

Working Paper 89

London's creative industries - 2017 update

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Executive summary

In October 2015, GLA Economics published Working Paper 70: the creative industries in London.¹ The report used the definitions developed by the Department for Culture, Media & Sport (DCMS) to provide a comprehensive analysis of the capital's creative sector.

This paper updates the data on the value of the creative industries and the creative economy in London; it provides our latest understanding on the importance of the sector in terms of output (GVA), employment and productivity.

Gross Value Added (GVA) of the creative industries

- London's creative industries represent a significant part of the capital's economy, as well as a substantive share of the sector in the UK as a whole.
- In 2015, GVA of the creative industries in the capital was estimated at £42.0 billion, accounting for 11.1 per cent of total GVA in London, and for just under half (47.4 per cent) of the UK total for the sector.
- Between 2009 and 2015 the GVA of the creative industries in London increased by 38.2 per cent, compared to a 30.6 per cent increase across all industries.
- The IT, software and computer service sub-group accounts for the largest proportion of GVA in London's creative industries, contributing 38.0 per cent of the sector's output in 2015 and for over half (52.5 per cent) of the growth in GVA since 2009.

Employment in the creative industries and creative economy

- There were 622,600 jobs in London's creative industries in 2016, equivalent to 11.9 per cent of total jobs in the capital (compared to 4.9 per cent in the rest of the UK).
- Looking at the wider creative economy, there were approximately 882,900 jobs in the capital in 2016, up by almost a quarter (24.2 per cent) since 2012.
- Creative jobs in non-creative or unknown industries accounted for 29.5 per cent of jobs in the creative economy in 2016. This was the largest share by sub-group, followed by IT, Software and Computer services (19.6 per cent).
- Just over 1 in 4 (27.8 per cent) of jobs across the creative economy are held by self-employed workers, compared to 16.8 per cent of jobs in the non-creative economy.
- At £20.38 per hour, median hourly pay for employees (which excludes those self-employed) in London's creative economy was almost a third higher than outside the creative economy in 2016, reflecting the sector's occupational structure.
- A relatively high share of creative economy jobs are held by workers born outside of the UK – 33.5 per cent of jobs in London in 2016, compared to 12.8 per cent of creative economy jobs in the rest of the UK. However, despite positive trends, other groups are relatively underrepresented in London's creative sector. For example, in 2016:
 - 35.6 per cent of creative economy jobs were filled by women, compared to 45.5 per cent of jobs outside of the creative economy.
 - 23.4 per cent of creative economy jobs were filled by people from BAME groups, compared to 32.9 per cent of jobs outside of the creative economy.

Productivity of the creative industries

- In-line with its higher pay, London's creative industries are also highly productive – particularly in Film, TV, video, radio and photography; Publishing; and IT, software and computer services.

¹ See: Working Paper 70: The creative industries in London, October 2015
(<https://www.london.gov.uk/sites/default/files/creative-industries-in-london.pdf>)

- Overall GVA per workforce job (as a proxy for productivity) was equal to £71,400 in 2015; this was 22.2 per cent higher than the average across all sectors of the London economy, and 35.5 per cent higher than for the creative industries in the UK as a whole.
- As opposed to trends in total output, GVA per workforce job in the creative industries groups have been growing slower than London's economy as a whole since 2009 (albeit from a higher base) – this is a reflection of strong jobs growth, which has exceeded output growth in recent years.

Introduction

This paper examines the value of the creative industries in London, updating the analysis in Working Paper 70: The creative industries in London, published in October 2015.

It assesses the output, employment and productivity of the sector, adopting the definition of creative industries and creative economy developed by the Department for Culture, Media & Sport (DCMS), and using official data from the Office for National Statistics.

The first chapter (*'Definitions'*) clarifies the definitions of creative industries, creative economy, and creative occupations. It concludes with a brief description of the data sources which are used in the different chapters of this paper.

Chapter 2 provides an analysis of the output of the creative industries in London (given by GVA), derived by extending a methodology developed by GLA Economics in Working Paper 87 (2017).² Estimates by creative industry sub-groups are also provided.

