GLA ECONOMICS

London's Economy Today

Issue 272 | April 2025

UK GDP grew strongly in February

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The Office for National Statistics (ONS) has this month published data for UK GDP growth in February. This data showed that UK output grew quite strongly in February, with GDP rising by 0.5% compared to a month earlier (Figure 1). This compares to zero growth in January, which was revised up from a previous estimated fall of 0.1%. Most surveyed analysts had expected a much smaller rate of monthly growth in February.

The ONS observed that "all three main sectors grew in February 2025: services output increased by 0.3% and was the largest contributor to the monthly growth in GDP, production output rose by 1.5%, and construction output increased by 0.4%". Looking at a longer period, real GDP is estimated to have grown by 0.6% in the three months to February 2025. The ONS noted that this was "mainly because of growth of 0.6% in the services sector. Production sector output also rose in this period, by 0.7%, while construction showed no growth".

Also in this issue

Datastore

The main economic indicators for London are available to download from the London Datastore.

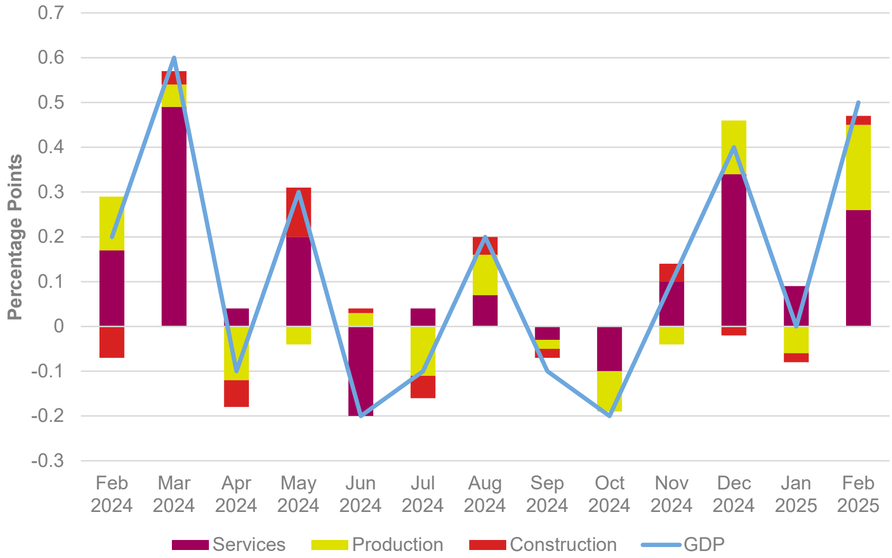


Figure 1: Contributions to monthly UK GDP growth, February 2024 to February 2025

Source: ONS

UK inflation moderated in March

The ONS also published data on March's Consumer Price Index (CPI) inflation this month. This showed that CPI inflation slowed to 2.6% in the 12 months to March 2025, down from 2.8% in the 12 months to February (Figure 2).

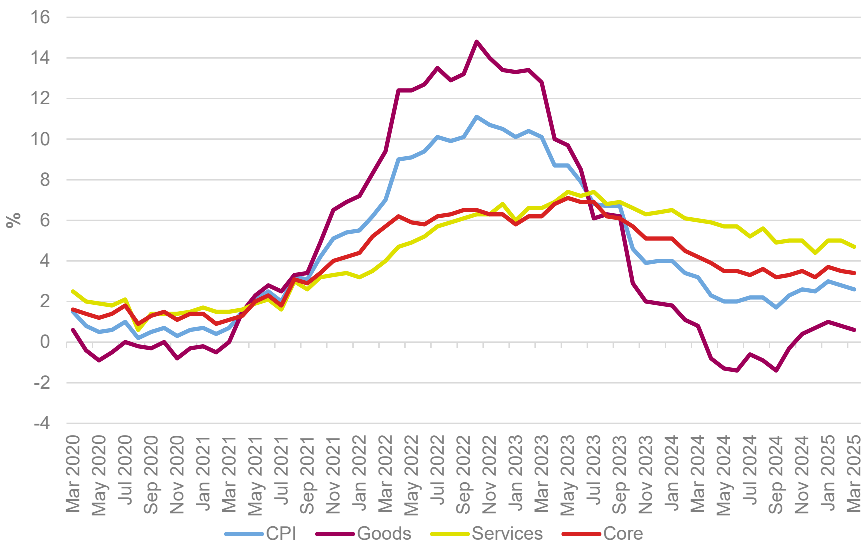


Figure 2: CPI, goods, services and core annual inflation rates, UK, March 2020 to March 2025

Source: ONS

This drop in inflation was more than expected by most surveyed analysts. Looking at the data in greater detail the ONS observed that the largest downward contribution to inflation "came from recreation and culture, and motor fuels; the largest, partially offsetting, upward contribution came from clothing".

Beyond the headline inflation figure other inflation measures also slowed. Core CPI (excluding volatile energy, food, alcohol and tobacco prices) inflation slowed to 3.4% over the year to March 2025, down from 3.5% in February. The CPI goods annual rate slowed to 0.6% from 0.8%. While the CPI services annual rate slowed to 4.7% in March down from 5.0% in February. Looking forward UK inflation will see some upward pressure in April due to increases in various utility bills.

The US government continues with its tariff policy

This month, the Trump administration introduced a 10% baseline tariff on most goods including from the UK (already in effect), alongside 25% tariffs on steel, aluminium, vehicles, and automotive parts, which will be phased in across April and May. Further measures are under consideration, including a 25% tariff on pharmaceuticals and a 21% 'retaliatory' tariff on UK exports, in response to what the US views as an unfair 20% VAT regime. However, a higher level of 'reciprocal' tariffs that was announced on 2 April against some countries have been paused from 9 April for 90 days. This pause does not include imports from China which has been hit by tariffs of up to 145%. With the already confirmed actions, the Office for Budget Responsibility (OBR) is likely to revise down its growth forecast, placing additional pressure on the Chancellor's Autumn Budget agenda.

Modelling by Oxford Economics (which accounts for the April tariff package) suggests a 0.5 percentage point hit to UK GDP growth in 2025, driven more by weaker US and global demand (rather than by direct trade effects). While their analysis isn't region-specific, they note that London's highly trade-exposed business services sector is likely to be disproportionately affected. Across forecasts and expert commentary, there is a general consensus that US tariffs could shave 0.3–0.5 percentage points off UK growth this year.

