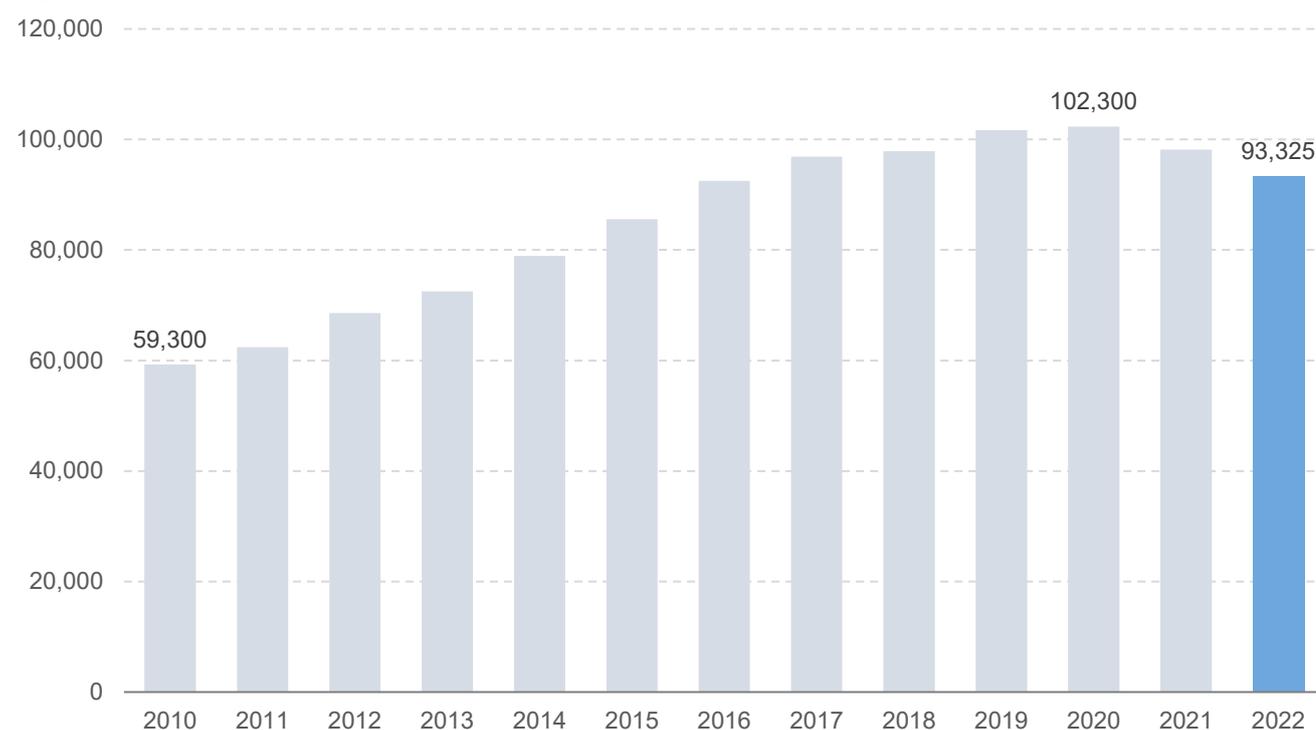
This chapter provides an overview of the characteristics of businesses in London's creative industries. It reviews trends in business counts between 2010 and 2022; looks at business size based on the number of employees and turnover; and explores trends in business births. The main data source used for this analysis is the ONS Inter-Departmental Business Register (IDBR), which compiles information on all businesses in the UK that are VAT-registered and/or operate a PAYE (Pay As You Earn) scheme.

### Trends in the number of businesses and turnover in the creative industries

From 2010 to 2022, the count of VAT and/or PAYE-registered enterprises in London's creative industries saw robust growth, increasing from 59,300 to a peak of 102,300 in 2020.<sup>43</sup> The pandemic disrupted this upward trajectory, causing a decline to 93,325 businesses by 2022 (Figure 35). Despite this drop, the sector still saw a significant 57.4% increase in registered businesses between 2010 and 2022.

Notably, creative industries account for a significant share of businesses in the capital. From 2010 to 2014, this share climbed from 17.9% to a high of 19.7%. It dipped slightly pre-pandemic, before dropping more significantly since (from 19.5% in 2019 to 17.4% in 2022).

**Figure 35: Number of enterprises in London's creative industries, 2010-22**



Source: ONS, IDBR, 2010-22

In 2022, 80.3% of creative industries businesses in London were generating an annual turnover of less than £200,000 – a similar share to 2010 (79.2%). A further 15.1% recorded turnover of between £200,000 and £2m, while 4.6% had turnover of £2m or more. This was in line to the share for creative industries in the UK where 82.8% of businesses had an annual turnover of less than £200,000.

<sup>43</sup> The figures here are based on enterprises. An enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group.

Similarly, in 2022, London's creative industries were predominantly made up of small businesses. Around 93.1% of these businesses employed between zero and nine people, a slight decrease from 93.8% in 2010. This distribution is consistent with the UK-wide pattern. Larger businesses with over 250 employees were scarce, accounting for around 0.2% of the sector in both London and the UK as a whole (Table 2). It should be noted, however, that this profile is comparable to other industries in London.

**Table 2: Distribution of enterprises by turnover and number of employees in London and the UK's creative industries, 2010 and 2022**

Creative industries	2010		2022	
	London	UK	London	UK
<b>Share of business by level of annual turnover</b>				
Less than £200,000	79.2%	82.5%	80.3%	82.8%
£200,000 to £2m	16.1%	14.3%	15.1%	13.9%
£2m and above	4.7%	3.2%	4.6%	3.3%
<b>Share of businesses by number of employees</b>				
0-9 employees	93.8%	94.3%	93.1%	93.9%
10-49 employees	4.9%	4.7%	5.4%	5.0%
50-249 employees	1.1%	0.8%	1.2%	0.9%
250 or more employees	0.2%	0.2%	0.2%	0.2%

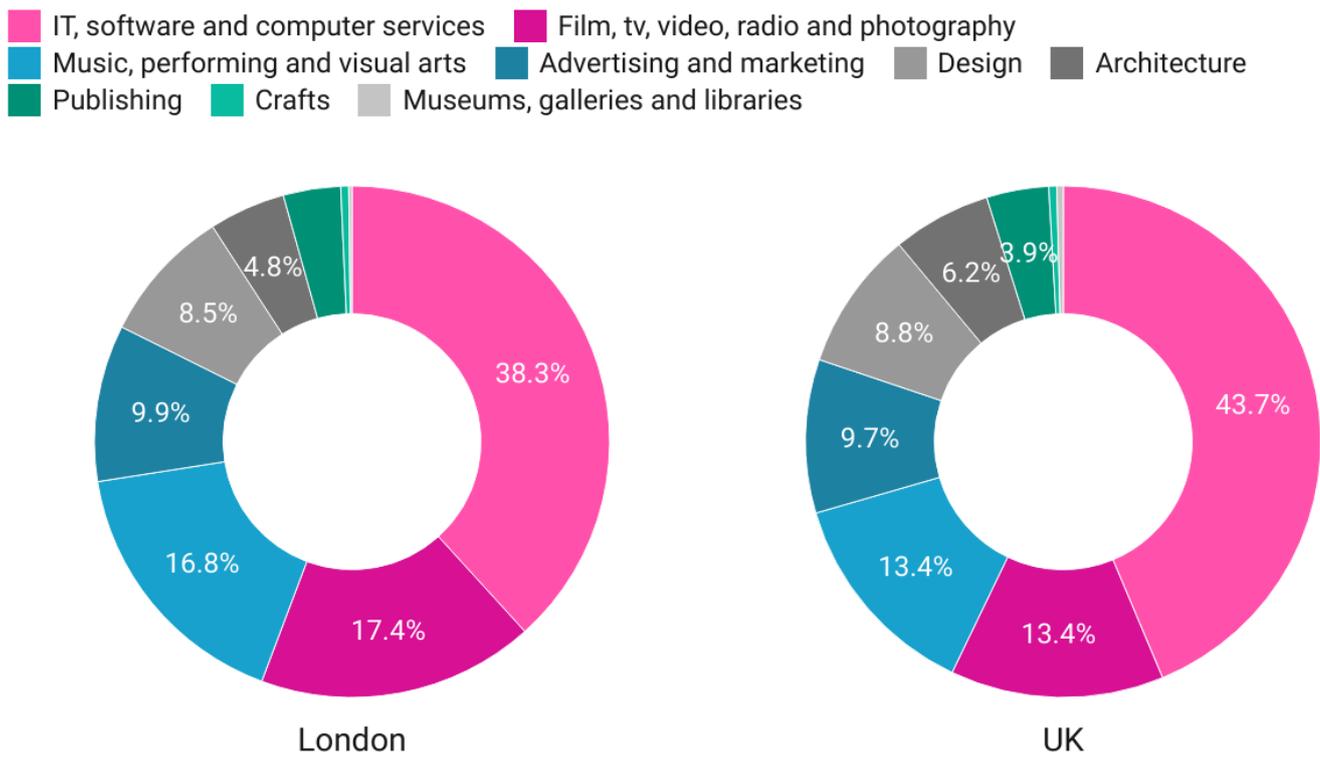
Source: ONS, IDBR, 2010 and 2022

### Sub-sector-level trends in the number of businesses and turnover in the creative industries

In 2022, the IT and computer services sub-sector was the largest among creative industries in London, comprising 35,695 businesses – or 38.3% of those in the sector (Figure 36). As with GVA and jobs, this was below the sub-sector's share across the UK (43.7%). Notably, though, 30.0% of all UK businesses in IT, software and computer services were in London. The next largest sub-sectors were film, TV, video, radio and photography and music, performing and visual arts, which together accounted for 34.2% of creative industries businesses in London and 26.8% of businesses in the creative industries in the UK.

Museums, galleries and libraries represented a smaller proportion of creative industries businesses in London, with 210 in 2022 (or 0.2% of the total). In comparison, they accounted for 0.4% of such businesses in the UK as a whole.