Chapter 3 discusses the labour market characteristics of the workforce in the creative industries and in the creative economy in London. After providing the general context (e.g. trends in employment), the socio-economic characteristics of the workforce (e.g. place of birth, gender, ethnicity, socio-economic status) are explored, followed by an analysis of pay.

Finally, Chapter 4 concludes with an analysis of GVA per workforce job of the creative industries in London, as a proxy for the productivity of the sector.

² GLA Economics (2017) *Productivity Trends: GVA per workforce job estimates for London and the UK, 1997 - 2015*, Working Paper 87, March 2017.

1 Definitions

The analysis presented in this paper adopts the definitions of the creative economy and creative industries developed by the Department for Culture, Media & Sport (DCMS). Their approach is followed to ensure consistency and comparability of estimates of the number of jobs and the industry sectors people work in (with a few exceptions, such as in the estimation of the output of the sector – please refer to Chapter 2 for further information).

As outlined in the Government's 2001 Creative Industries Mapping Document, the creative industries can be defined as follows:

*'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'*³

Starting from this definition, DCMS developed a methodology with the aim of selecting and isolating those sectors and occupations which, according to the official industry and occupation codes⁴, could best capture the sectors and the professions operating in the industry. This methodology was first adopted in their statistical release in 2014, and is based on the premise that 'having high levels of "creative intensity" – that is, the proportion of the workforce in creative occupations – separates Creative Industries from other industries'.⁵

For more details about the approach used to derive a commonly agreed definition of creative industries and an empirical estimate of their impact on the economy, it is worth referring to the latest DCMS methodology publication.⁶

The focus of this research is on the creative industries in London. Although DCMS do provide regional analysis, they do not go into the detail of breaking down employment by region. Moreover, estimates of the GVA of the creative industries by region are not analysed.

1.1 Creative economy

The creative economy (Figure 1) encompasses people with creative occupations working in the creative industries, as well as workers with creative occupations working in any other industry, and people in a non-creative job working in a creative industry.

For example, the creative economy includes all of the following:

- *the contribution of an accountant working for a museum* – a non-creative job in a creative industries sub-group;
- *the contribution of a designer working for a food supplier* – a creative job in a non-creative industries sub-group;
- *the contribution of a radio presenter working for a local radio station* – a creative job in a creative industries sub-group.

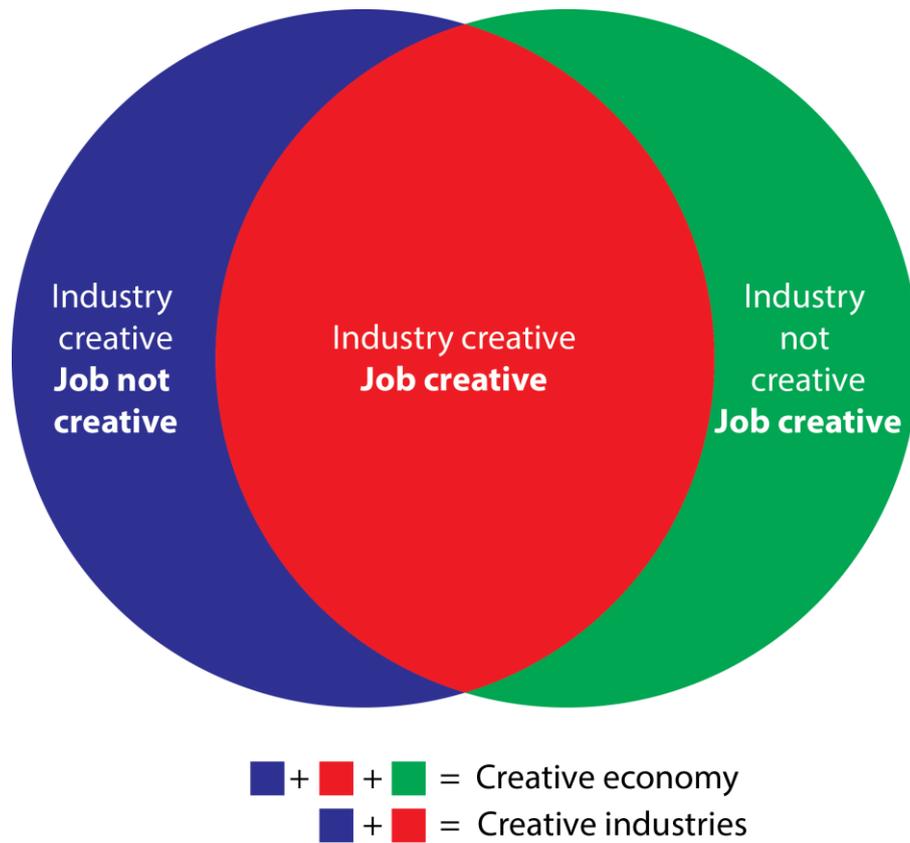
³ Department for Culture, Media & Sport (2001) Creative Industries Mapping Documents 2001