We've yet to see modelling specific to London, but some channels of impact are already clear. While London is not reliant on goods exports, firms could be exposed via supply chains, head office operations, and financial markets—affecting investor sentiment, delaying commercial and residential development, and slowing hiring in disrupted sectors. Regarding specific sectors, the US remains the UK's largest trade partner of financial and insurance services, importing a third of all of UK financial and insurance service exports. Roughly half of the sector's output is concentrated in London, so disruptions to the capital's firms will not be negligible.

Beyond tariffs, President Trump's renewed attacks on Federal Reserve independence—including direct criticism of Chair Jerome Powell—introduce an additional layer of risk. If political influence over U.S. monetary policy begins to shape rate decisions, the result could lead to a loss in confidence in capital markets, increasing global financial uncertainty - with tangible consequences for London's internationally-oriented firms. This backdrop of rising external pressure underscores the need for continued monitoring—and, where feasible, sector-specific resilience planning.

IMF cuts its global growth forecast

The International Monetary Fund (IMF) published its latest World Economic Outlook this month. It noted that "after enduring a prolonged and unprecedented series of shocks, the global economy appeared to have stabilized, with steady yet underwhelming growth rates. However, the landscape has changed as governments around the world reorder policy priorities and uncertainties have climbed to new highs. Forecasts for global growth have been revised markedly down" due to effective tariff rates being at "levels not seen in a century and a highly unpredictable environment". The IMF further noted that downside risks dominate its forecast. Thus, it now expects world growth of 2.8% this year and 3.0% next year, downgrades of 0.5 percentage points (pp) and 0.3pp respectively on their January forecast. The US has seen its growth rate heavily reduced this year with it now expected to grow by 1.8% in 2025 and 1.7% in 2026, downgrades of 0.9pp and 0.4pp respectively. The UK is forecast to grow by 1.1% this year and 1.4% next year, downgrades of 0.5pp and 0.1pp respectively on their January forecast.

China saw strong growth in Q1 2025

Chinese GDP grew by 5.4% in the first quarter of the year, ahead of the rate expected by surveyed analysts. It is believed this was in part driven by exporters frontloading their exports to the US ahead of the imposition of tariffs. Commentating on the numbers Sheng Laiyun, deputy commissioner of China's National Bureau of Statistics said the economy had a "good start" to the year. However, he warned that "the current external environment is becoming increasingly complex and severe, the driving force for domestic effective demand growth is insufficient and the foundation for the economy to continue its rebound and improvement still needs to be solidified".

European visitors to the US down

Elsewhere, Financial Times analysis of International Trade Administration (ITA) data found that western European visitors to the US have declined markedly with 17% less western European visitors to the US in March compared to the same month a year earlier. Travellers from some countries including Ireland, Norway and Germany were down by more than 20%. It should however be noted that the differing timing of Easter in 2025 compared to 2024 when it fell in March may have impacted these numbers.

London sees a softening labour market

The latest labour market data from the ONS shows a continued softening of conditions in London. Notably, the unemployment rate in London has risen again, reaching 6.5% in February, equivalent to around 328,000 Londoners out of work and looking for work. And, while data problems remain for this survey-based figure – along with those for employment and economic inactivity – administrative data on benefit claimants also shows a rise to 6.0% (around 370,000 Londoners claiming unemployment-related benefits).

The number of payrolled employees in London has also been falling, and in March was down 0.5% on the year. However, this softness in labour supply has not yet translated into wage pressures. Nominal monthly pay for payrolled employees grew by 4.3% on the year and after adjusting for inflation was nearly 1% higher than a year ago.

Mixed news on LCCI member business sentiment

Elsewhere the London Chamber of Commerce and Industry (LCCI) published their latest Capital 500 survey of their members sentiment this month. This found that "on the one hand internal company prospects remain positive, with decision makers expressing cautious confidence". However, "sentiment regarding the broader UK economy has taken a marked downturn".

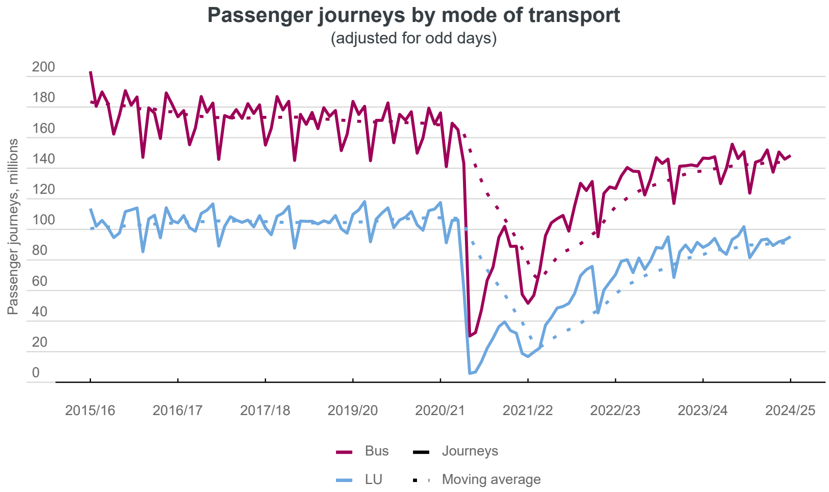
GLA Economics will continue to monitor all these and other aspects of London's economy over the coming months in our analysis and publications, which can be found on our publications page and on the London Datastore.