**Figure 36: Share of creative industries enterprises by sub-sector, London and the UK, 2022**

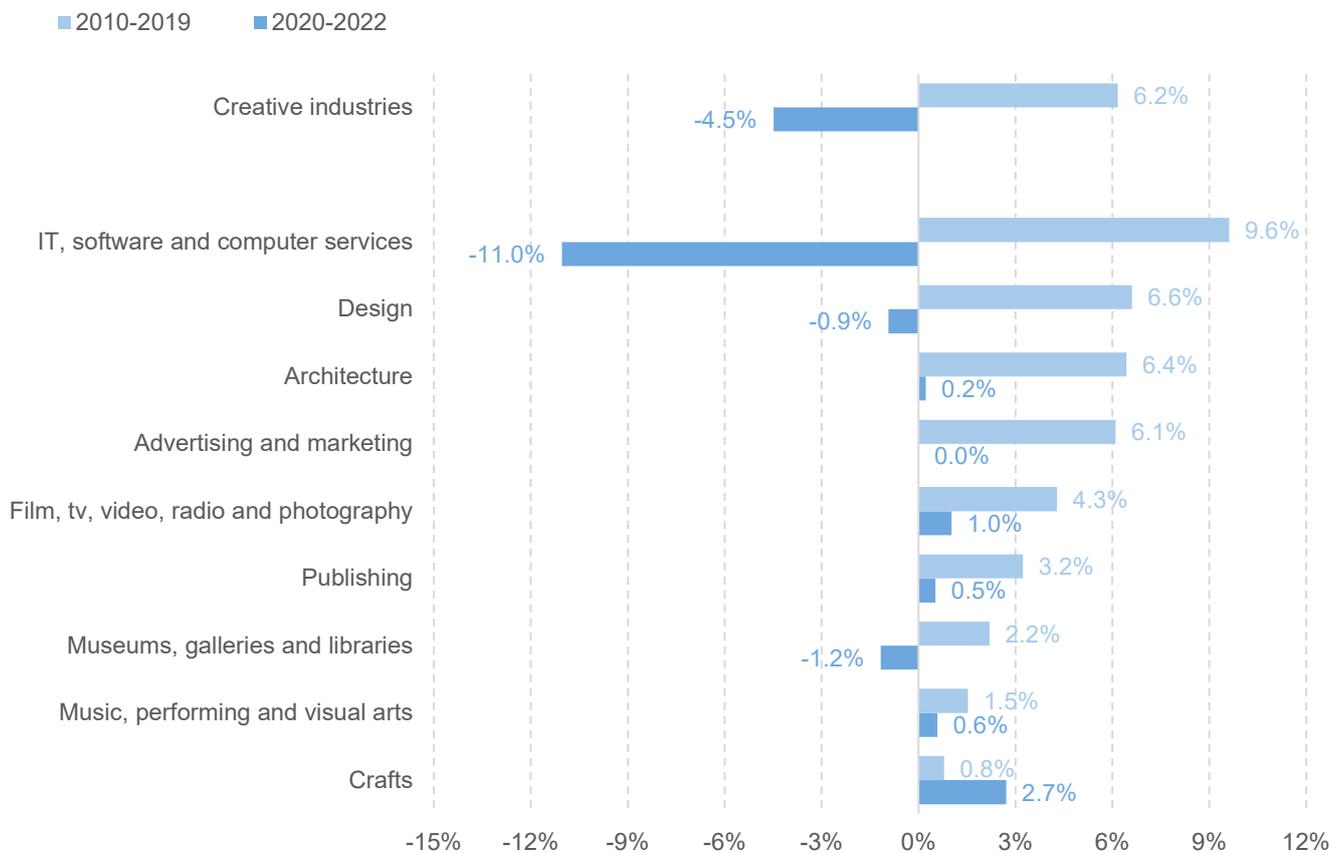


Source: ONS, IDBR, 2022

Pre-pandemic (2010-19), robust average annual growth in business counts was observed across all sub-sectors in London's creative industries. The sub-sectors leading this growth were IT, software and computer services (9.6% a year); design (6.6%); architecture (6.4%); advertising and marketing (6.1%); and film, TV, video, radio and photography (4.3%).

However, post-pandemic (2020-22), growth in the number of businesses slowed. Some sub-sectors even saw a contraction, namely IT, software and computer services (a decline of 11.0% a year); museums, galleries and libraries (a decline of 1.2%); and design (a decline of 0.9%) (Figure 37). The decline in IT, software and computer services was mainly driven by a fall in the number of businesses in computer consultancy activities.

**Figure 37: Average annual growth in creative industries enterprises by sub-sector, London, 2010-19 and 2020-22**



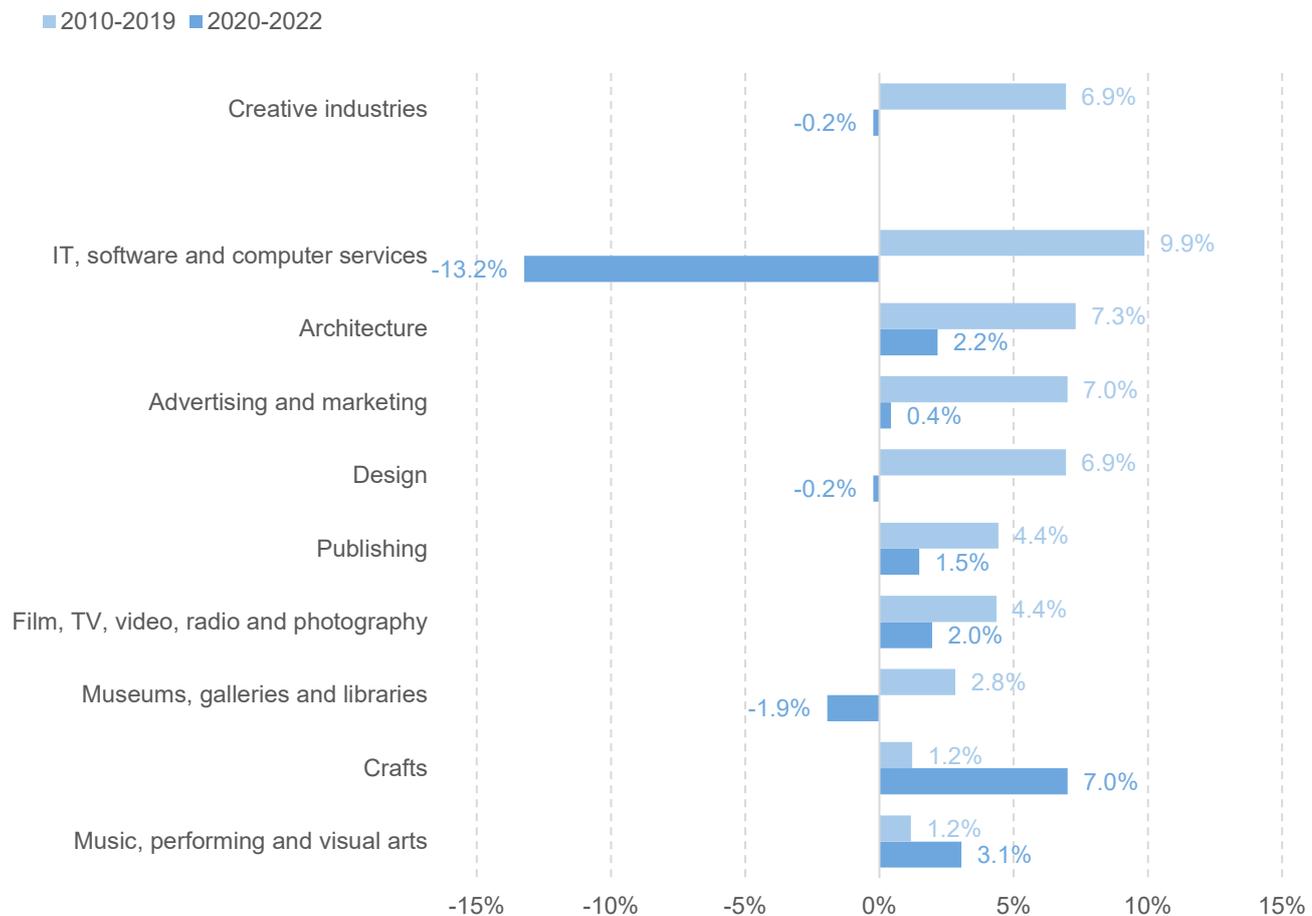
Source: ONS, IDBR, 2010-22

As Figure 38 shows, prior to the pandemic, the number of businesses earning less than £200,000 per year increased across all creative industries sub-sectors in London. Average annual growth rates was highest in IT, software and computer services (9.9% a year), followed by architecture (7.3%) and advertising and marketing (7.0%).

Post-pandemic, there was growth in the number of businesses earning an annual turnover of less than £200,000 in most creative industries sub-sectors. However, between 2020 and 2022 there was a contraction in three sub-sectors namely, IT, software and computer services (a decline of 13.2% a year); museums, galleries and libraries (a decline of 1.9%); and design (a decline of 0.2%).

In line with the decline in the number of firms with an annual turnover of less than £200,00, the analysis also finds that the number of businesses employing fewer than 10 employees declined in IT, software and computer services and design.