⁴ Throughout this analysis, the Office for National Statistics (ONS) Standard Industrial Classification 2007 (SIC07) and Standard Occupational Classification 2010 (SOC10) are adopted. For more information, see [here](#).

⁵ Bakhshi, H., Freeman, A., and Higgs, P. (2013) 'A Dynamic Mapping of the UK's Creative Industries', Nesta: London

⁶ Full details regarding the methodology developed by DCMS are available [here](#).

Figure 1: Definition of Creative Economy and Creative Industries according to DCMS definition



1.2 Creative industries

The creative industries (Figure 1) represent a sub-set of the creative economy. They encompass all people working in the industry, independently of whether they have a creative occupation or not.

Using the examples provided earlier, the creative industries includes the following:

- *the contribution of an accountant working for a museum* – a non-creative job in a creative industries sub-group;
- *the contribution of a radio presenter working for a local radio station* – a creative job in a creative industries sub-group.

Data sources

The analysis presented in this paper is based on official statistics released by the Office for National Statistics (ONS). More details about data sources are provided in each chapter. However, a summary of data sources used for the different levels of analyses is reported below.

- Gross Value Added (GVA): ONS National and Regional Accounts; as well as labour market data (including Business Register and Employment Survey, and Annual Population Survey) were used to develop a methodology to derive GVA for creative industry groups.
- Employment and pay: ONS Annual Population Survey (APS) using 2016 weights and ONS Annual Survey of Hours and Earnings (ASHE) – 2009-2016.
- GVA per workforce job: Uses the GVA data above along with the ONS Workforce Jobs estimates.

2 GVA of the creative industries in London

The aim of this section is to present GLA Economics' estimates of Gross Value Added (GVA) of the creative industries in London for 2015, as well as its performance over time (2009-2015).

Generally speaking, GVA measures the contribution to the economy of each individual producer, industry or sector. It represents the value added generated from activity in the economy, and is an important measure for assessing the impact and value of any industry.

More details about the methodology developed by GLA Economics to estimate the contribution of the creative industries to the economy in terms of GVA are available in Working Paper 87 (GLA Economics, 2017).

It is important to note that data on GVA is drawn from the Regional Gross Value Added (Income Approach) publication by the ONS, whereas the methodology developed by GLA Economics to estimate GVA per workforce job (see later in this document) uses data from National and Regional Accounts, as well as data specifically requested from the Office for National Statistics. For this reason the GVA estimates in this paper may differ, and are not directly comparable, to the estimates produced by DCMS.⁷

2.1 Main findings

As shown in Table 1, the GVA of the creative industries in London was estimated at £42.0 billion in 2015, accounting for just under half (47.4 per cent) of the UK total for the sector.

Table 1: GVA for the creative industries groups in London and the Rest of the UK, 2015

Creative Industries Group	London GVA (£m)	Rest of the UK GVA (£m)	London proportion of total UK GVA
Advertising and Marketing	4,146	5,389	43.5%
Architecture	1,671	2,272	42.4%
Crafts	82	172	32.3%
Design: product, graphic and fashion design	1,215	1,650	42.4%
Film, TV, video, radio and photography	8,592	8,780	49.5%
IT, software and computer services	15,953	19,573	44.9%
Publishing	5,679	4,813	54.1%
Museums, galleries and libraries	502	1,306	27.8%
Music, performing and visual arts	4,173	2,648	61.2%
Total	42,014	46,602	47.4%

Source: GLA Economics calculations

Between 2009 and 2015 the GVA of the creative industries in London increased by 38.2 per cent in nominal terms.⁸ This was in-line with GVA growth for the sector in the rest of the UK (37.6 per cent) and above that for all industries in London (30.6 per cent). The highest annual rate of growth was registered between 2010 and 2011 (an 8.8 per cent increase). More generally, the average annual rate of growth for GVA of the creative industries in London over

⁷ See, for example:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544103/DCMS_Sectors_Economic_Estimates_-_August_2016.pdf

⁸ GVA data are based on a nominal measure in current prices and have not been adjusted to account for the impacts of inflation.

the 2009 to 2015 period was 5.6 per cent, compared to an average annual growth rate of GVA for the London economy as a whole of 4.6 per cent.