Economic indicators

The underlying trend in passenger journeys on London public transport marginally increased in July 2024

- In 2024, 243.5 million passenger journeys were registered between 23 June and 20 July, 4.7 million more than in the previous period. 238.9 million passenger journeys were registered between 26 May and 22 June.
- In the latest period, 95.2 million of all journeys were underground journeys and 148.3 million were bus journeys.
- The 13-period-moving average in the total number of passenger journeys rose marginally from 234.9 million in the previous period to 235.1 million in the latest period.
- Due to the cyber incident at TfL, the release of passenger journey data has been postponed. The next release date is yet to be confirmed

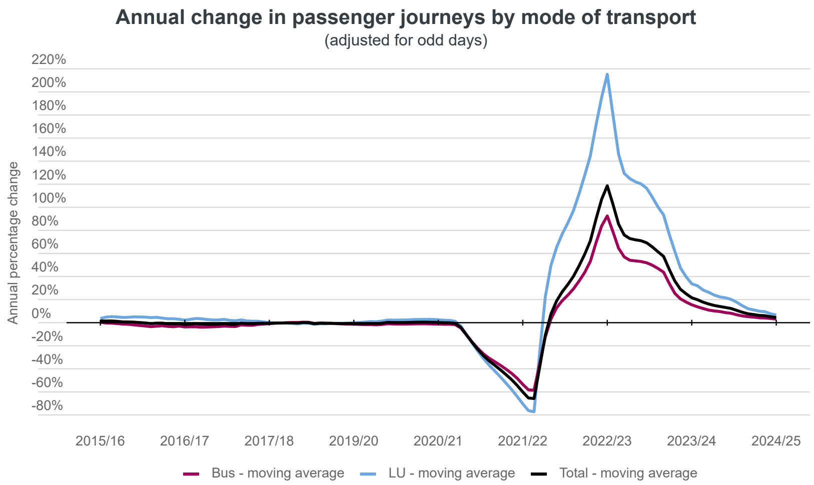
Source: Transport for London
Latest release: August 2024, Next release: TBC



Annual growth in passenger journeys remained positive, if slowing

- In 2024, the 13-period moving average annual growth rate in the total number of passenger journeys was 4.4% between 23 June and 20 July, down from 5.1% between 26 May and 22 June.
- The moving average annual growth rate of bus journeys decreased from 3.6% to 3.1% between the above-mentioned periods.
- Likewise, the moving annual average of underground passenger journeys decreased from 7.7% to 6.6% between those periods.
- Due to the cyber incident at TfL, the release of passenger journey data has been postponed. The next release date is yet to be confirmed.

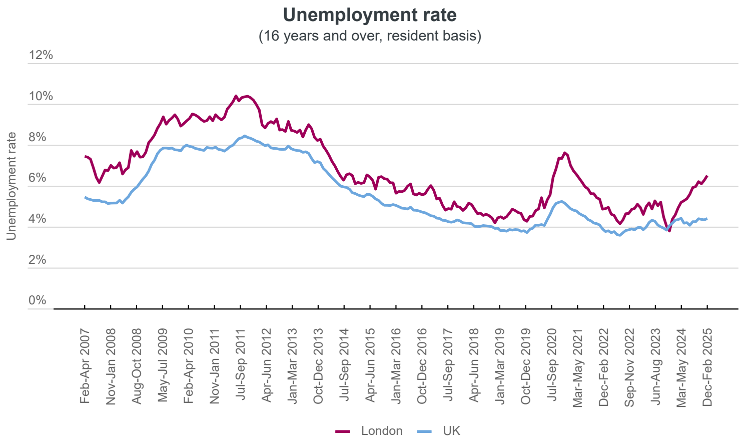
Source: Transport for London
Latest release: August 2024, Next release: TBC



London's unemployment rate rose over the last quarter

- Around 335,000 residents aged 16 and over were unemployed in London in the period from December 2024 to February 2025.
- The unemployment rate in London for that period was 6.5%, up from 6.2% in the previous quarter September – November 2024.
- The UK's unemployment rate was 4.4% in the period from December 2024 to February 2025, unchanged from the previous quarter.
- The Office for National Statistics cautions that significant volatility has been observed in recent periods, and short-term changes should be treated with vigilance and used in conjunction with other indicators.

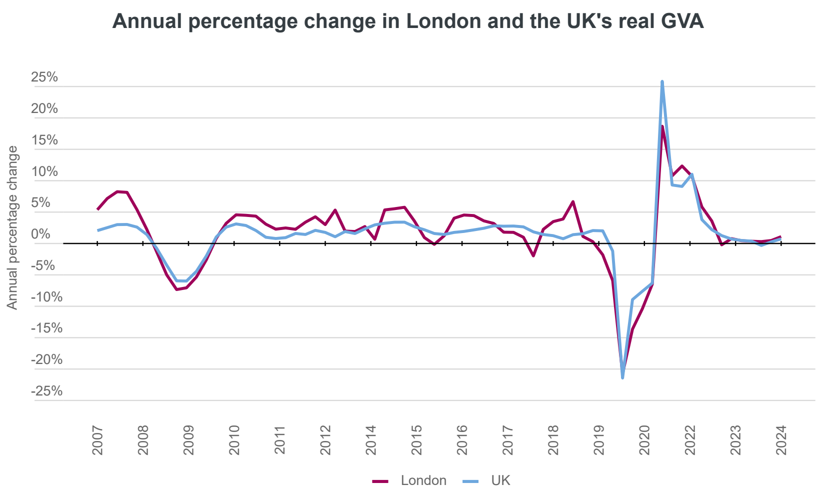
Source: ONS Labour Force Survey
Latest release: April 2025, Next release: May 2025



London saw growth in the first half of 2024

- London experienced two consecutive quarters of economic growth in the first half of 2024, with real Gross Value Added (GVA) increasing by 0.6% in both Q1 and Q2 2024.
- In 2023, London's real GVA grew by 0.5%, outperforming the UK's growth rate of 0.3%.
- London's economy returned to pre-pandemic levels in Q4 2022, aligning with the UK's overall recovery timeline. By Q2 2024, London's real GVA was 2.0% above its pre-pandemic level (Q4 2019), though this remains below the UK's overall increase of 2.9%.
- London's real GVA quarterly estimates for the period Q1 1998 to Q4 2012, and from Q4 2022 onwards have been produced by GLA Economics. Estimates for the intervening period are based on outturn data from the ONS, which has not published up-to-date quarterly estimates for London's real GVA for the other periods.