**Figure 38: Average annual growth in creative industries enterprises earning less than £200,000 in annual turnover, by sub-sector, London, 2010-19 and 2020-22**



Source: ONS, IDBR, 2010-22

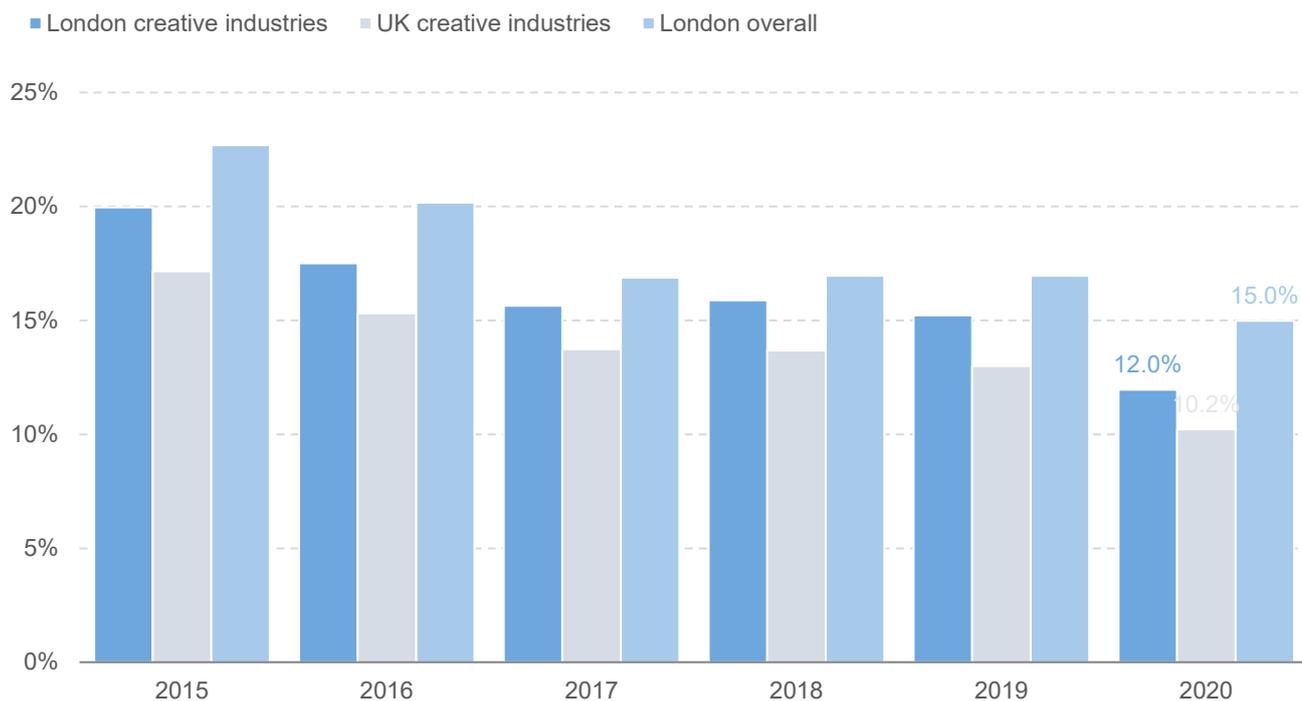
## Business births rates

The business birth rate in London's creative industries is above the UK average for the sector. Yet, since 2015, it has been below the average rate across all sectors in London (Figure 39). Moreover, the rate of new business registrations in London's creative industries has been declining over recent years, reflecting trends seen in both the wider London economy and the creative industries across the UK.

In 2015, new business registrations (i.e., those registered for VAT or PAYE) in London's creative sector accounted for 20.0% of the active businesses. This was slightly higher than the 17.2% observed across the UK's creative sector but lower than London's overall rate of 22.7%. By 2020, though, this rate had declined to 12.0% for London's creative industries businesses, versus 10.2% for the sector UK-wide and 15.0% in London overall. The pandemic is likely to have contributed towards a fall in births in 2020.

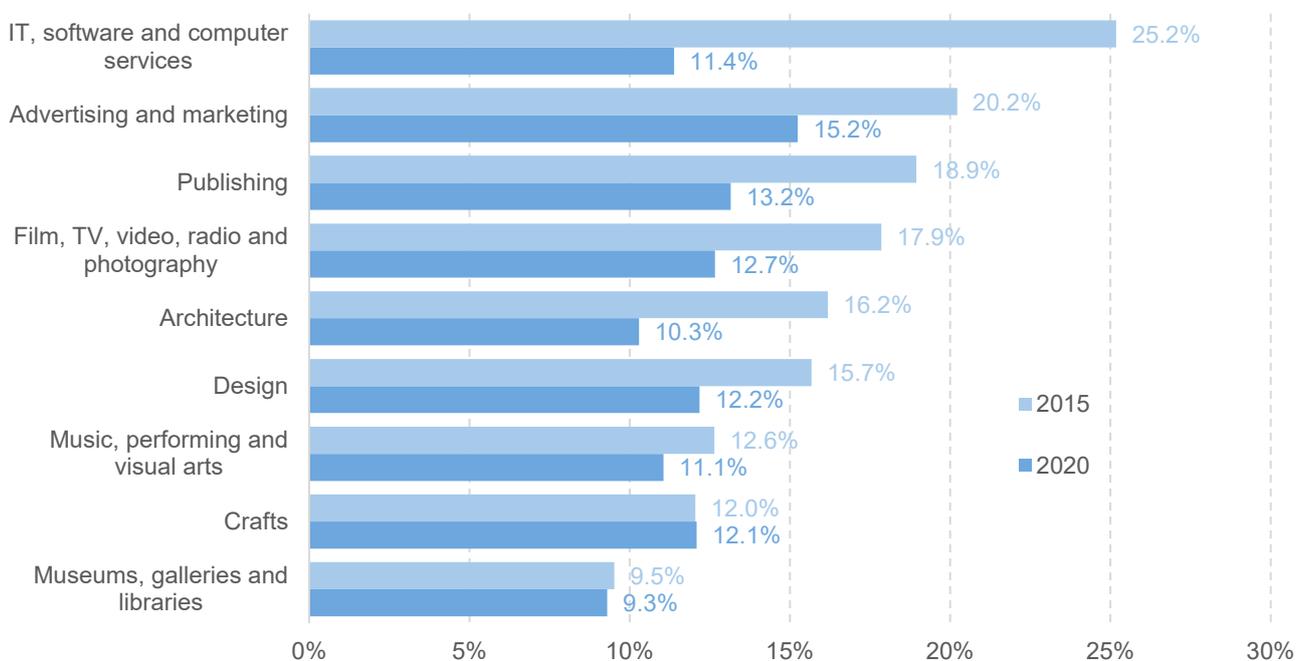
Figure 40 provides a detailed breakdown by sub-sector. In 2020, the highest business birth rates within London's creative industries were in advertising and marketing (15.2%), publishing (13.2%) and film, TV, video, radio and photography (12.7%). Birth rates declined in most sub-sectors between 2015 and 2020. This was most pronounced in IT, software and computer services, where the birth rate fell from 25.2% in 2015 to 11.4% in 2020. Notably, this sub-sector alone accounted for more than three-quarters of the overall decline in new business registrations in London's creative industries during this period.

**Figure 39: Creative industries business birth rates, London and the UK, 2015-20**



Source: ONS, IDBR, 2015-20. Note: a birth is identified as a business that was present in the year to date but did not exist in either of the two previous years. Births are identified by making comparison of annual active population files and identifying those present in the latest file, but not the two previous ones.

**Figure 40: Creative industries sub-sector business birth rates, London, 2015 and 2020**



Source: ONS, IDBR, 2020. Note: a birth is identified as a business that was present in the year to date but did not exist in either of the previous two years. Births are identified by making comparison of annual active population files and identifying those present in the latest file, but not the two previous ones.

## The spatial distribution of businesses in creative industries across London

This section presents the spatial distribution of the creative industries businesses in London at borough level. In 2010, 10 boroughs accounted for more than half of businesses (55.9%) in the creative industries in the capital. In 2022, this share declined to 52.1% (Figure 41).<sup>44</sup>

Prior to the pandemic, between 2010 and 2019, the number of businesses in London's creative industries increased by 42,400 or annual average growth of 6.2%. This increase was reflected in every London borough with 20 boroughs recording an above average rate of growth; the highest of these was in Barking and Dagenham (16.2% a year), Newham (14.2%), City of London (12.8%), Waltham Forest (11.9%), Hackney (11.0%) and Redbridge (10.9%).

Post-pandemic, as in Figure 35, the trend in the increase in the number of businesses in London's creative industries was reversed and the number of businesses declined from 102,300 in 2020 to 93,325 in 2022 (a contraction of 4.5% per year). The largest declines were in Bexley (decrease of 12.6%), Redbridge (decrease of 11.6%), Harrow (decrease of 11.3%), Bromley (decrease of 11.1%), and Hounslow (decrease of 10.4%). While most boroughs saw a decline in businesses over this period, the number of creative industries enterprises did increase in Hackney, Camden and Westminster.

Figure 42 shows the distribution of creative industries businesses by London borough in 2010 and 2022. It shows that the distribution of businesses remains concentrated in central London but that there was also a gradual increase in businesses located in outer London before the pandemic. In 2010, 40.6% of the capital's creative industries businesses were located in outer London, increasing to 43.8% in 2019. However, by 2022, this share declined to 41.2%.