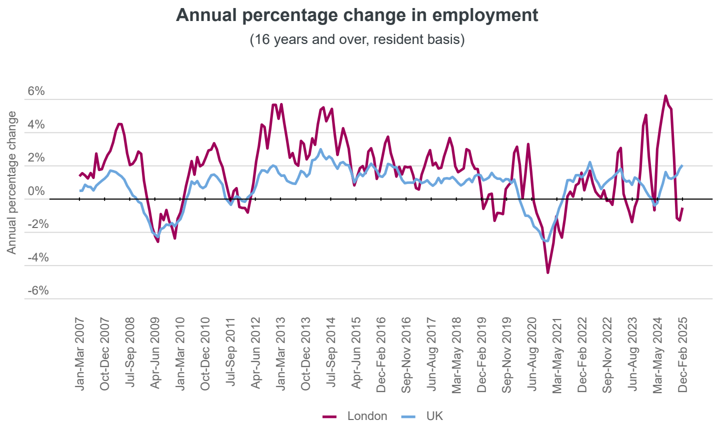
Source: ONS and GLA Economics calculations
Latest release: December 2024, Next release: June 2025



London's year-on-year employment growth was negative in the quarter to February 2025

- Around 4.8 million London residents aged 16 and over were in employment during the three-month period from December 2024 to February 2025.
- London's annual change in employment saw a decline of 0.5% in the year to this quarter, a contrast to the 2.5% increase in the quarter leading up to November 2024.
- The UK experienced a 2.1% annual increase in employment in the last quarter, showing an uptick from 1.3% in the previous quarter.
- The Office for National Statistics cautions that significant volatility has been observed in recent periods, and short-term changes should be treated with vigilance and used in conjunction with other indicators.

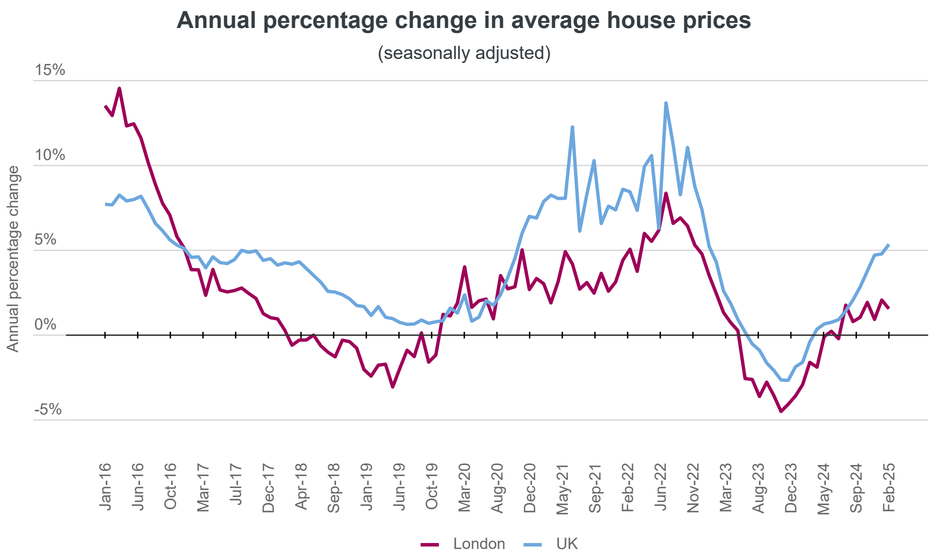
Source: ONS Labour Force Survey
Latest release: April 2025, Next release: May 2025



On an annual basis house prices increased in London in February 2025

- In February 2025, the average house price in London was £561,000 while in the UK it was £270,000.
- Average house prices in London rose by 1.6% year-on-year in February, lower than the increase of 2.1% in January.
- Average house prices in the UK rose by 5.4% on an annual basis in February, higher than the increase of 4.8% in the year to January.

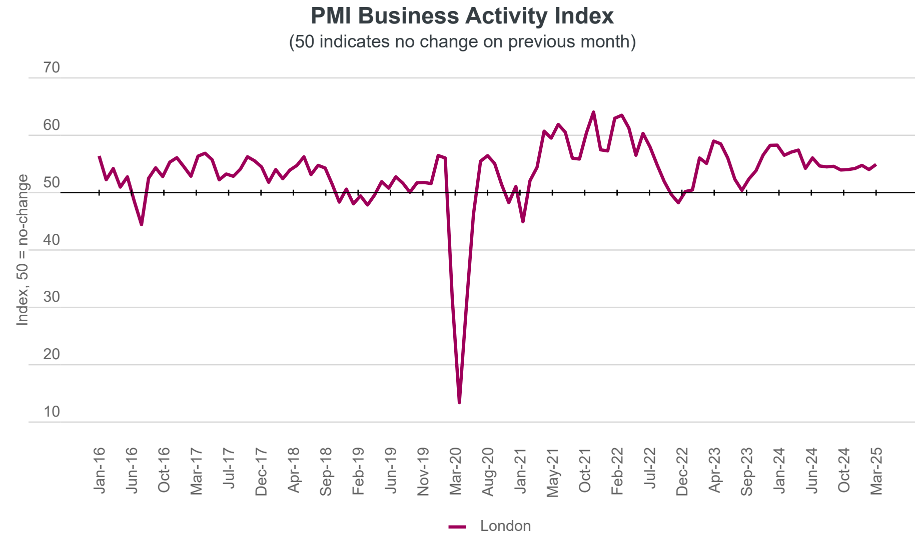
Source: Land Registry and ONS
Latest release: April 2025, Next release: May 2025



In March 2025, the sentiment of London's PMI business activity index increased

- The business activity PMI index for London private firms increased from 54.0 in February to 54.9 in March.
- The Purchasing Managers' Index (PMI) survey shows the monthly business trends at private sector firms. Index readings above 50 suggest a month-on-month increase in activity on average across firms, while readings below 50 indicate a decrease.

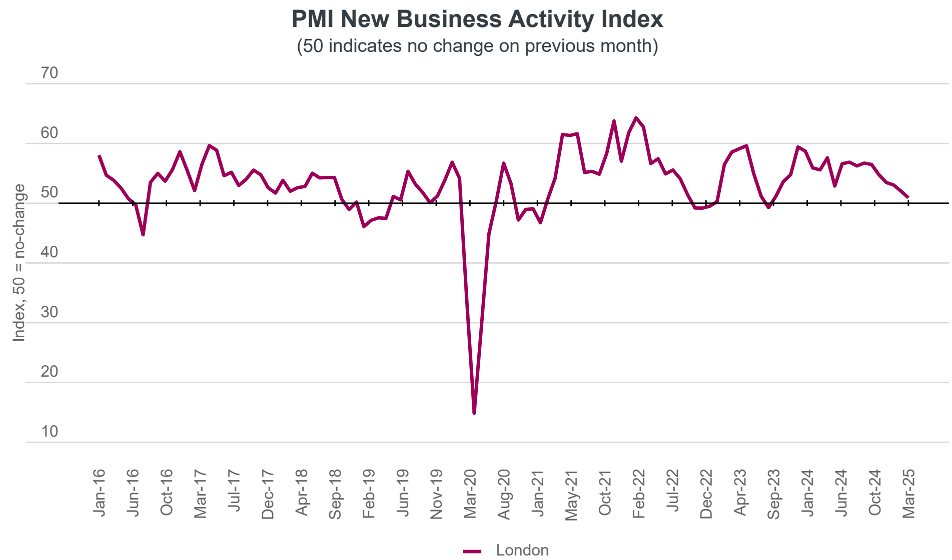
Source: IHS Markit for NatWest
Latest release: April 2025, Next release: May 2025



In March 2025, the sentiment of London's PMI new business activity remained positive but decreased

- The PMI new business index in London decreased from 52.0 in February to 50.9 in March.
- An index reading above 50.0 indicates an increase in new orders on average across firms from the previous month.

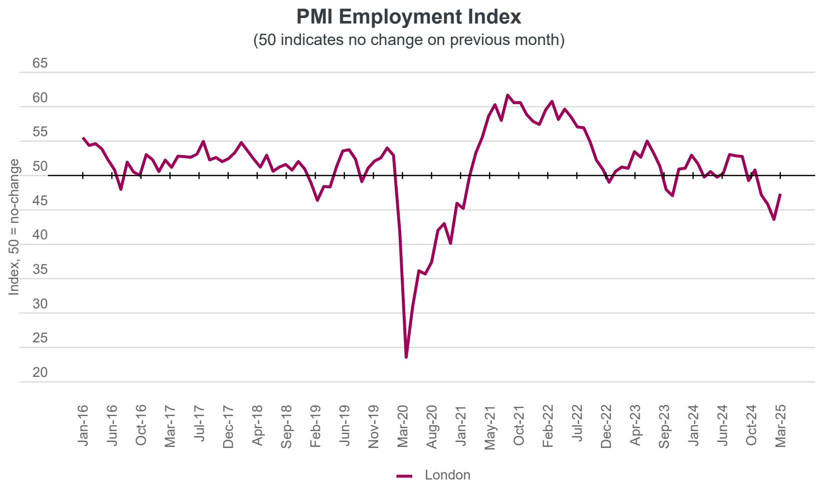
Source: IHS Markit for NatWest
Latest release: April 2025, Next release: May 2025



In March 2025, the sentiment of the PMI employment index in London improved but still showed a decline

- The Employment Index for London increased from 43.6 in February to 47.3 in March.
- The PMI Employment Index shows the net balance of private sector firms for the monthly change in employment prospects. Readings above 50.0 suggest an increase, whereas a reading below 50.0 indicates a decrease in employment prospects from the previous month.

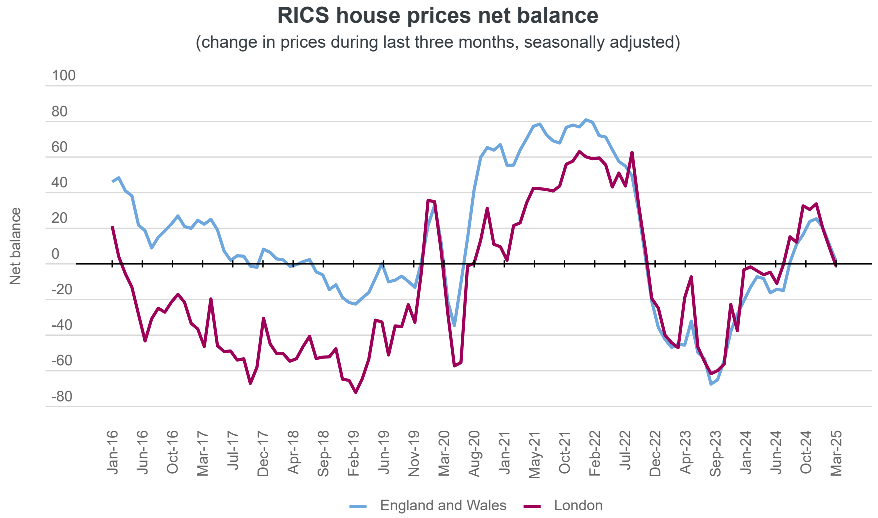
Source: IHS Markit for NatWest
Latest release: April 2025, Next release: May 2025



Marginally less than half of all property surveyors in London reported house price increases in March 2025

- In March, marginally fewer property surveyors in London reported rising prices than falling prices. The net balance index was -1, and it was 9 in February.
- For England and Wales, the RICS house prices net balance index dropped from 11 in February to 2 in March.
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

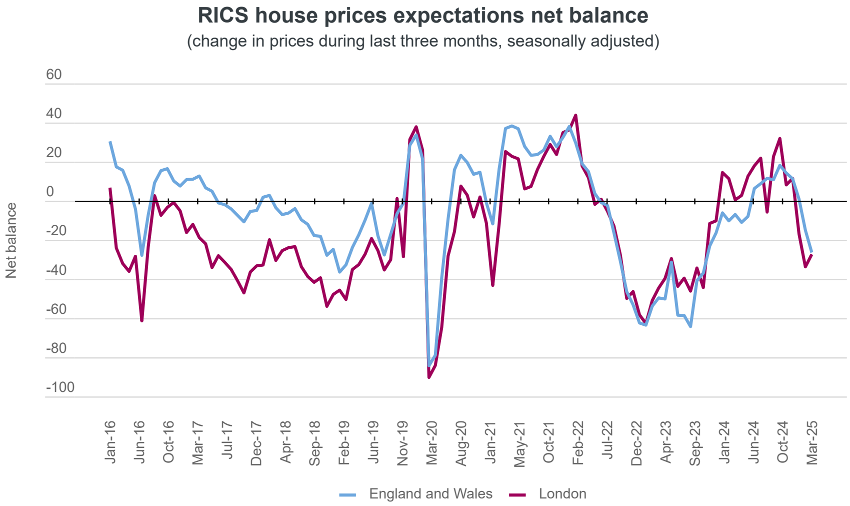
Source: Royal Institution of Chartered Surveyors
Latest release: April 2025, Next release: May 2025



In March 2025, over half of all property surveyors expressed negative expectations for house prices in London over the next three months

- The net balance of house prices expectations in London was -27 in March and was -33 in February.
- The index for England and Wales was -26 in March, and was -15 in February.
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