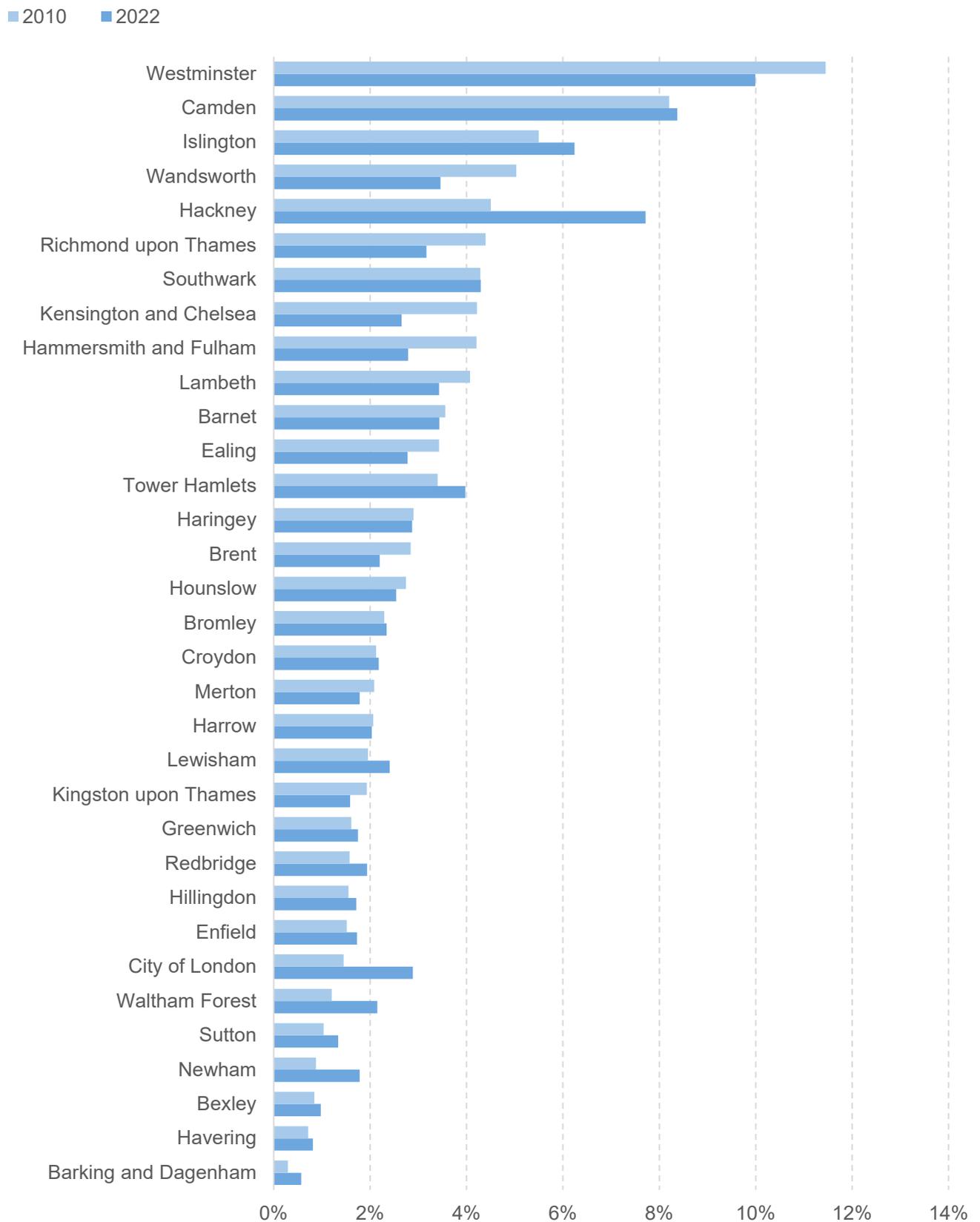
There is also variation in the spatial distribution of businesses for creative industries sub-sectors (see Appendix 3). While the music, performing and visual arts and museums and galleries sub-sectors are more concentrated in inner London, the distribution of businesses in IT, software and computer services is less concentrated, with a relatively high share of businesses found in outer London.<sup>45</sup>

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<sup>44</sup> In 2010, the top 10 boroughs in terms of share of creative industries businesses were Westminster, Camden, Islington, Wandsworth, Hackney, Richmond upon Thames, Southwark, Kensington and Chelsea, Hammersmith and Fulham and Lambeth. In 2022, most of the top 10 boroughs were the same, with Hammersmith and Fulham and Kensington and Chelsea replaced by Barnet and Tower Hamlets.

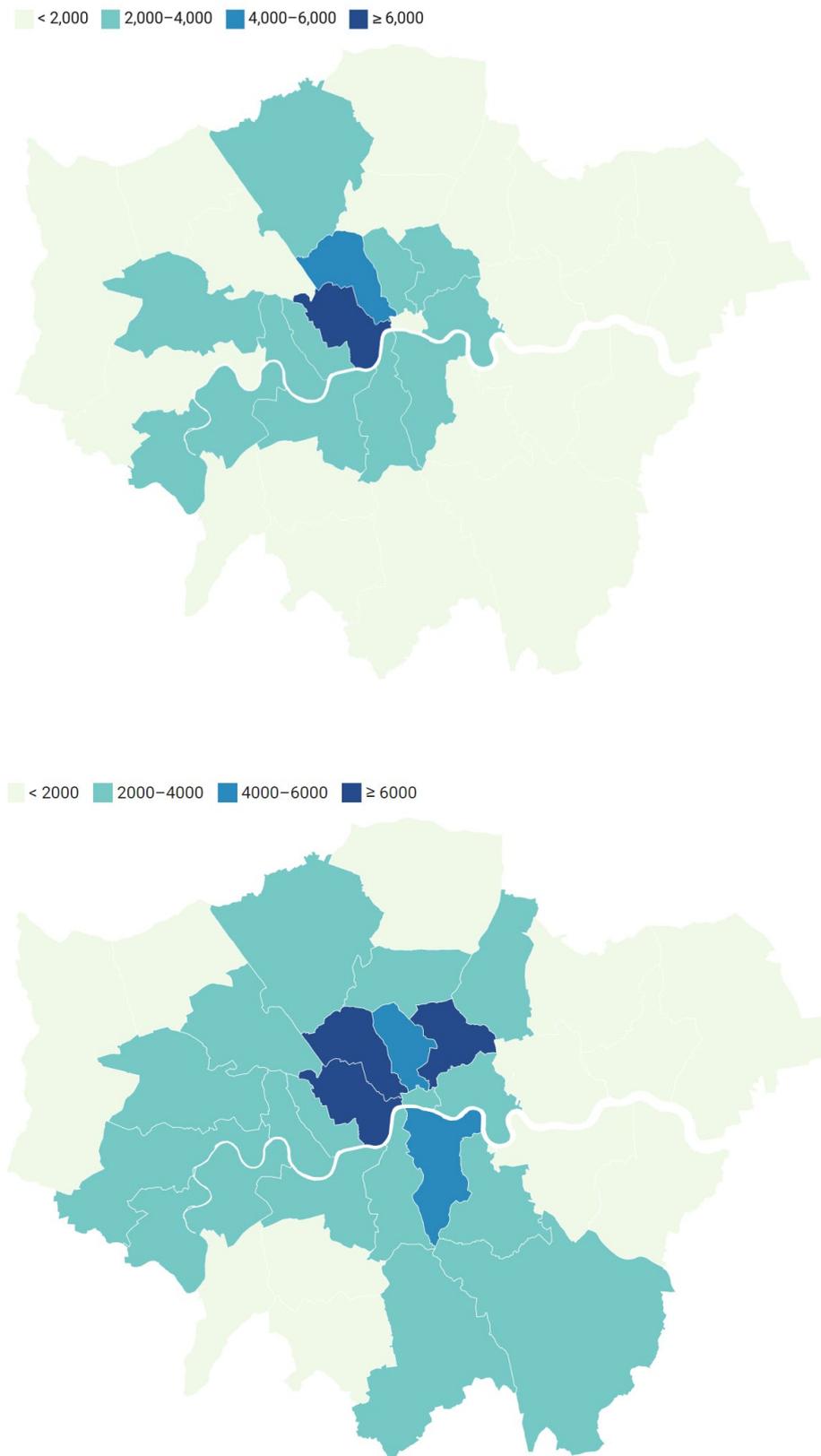
<sup>45</sup> In music, performing and visual arts, 67.0% of businesses are located in inner London, this falls to 46.2% for IT, software and computer services.

**Figure 41: London boroughs by share of creative industries enterprises, 2010 and 2022**



Source: ONS, UK business counts – enterprises by industry and employment size band. Note: ranked by share in 2010

**Figure 42: Distribution of enterprises in London's creative industries at borough level, 2010 and 2022**



Source: ONS, UK business counts – enterprises by industry and employment size band

## 6 Skills shortages and future skills needs in the creative industries

### What does this section cover?

This chapter reviews the skills challenges and shortages experienced by employers in the creative industries. It also examines whether there has been an increase in the demand for workers in the creative industries and reviews the types of skills that are in demand by employers. The analysis also identifies the future skills needed for the creative industries, emphasising the importance of creativity as a key skill across sectors. Finally, the chapter provides details on the growth expectations for the sector.

### Skills challenges in the creative industries

Historically, there has been a strong skills match between the demand and supply of skills in London's labour market. The 2019 DfE (Department of Education) Employer Skill Survey (ESS) showed that, in London, skills shortages in the creative industries (16.1%) were lower than the average for the capital (21.0%). However, there were variations across sub-sectors, with the rate of skills shortage vacancies<sup>46</sup> ranging from 37.5% for employers in design to just 7.7% in music, performing and visual arts (Figure 43).

Compared to the UK level, skills-shortage vacancies were lower in London across most creative industries sub-sectors, particularly in IT, software and computer services (27.5% of vacancies were hard to fill due to skill shortages at the UK level in 2019 vs 13.1% in London). The exceptions where the London percentage of skills-shortage vacancies was higher included design (37.5% vs 36.8%) and film, TV, video, radio and photography (23.2% vs 20.1%).