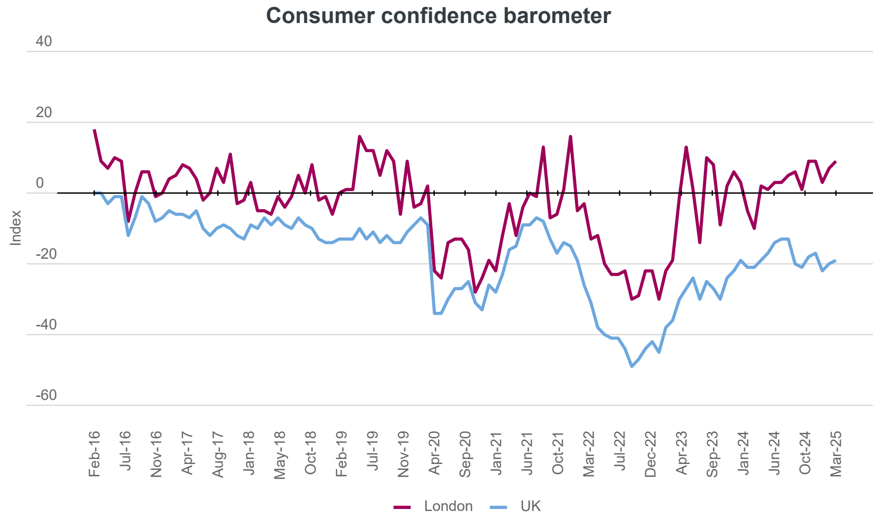
Source: Royal Institution of Chartered Surveyors
Latest release: April 2025, Next release: May 2025



Consumer confidence in London increased in March 2025

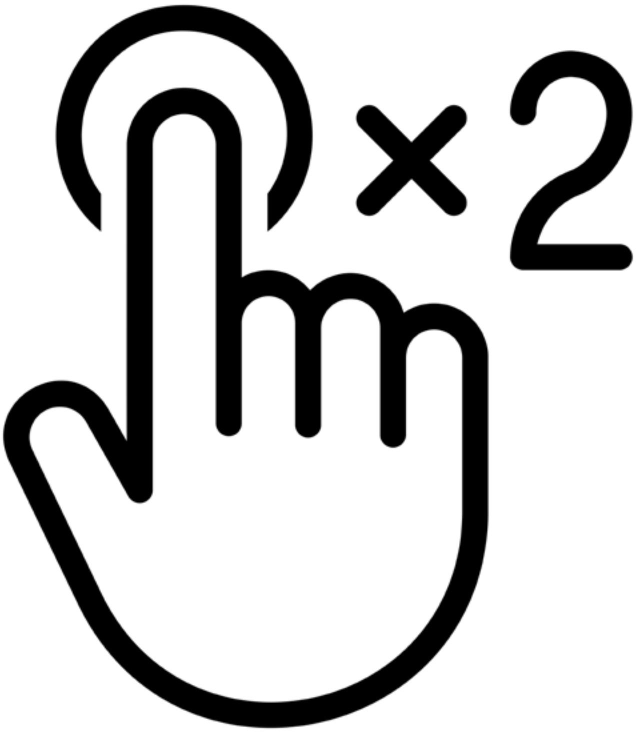
- The consumer confidence index in London increased from 7 in February to 9 in March.
- The sentiment for the UK increased from -20 to -19 over the two months. The UK has not seen a positive index score since January 2016.
- The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.

Source: GfK
Latest release: March 2025, Next release: May 2025



Second job holders in London

By **Yiqiao Chen**, Economist



More than 200,000 Londoners had more than one job in 2024 – about 4% of those in employment. Multiple job holding has become more common over the past decade, growing from 147,000 (3.6% of London's workforce) in 2014 to 201,000 (4.3%) in 2024.

Cost-of-living pressures, greater working flexibility, and the expansion of the gig economy could all have contributed to this trend, according to academic studies. Some people might be pushed into second jobs because a main job doesn't provide high enough hourly pay or enough working hours. In other cases, people might use second jobs to develop new skills and explore alternative career paths.[1,2] Other than the financial and career motives, psychological fulfilment is another driver for multiple job holding.[3,4]

Multiple job holding is usually associated with higher flexibility, higher job mobility but lower job security.[5,6] This atypical employment has become more important in today's labour market.

1 Wu, Z., Baimbridge, M., & Zhu, Y. (2009). Multiple job holding in the United Kingdom: evidence from the British Household Panel Survey. *Applied Economics*, 41(21), 2751-2766.

2 Dvouletý, O., & Tyka ová, A. (2025). Single and multiple job holders: comparative study of working hours and earnings. *International Journal of Economic Policy Studies*, 19(1), 119-133.

3 Conen, W., & Stein, J. (2021). A panel study of the consequences of multiple jobholding: enrichment and depletion effects. *Transfer: European Review of Labour and Research*, 27(2), 219-236.

4 Campion, E. D., Caza, B. B., & Moss, S. E. (2020). Multiple jobholding: An integrative systematic review and future research agenda. *Journal of Management*, 46(1), 165-191.

5 Bouwhuis, S., De Wind, A., De Kruif, A., Geuskens, G. A., Van der Beek, A. J., Bongers, P. M., & Boot, C. R. (2018). Experiences with multiple job holding: a qualitative study among Dutch older workers. *BMC public health*, 18, 1-12.

6 Conen, W., & Schulze Buschoff, K. (2021). Introduction to the special issue: multiple jobholding in Europe. *Transfer: European Review of Labour and Research*, 27(2), 141-147.

This supplement uses data from the Office for National Statistics Annual Population Survey (APS) for 2014 to 2024 to explore the changing patterns of second job holdings in London and the socio-economic characteristics of second job holders. The analysis is limited to London residents in employment (self-employed or employed) of working age.

It is an abridged version of a forthcoming GLA Economics publication on the labour market.

Key points:

- Multiple job holding is an increasingly common phenomenon in London, growing from 147,000 (3.6% of London's workforce) in 2014 to 201,000 (4.3%) in 2024.
- The main motivations for taking second jobs in London are a desire for more hours of work and financial constraints. Certain demographic groups (women, older workers) are disproportionally affected.
- Part-time workers are more likely to hold second jobs than full-time workers. Some 7.9% of part-time workers also have second jobs while the rate among full-time workers is 2.7%.
- Lower job security is linked to greater uptake of second jobs. Self-employed workers, those on temporary contracts, and those in smaller size companies are more likely to take additional jobs.
- Workers in caring and professional occupations are more likely to have second jobs.
- By sector, those working in arts & recreation, education, health, and professional services are more likely to have second jobs.