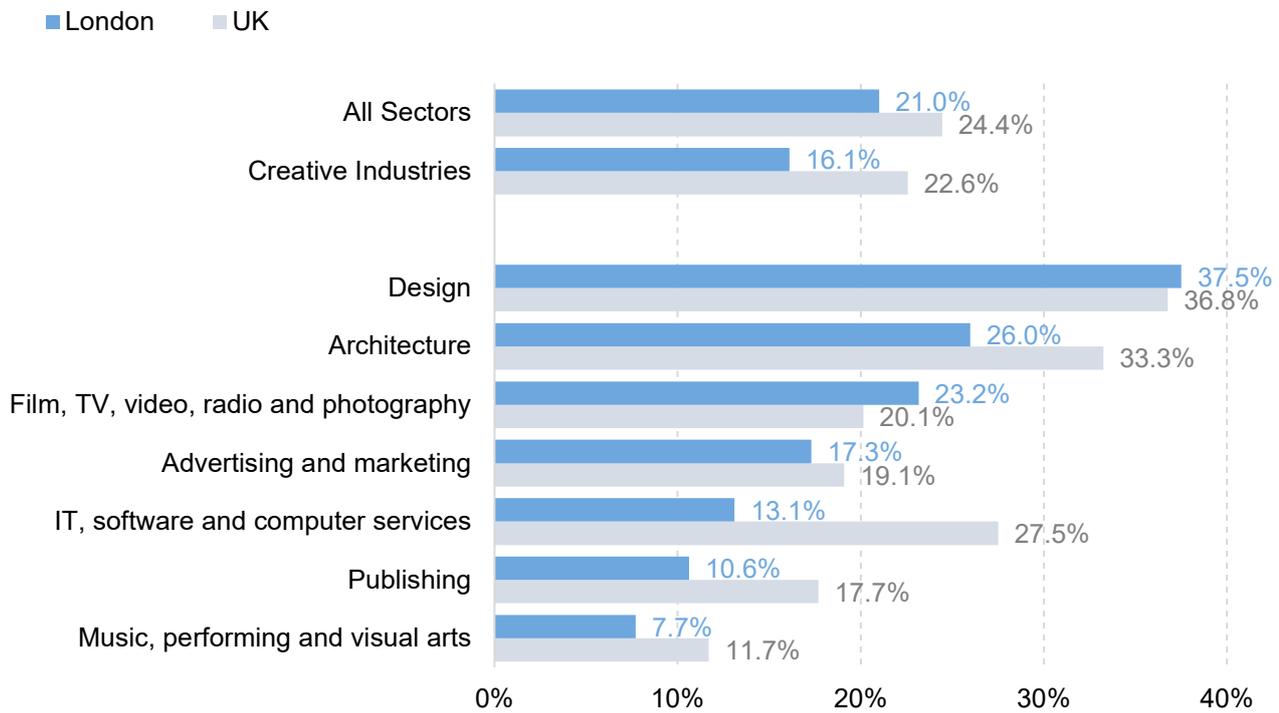
The overall incidence of skills gaps<sup>47</sup> among the existing workforce in London's creative industries was also relatively low compared to other sectors in the capital, although more pronounced in music, performing and visual arts where 9.7% of businesses identified a skills gap in their workforce, architecture (8.6%), and advertising and marketing (7.3%) (Figure 44). Compared to the UK level, however, the rate of skills gaps in the capital was also lower across the creative industries and its sub-sectors, except for architecture and publishing. Compared to the UK average, the incidence of skills gaps was, again, far lower in the IT, software and computer services sub-sector.

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<sup>46</sup> A skills shortage vacancy refers to vacancies that employers struggle to fill due to a lack of skills, qualifications or experience among applicants.

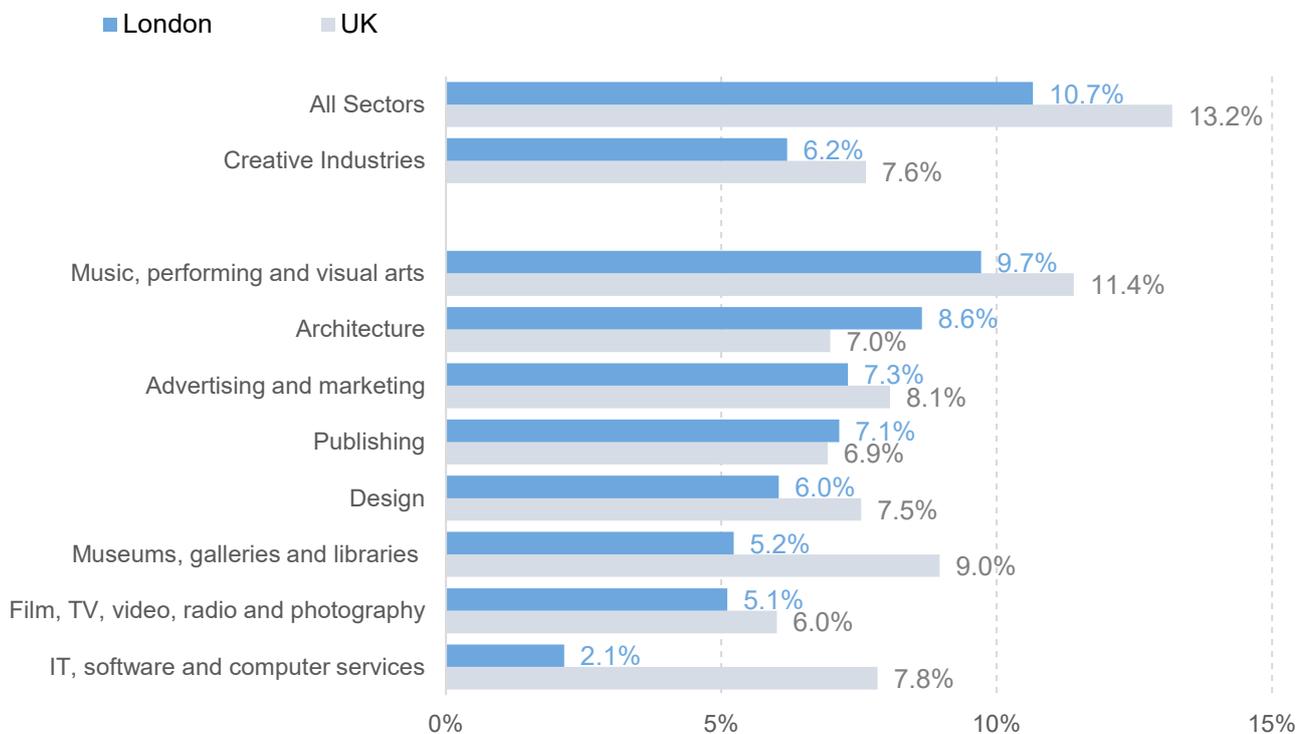
<sup>47</sup> A skills gap refers to the proportion of the workforce considered to be lacking in full proficiency.

**Figure 43: Percentage of vacancies reported to be skills-shortage vacancies, creative industries in London and the UK, 2019**



Source: DfE, ESS, 2019. Note: The number of respondents for all questions range from a high of 214 in architecture to a low of 100 in design. Note: No data for crafts due to small sample size. Skills-shortage vacancies are vacancies that are hard to fill due to lack of skills, experience or qualifications among applicants.

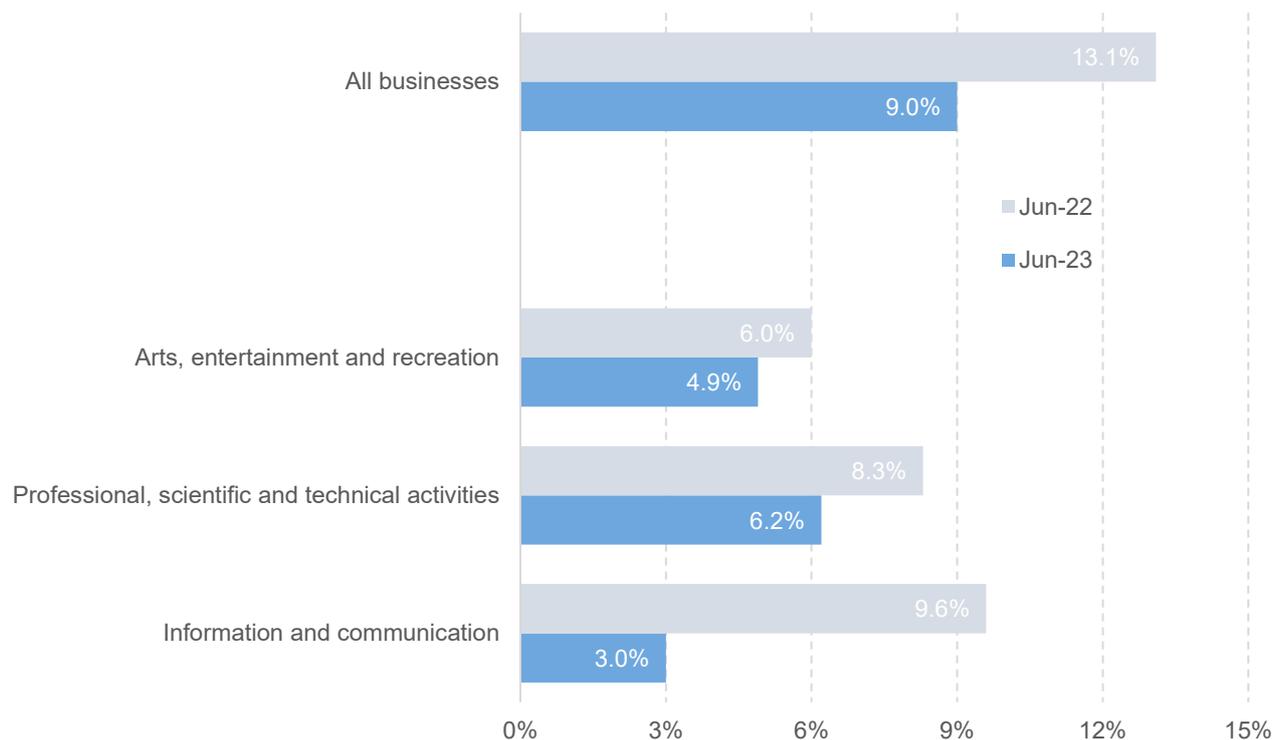
**Figure 44: Percentage of businesses with a skills gap in their workforce, London and UK, 2019**



Source: DfE, ESS, 2019. Note: respondents for all questions range from a high of 214 in architecture to a low of 100 in design. Note: No data for crafts due to small sample size.

Compared to the large recruitment challenges faced by businesses post-pandemic, more recent data suggests that recruitment difficulties may have eased within key occupations related to the creative industries. Between June 2022 and June 2023, the UK-level proportion of businesses in the arts, entertainment and recreation sector experiencing difficulties in recruiting declined from 6.0% to 4.9% (Figure 45). Declines were also seen in professional, scientific and technical activities (8.3% to 6.2%) and information and communication (9.6% to 3.0%).

**Figure 45: Businesses experiencing difficulties in recruiting employees, selected sectors, UK, June 2022 and 2023**



Source: ONS Business Conditions Survey. Note: the three sectors presented here are sectors which most closely align to the definition of the creative industries used in this report.

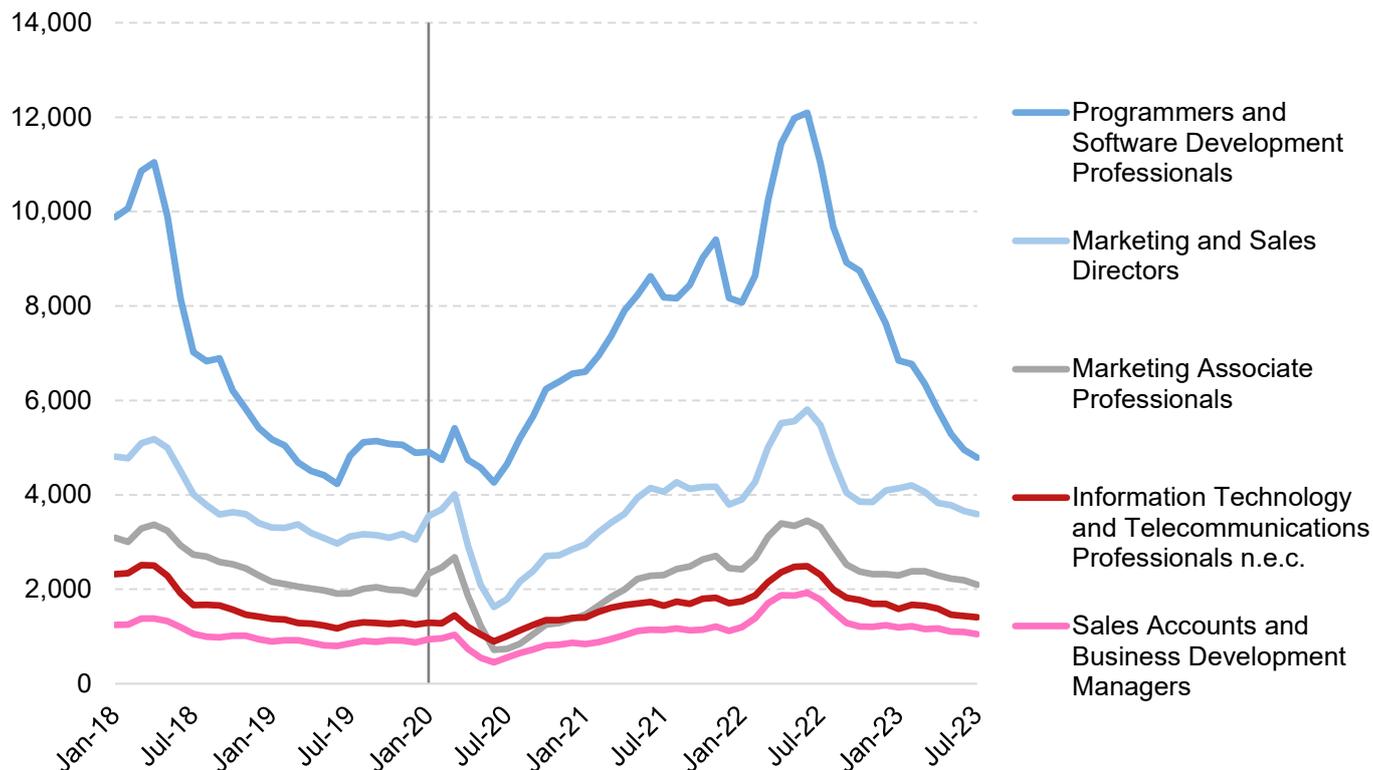
## Trends in online posting in the creative industries in London

The impact of the pandemic on the creative industries was significant. However, as detailed in the chapter on the Creative industries performance, the sector recovered strongly in early 2022. Recent data from Lightcast on online job posting suggests that the demand for workers in London has stabilised, having been flat since September 2022.

For key occupations in the creative industries in London, the number of online job postings increased post-pandemic.<sup>48</sup> But since summer 2022, this number has also been declining and is currently below 2018 highs (Figure 46). Comparing online job posting across these key occupations, the demand for programmers and software development professionals remains relatively high despite declining since mid-2022.

<sup>48</sup> The data presented is the top 10 occupations in the creative industries based on their share of employment. The top 10 occupations are marketing and sales directors, IT specialist managers, programmes and software development professionals, architects, journalists, newspaper and periodical editors, arts officers, producers and directors, graphic designers, marketing associate professionals, sales accounts and business development managers.

**Figure 46: Online job postings for selected occupations in the creative industries in London, January 2018 to July 2023**



Source: Lightcast, 2023. Note: data is three-month moving average. Line depicts March 2020. Note: jobs in these occupations are found across a range of industries, not just the creative industries. Trends may be driven by demand in non-creative industries as well.

Online job postings data also provides insights into the skills in demand in London's creative industries. As with the wider economy, there is high demand for transferable skills such as communication, initiative, leadership, critical thinking and problem solving, as well as technical and sector-specific skills such as software development and marketing strategy and techniques (Figure 47).

**Figure 47: Top 10 skills or qualifications featured in online job postings (% of total unique postings), for selected occupations in the creative industries vs all sectors, London, April to June 2023**



Source: Lightcast, 2023. Note: data based on the top 10 occupations in terms of shares of occupations and top 10 skills/qualifications as a share of all online job postings.

### Future skills need in the creative industries

The creative industries have been identified as a future growth sector for jobs.<sup>49</sup> In 2020, estimates suggested that the UK's creative industries would require 1.2m new workers by 2030.<sup>50</sup> Based on pre-Covid trends, Deloitte forecast that the number of people employed in the sector would increase to 4.3m by 2030, and account for around 12% of total UK employment.<sup>51</sup>

Turning to London, longer-term projections for the capital predict a robust return to employment growth, although at a lower rate than was seen before the pandemic.<sup>52</sup> The expected employment growth in

<sup>49</sup> NFER, [The Skills Imperative 2035: what does the literature tell us about essential skills most needed for work?](#), March 2022

<sup>50</sup> Screen South, [Creative industry skills overview](#)

<sup>51</sup> Deloitte, [The Future of the creative economy](#), June 2021

<sup>52</sup> [Local Skills Improvement plan – evidence base](#), GLA Economics, May 2023

business and other services will see employment in professional and associate professional occupations expand, leading to a continued demand in higher-level qualifications and skills.

[Skills Imperative 2035](#) projections indicate that employment in sectors related to the creative industries will grow (Table 3). Between 2020 and 2035, the arts and entertainment sector in London is forecast to grow by 1.3% per year, higher than the rate of growth expected across all industries in London (0.6%). The number of jobs in the arts and entertainment sector is expected to increase from 208,000 to 253,000 between 2020 and 2035. Information technology will expand by 1.1% per year; professional services by 0.8%; and media by 0.5%. Across these four sectors, jobs are forecast to rise by 212,000.

**Table 3: Employment levels and growth, sectors related to London's creative industries**

<b>Employment by industry London, levels (000s)</b>	<b>2015</b>	<b>2019</b>	<b>2020</b>	<b>2025</b>	<b>2035</b>
Information technology	262	316	333	360	393
Professional services	758	830	778	823	872
Arts and entertainment	201	194	208	230	253
Media	170	168	178	186	190
<b>Growth (% per annum)</b>	<b>2015-19</b>	<b>2019-20</b>	<b>2020-25</b>	<b>2025-35</b>	<b>2020-35</b>
Information technology	4.8	5.3	1.6	0.9	1.1
Professional services	2.3	-6.3	1.1	0.6	0.8
Arts and entertainment	-0.9	7.3	2.0	1.0	1.3
Media	-0.3	5.8	0.9	0.2	0.5

Source: NFER (National Foundation for Educational Research), *Skills Imperative 2035*. Note: selection of sectors that are aligned to the creative industries.

There is also a growing acknowledgement of the importance of creativity in various aspects of work.

- The Skills Imperative 2035 project finds that creativity and analytical skills will be essential for the future, especially in the face of rapidly changing technology. It states that workers will increasingly need the “capacity to do the creative, empathetic and interactive” (Figure 48).<sup>53</sup> In another report by NFER, focused on identifying skills that will be in demand in 2035, creative thinking is identified as one of six essential employment skills for the future.<sup>54</sup> The report defines thinking creatively as “developing, designing or creating new applications, ideas, relationships, systems or products, including artistic contributions”. The report highlights that creativity is closely linked to critical thinking and problem solving.
- In a report linking skills and creativity, the Policy and Evidence Centre led by Nesta considered 39 transferable skills linked to creative occupations and found that creativity is an important predictor for an occupation’s chance of growing.<sup>55</sup> The research also indicates that creativity will become more important, and that its significance will extend beyond creative occupations. It also suggests that other skills, such as project management and organisational management (and research skills), are important complements to creativity.
- The World Economic Forum’s (WEF’s) latest Future of Jobs Report found that analytical and creative thinking remain the most important skills for workers in 2023.<sup>56</sup> Among companies surveyed, creative thinking ranked second, above skills such as resilience, flexibility and agility; motivation and self-

<sup>53</sup> NFER, [The Skills Imperative 2035: What does the literature tell us about the essential skills most needed for work?](#), March 2022

<sup>54</sup> NFER, [An analysis of the demand for skills in the labour market in 2035](#), May 2023. The six essential employment skills are collaboration, communication, creative thinking, information literacy, organising, planning and prioritising and problems solving and decision making.