Number of Londoners with second jobs is probably increasing

The number of people with multiple jobs in London has risen over the last decade. In 2014, around 147,000 people in London held second jobs, 3.6% of all those with jobs. By 2024, the number increased to 201,000 (4.3% of those with jobs). However, because of the number of second job holders in the sample of the APS, these estimates come with a degree of statistical uncertainty. That means we should not read too much into these changes over time.

In the rest of the UK, the share of workers taking second jobs was rather static, at around 3.7% over the decade. On average, there were just under 1 million second job holders in the rest of the UK from 2014 to 2024. Because there is a larger sample for the rest of the UK, there is less uncertainty about this result (Figure A1).

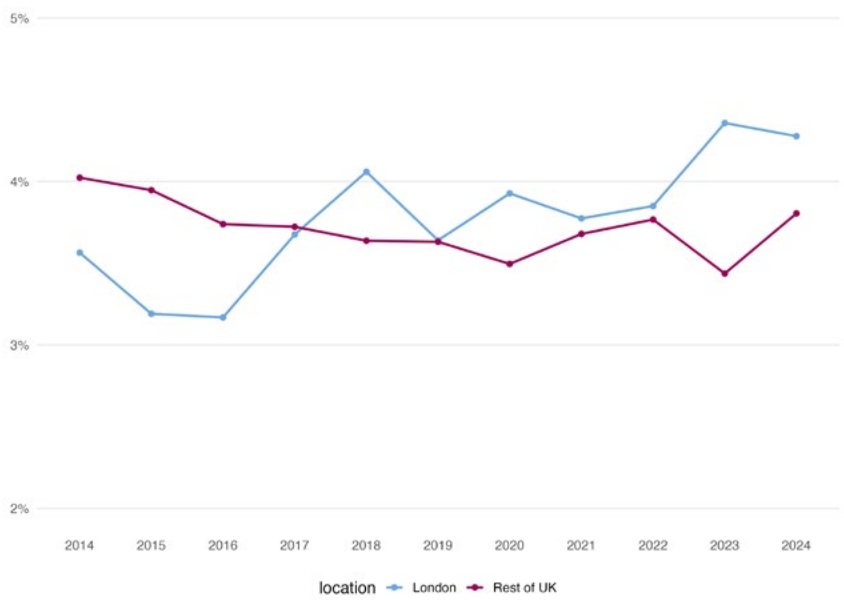


Figure A1: Share of workers with more than one job

Source: ONS Annual Population Survey, 2014-2024

Second job holdings are more common among women, older and better-educated workers

Across all age groups, women consistently show higher rates of second job holding than men, both in London and the rest of the UK. In London, 4.2% of female workers have second jobs, compared to 3.4% of male workers. This gender gap is even wider in the rest of the UK, where 4.6% of women and 2.9% of men hold second jobs.

Age also plays a role. In London, workers aged 50–64 are the most likely to hold second jobs, with 4.9% (around 49,000 people per year) doing so. The younger age groups (16–24 and 25–49) both have a lower share (3.5%), although the 25–49 group accounts for the largest number in absolute terms (around 106,000 people annually). A similar pattern is observed in the rest of the UK, where older workers are 0.5 percentage points more likely to have second jobs than younger groups.

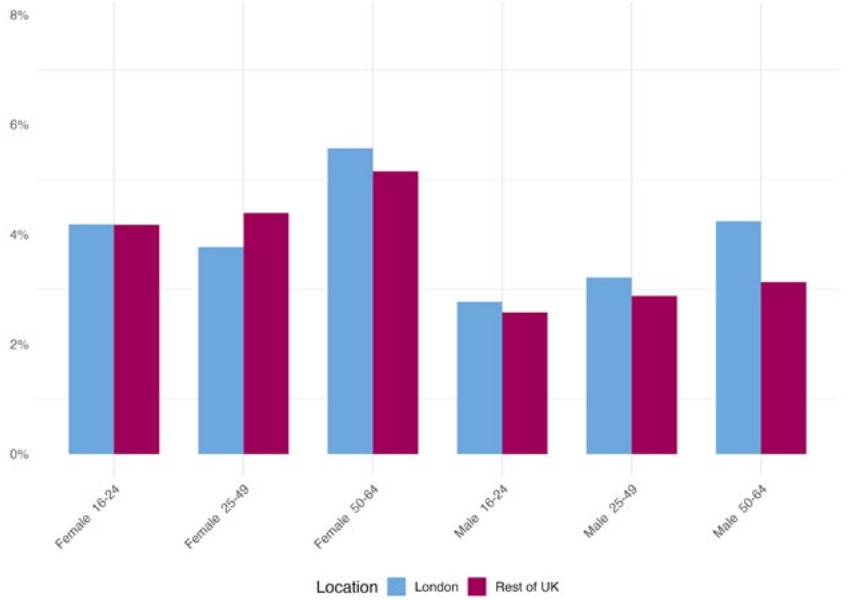


Figure A2: Share of workers with second jobs by age group and gender

Source: ONS Annual Population Survey, 2014-2024

In London, 4.4% of workers with a degree or equivalent qualifications (about 113,000 people annually) hold second jobs. In comparison, just 3.0% (55,000) of those with qualifications below degree level do the same. The trend is the same in the rest of the UK, where 4.9% of degree-holders and 3.2% of those with lower qualifications take on second roles.

Part-time workers have a higher probability of becoming second job holders

Around 20% of London's workers were part-time over the years 2014-2024, and they were much more likely to have more than one job than their full-time equivalents. Some 7.9% of part-time Londoners – an average of 72,000 people per year from 2014 to 2024 - had second jobs, compared to 2.7% of full-time workers. But because full-time employment dominates London's labour force, they still make up a majority of second job holders, with around 98,000 workers per year. In the rest of the UK, part-time workers were also 4.8 percentage points more likely than full-time workers to take second jobs (7.3% versus 2.5%).

Among part-time workers in London, 16.8% said they want more working hours. The share increases to 18.4% among those with second jobs. This indicates that some workers are underemployed in their main roles, and they take second jobs because of the hour constraints.