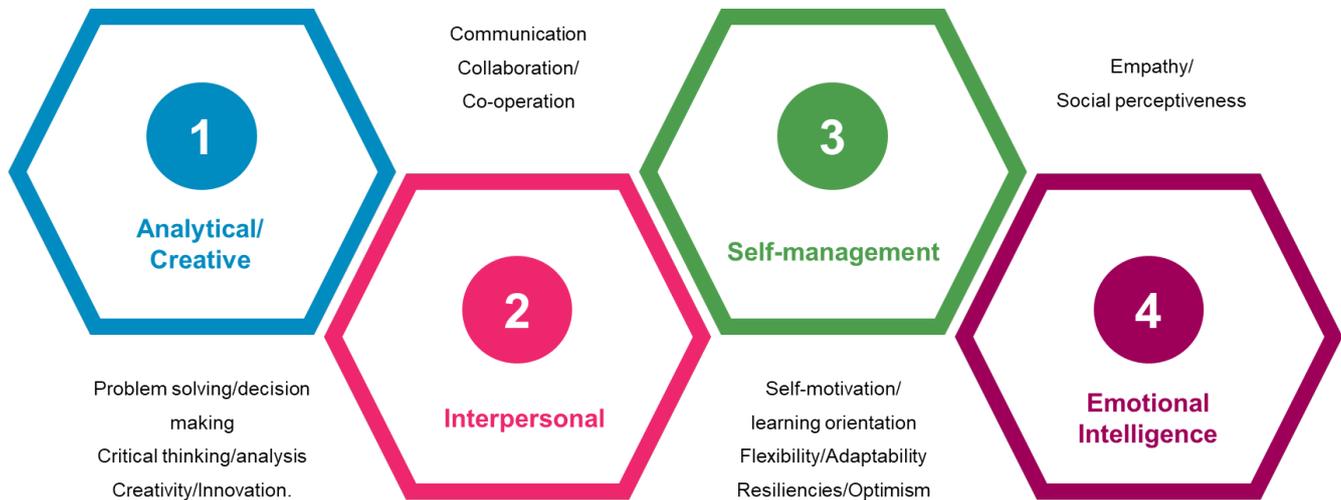
<sup>55</sup> Creative Industries Policy and Evidence Centre led by Nesta, [Creativity and the future of skills](#), 2018

<sup>56</sup> WEF, [Future of Jobs Report 2023](#), April 2023

awareness; and curiosity and lifelong learning. In addition, employers indicated that the need for creative thinking is growing in importance slightly more rapidly than analytical thinking.

- A report by UNESCO<sup>57</sup> found that culture, creativity and education should be considered together from an early age and integrated into educational approaches. The research also highlights how arts education is particularly important to support creativity and innovation, and to establish a career path for those working in the sector.

**Figure 48: Essential transferable skills needed for work in the future**



Source: GLA Economics based on NFER, [The Skills Imperative 2035: What does the literature tell us about the essential skills most needed for work?](#) March 2022. The NFER literature review identified four transferable skills in addition to literacy, numeracy, technical and digital skills as essential employment skills. The transferable skills are analytical/creative, interpersonal, self-management and emotional intelligence.

<sup>57</sup> UNESCO, [Reshaping Policies for Creativity](#), February 2022

## Appendices

### Appendix 1: List of data sources and links to data

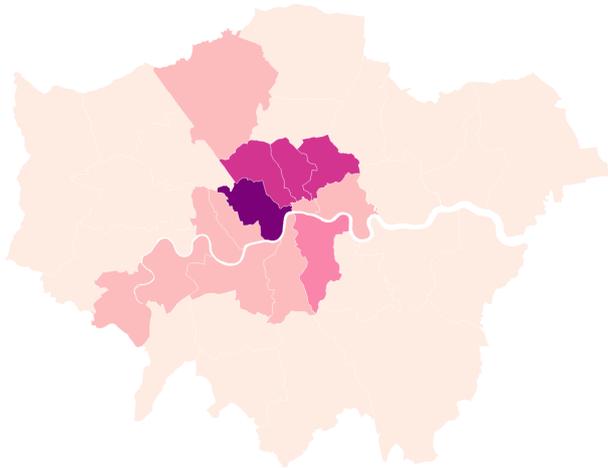
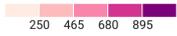
Name of data	Data source	Data link
Jobs in the creative economy in London and all other regions of the UK, 2010-21	ONS APS	<a href="#">Link</a>
Major occupational group breakdown, 2011-21	ONS APS	<a href="#">Link</a>
Creative industries sub-sector data	ONS APS	<a href="#">Link</a>
Sector economic estimates, regional GVA	DCMS	<a href="#">Link</a>
Characteristics of businesses	ONS IDBR and business counts	<a href="#">UK Business Counts – enterprises by industry and employment size band</a> <a href="#">Number of businesses by sub-sector</a>
Job-quality indicators by industry, London 2021 and 2022	ONS APS	<a href="#">Link</a> <a href="#">Job quality by creative industry sub-sector</a>
DCMS earnings data	ASHE	<a href="#">Link</a>
DCMS sectors skills shortages and skills gaps 2019	Employer Skills Survey 2019	<a href="#">Link</a>

## Appendix 2: Creative occupational classification

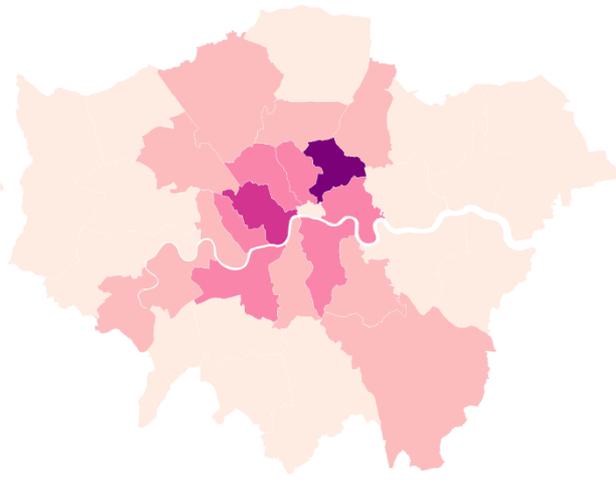
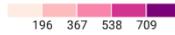
Creative occupations group	SOC code	Description
Advertising and marketing	1132	Marketing and sales directors
	1134	Advertising and public relations directors
	2472	Public relations professionals
	2473	Advertising accounts managers and creative directors
	3543	Marketing associate professionals
Architecture	2431	Architects
	2432	Town planning officers
	2435	Chartered architectural technologists
	3121	Architectural and town planning technicians
Crafts	5211	Smiths and forge workers
	5411	Weavers and knitters
	5441	Glass and ceramics makers, decorators and finishers
	5442	Furniture makers and other craft woodworkers
	5449	Other skilled trades not elsewhere classified
Design: product, graphic and fashion design	3421	Graphic designers
	3422	Product, clothing and related designers
Film, TV, video, radio and photography	3416	Arts officers, producers and directors
	3417	Photographers, audio-visual and broadcasting equipment operators
IT, software and computer services	1136	IT and telecommunications directors
	2135	IT business analysts, architects and system designers
	2136	Programmers and software development professionals
	2137	Web design and development professionals
Publishing	2471	Journalists, newspaper and periodical editors
	3412	Authors, writers and translators
Museums, galleries and libraries	2451	Librarians
	2452	Archivists and curators
Music, and performing and visual arts	3411	Artists
	3413	Actors, entertainers and presenters
	3414	Dancers and choreographers
	3415	Musicians

## Appendix 3: Distribution of businesses by creative industries sub-sector and borough, 2022

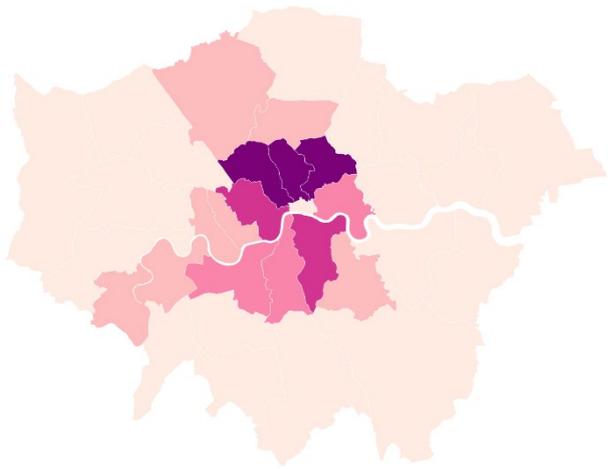
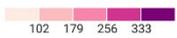
Advertising and marketing 2022



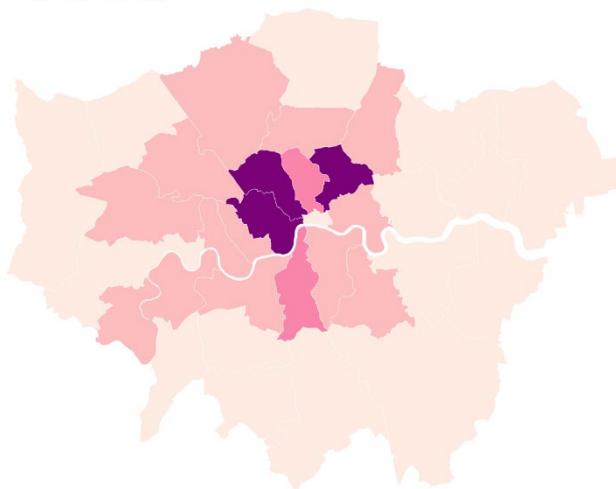
Design product & Graphic 2022



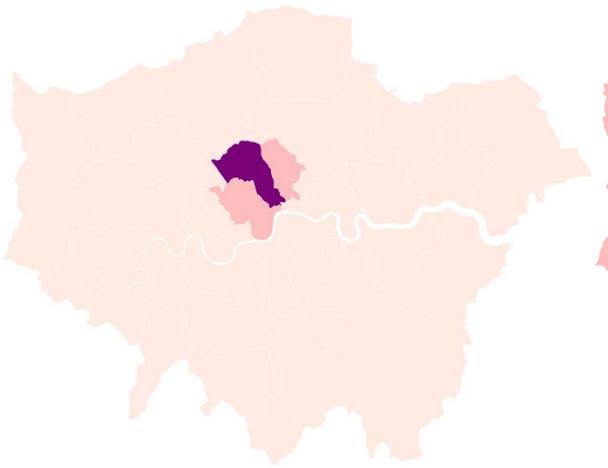
Architecture 2022



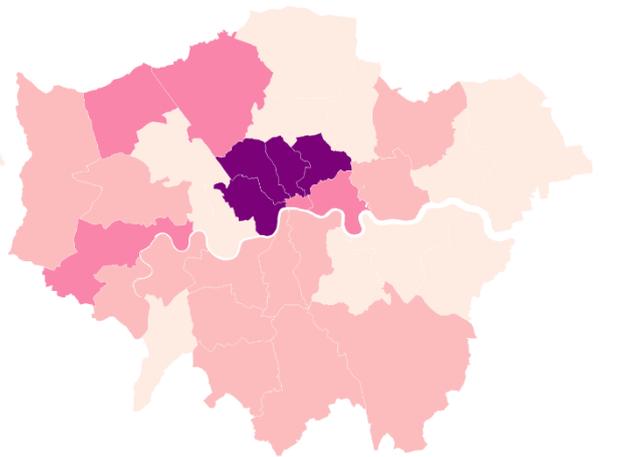
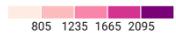
Film, TV & Radio 2022



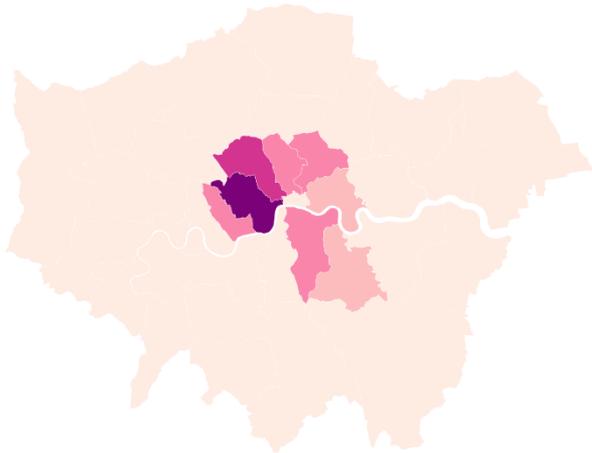
Crafts 2022



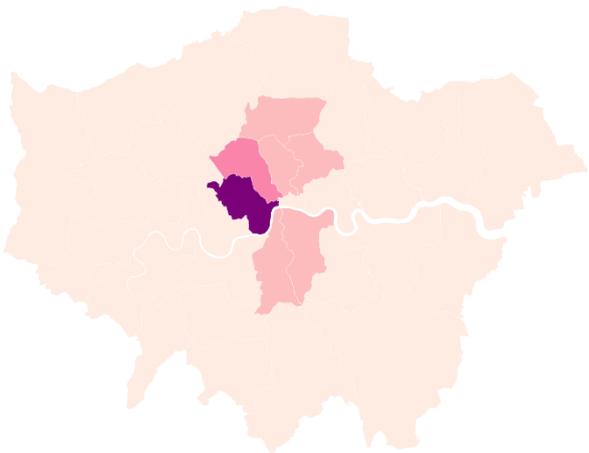
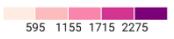
IT, software & computer 2022



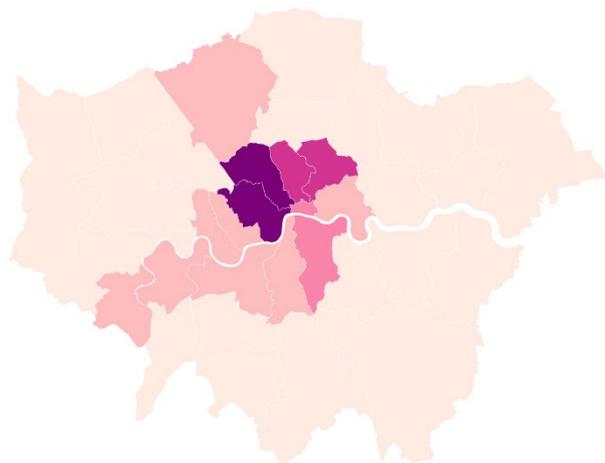
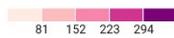
**Museum, galleries & Libraries 2022**



**Music, performing & visual arts 2022**



**Publishing 2022**



Source: ONS, UK business counts – enterprises by industry and employment size band.

## Appendix 4: Discrepancy in 2022 jobs data for the creative industries<sup>58</sup>

There is a discrepancy in employment trend data for London's creative industries between 2021 and 2022. According to the ONS APS, jobs in this sector declined from 795,500 to 721,100. However, other data sources suggest a significant increase in jobs in the capital during the same period.

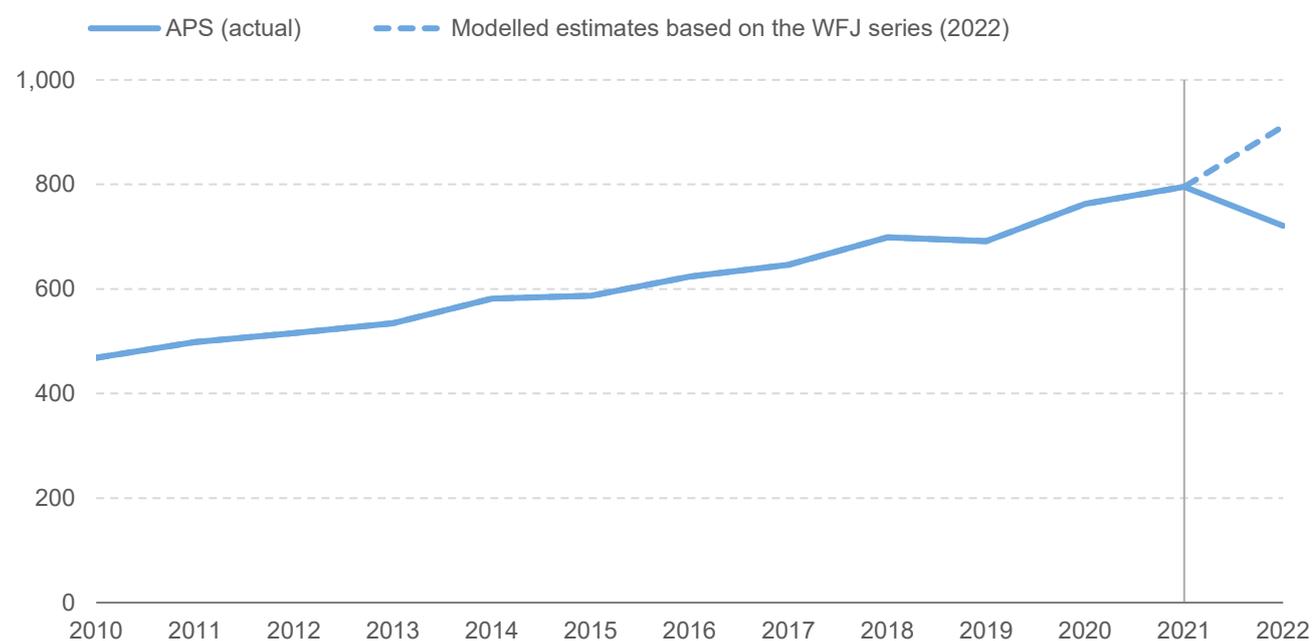
The ONS Workforce Jobs (WFJ) series – the ONS's preferred source for timely regional job statistics – was used to evaluate this discrepancy. The WFJ data includes three main sections that align with the creative industries: information and communication; professional, scientific and technical activities; and arts, entertainment and recreation.<sup>59</sup>

By applying annual jobs growth rates from the WFJ series to corresponding creative industries sub-sectors for 2021, a hypothetical job number for 2022 was constructed. This shows that:

- if APS sub-sector growth rates were consistent with section-level WFJ data, the number of jobs in London's creative industries would have seen an increase of 14.5%, adding approximately 115,600 jobs.
- in contrast, the APS reported a decline of 9.4%, a loss of roughly 74,400 jobs.

Due to the substantial differences between the APS and WFJ data series, and uncertainties in the APS estimates for 2022, the report will focus on trends in APS data up to 2021 only. Re-weighting of the APS in the autumn of this year (2023) should help to address concerns around these diverging trends.

**Figure 49: Number of jobs (000s) in London's creative industries from the APS compared to modelled jobs for 2022 using the WFJ series**



Source: GLA Economics analysis of ONS APS and WFJ, 2010 to 2022

<sup>58</sup> For more information on the discrepancies between the LFS/APS and other indicators such as the WFJ and RTI at a total employment and UK level please see the following [blog by the ONS](#)

<sup>59</sup> Between 2011 and 2019, the jobs data from the APS and WFJ for the information and communication, and professional, scientific and technical activities sectors followed very similar trends. The pandemic disrupted this trend, with a particular divergence in 2022. For arts, entertainment and recreation, the trend was less clear, but since 2021 both series have been rising in terms of jobs.

## Appendix 5: Number of jobs in the creative industries and creative economy, 2011-2021

London Categorisation	<i>Number of jobs (thousands)</i>										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Job and industry are both creative (1)	297	285	295	336	319	358	370	386	405	439	462
Industry creative but job not creative (2)	202	230	239	244	267	265	275	312	285	324	333
<b>Creative industries (1 + 2)</b>	<b>499</b>	<b>515</b>	<b>534</b>	<b>580</b>	<b>586</b>	<b>623</b>	<b>645</b>	<b>698</b>	<b>690</b>	<b>763</b>	<b>795</b>
<b>Creative industries (% London total)</b>	11.2%	11.2%	11.4%	11.8%	11.6%	11.9%	12.2%	13.0%	12.8%	13.9%	14.7%
Job creative but industry not creative (3)	190	197	221	221	243	259	269	295	313	323	342
<b>Creative economy (1 + 2 + 3)</b>	<b>688</b>	<b>712</b>	<b>755</b>	<b>802</b>	<b>829</b>	<b>882</b>	<b>914</b>	<b>993</b>	<b>1,003</b>	<b>1,086</b>	<b>1,137</b>
<b>Creative economy (% of London total)</b>	15.4%	15.6%	16.1%	16.3%	16.3%	16.9%	17.3%	18.4%	18.6%	19.8%	21.1%
Industry and job not creative	3,747	3,842	3,928	4,074	4,221	4,327	4,363	4,364	4,356	4,364	4,230
All non-creative jobs	3,958	4,090	4,175	4,335	4,500	4,599	4,645	4,685	4,658	4,697	4,578
All creative jobs	490	484	518	558	563	619	640	684	719	764	806
All industries total	4,460	4,580	4,702	4,904	5,071	5,226	5,297	5,381	5,390	5,476	5,394

Source: GLA Economics analysis of ONS APS, 2011-21

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