Lower job security in main job linked to higher uptake of second jobs

Job security is generally lower among workers who are self-employed, in smaller size companies, and on temporary contracts (see references above). Those in less secure main jobs are more likely to take on second jobs. This may be because individuals need to manage financial pressures through additional earnings.

The APS survey shows that 5.4% of self-employed Londoners have a second job – 2.0 percentage points higher than their employee counterparts. In 2024, there were 102,000 self-employed second-job workers in London. Similarly, in the rest of the UK, 5.1% of self-employed workers hold second jobs, compared to 3.5% among employees.

Self-employed workers also tend to get self-employed second jobs. The most common first to second job status is self-employed to self-employed, which has always been the largest proportion of first-to-second job patterns each year, both in London and across the rest of the UK (Figure A3).

Zooming into only those with second jobs, self-employed jobs account for 52.2% in London. In the rest of the UK, second jobs are more likely to be employee-based, at 57.2%.

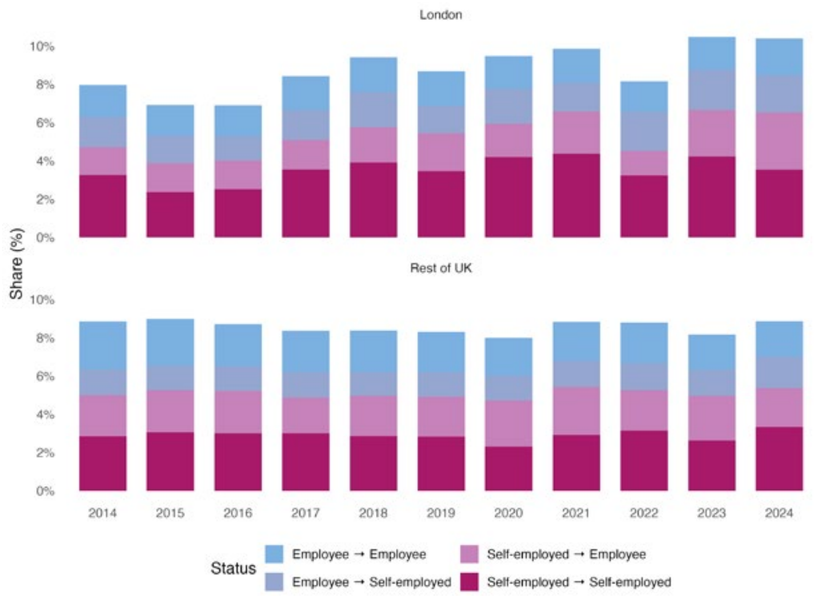


Figure A3: First and second job status

Source: ONS Annual Population Survey, 2014-2024

Workers whose first jobs are in small and micro size companies are more likely to have second jobs. 4.3% (29,000 per year) of workers from micro companies (with one to 10 employees) and 3.9% (34,000) of workers from small companies (11 to 49 employees) take second jobs.

Second jobs are more common among temporary workers. 7.3% of temporary workers hold second jobs, representing around 17,000 people per year in London. Although the absolute number of people on permanent contracts that hold second jobs is higher, at 112,000 per year, the share is much lower at 3.2%. Workers are also more likely to stick with similar contract types across first and second jobs (Figure A4).

Over time, the proportion of permanent workers with second jobs is relatively steady. However, there has been a rise among temporary workers, particularly in the past two years. It should be noted that the jump may be unreliable due to a small sample size, even though these figures are averaged across the 2014-2024 time period.

In London, most of the temporary second jobs are casual work (44.1%) and under contract for fixed periods or tasks (23.8%). These are also the two main types of temporary second jobs in the rest of the UK.

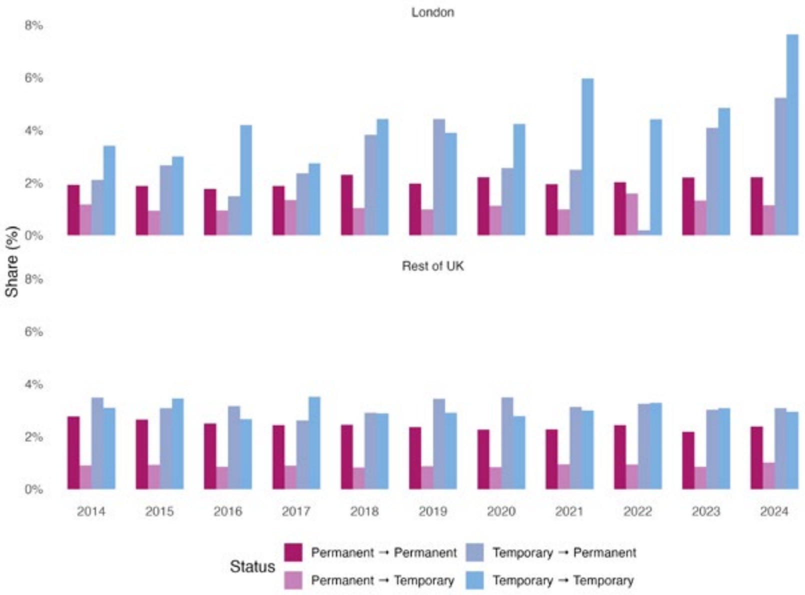


Figure A4: First and second job contract

Source: ONS Annual Population Survey, 2014-2024

Our latest publications

We publish regularly on the state of London's economy, providing the latest economic data for London and interpret how this may affect policy. This includes analysis of recent developments in London's economy and forecasts for the next couple of years.

We provide analysis on sectors of the economy including tourism, retail, housing, health, science, technology and more.

We analyse recent developments in London's labour market, by sector and borough.

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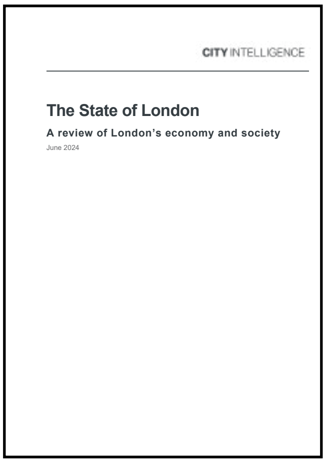

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About GLA Economics
GLA Economics provides expert advice and analysis on London's economy and the economic issues facing the capital. Data and analysis from GLA Economics provide a sound basis for the policy and investment decisions facing the Mayor of London and the GLA group. The unit was set up in May 2002.

MAYOR OF LONDON