Table 2: Creative industries – annual growth rate and share of total GVA, London and the Rest of the UK, 2009-2015

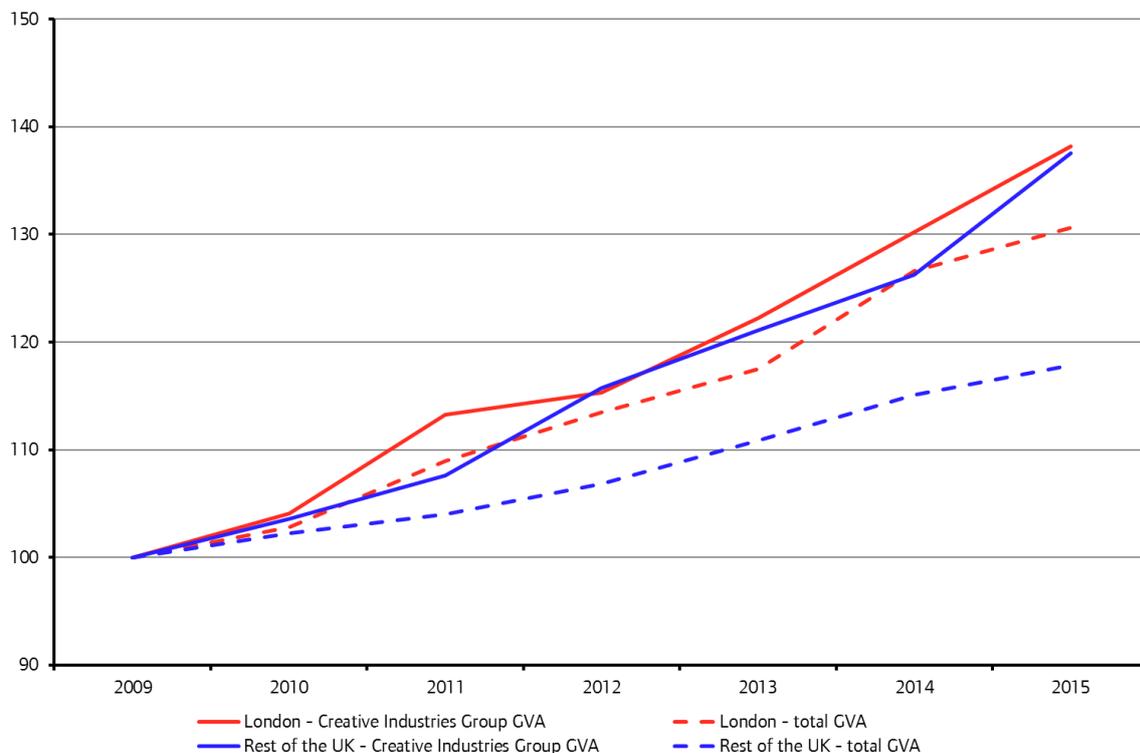
	London					Rest of the UK				
	Total GVA (£m)	Annual growth rate	Creative Industries groups GVA (£m)	Annual growth rate	Creative industries group as % of total GVA	Total GVA (£m)	Annual growth rate	Creative Industries groups GVA (£m)	Annual growth rate	Creative industries group as % of total GVA
2009	289,668		30,402		10.5%	1,092,561		33,874		3.1%
2010	297,746	2.8%	31,637	4.1%	10.6%	1,116,889	2.2%	35,079	3.6%	3.1%
2011	315,578	6.0%	34,426	8.8%	10.9%	1,136,497	1.8%	36,442	3.9%	3.2%
2012	328,738	4.2%	35,055	1.8%	10.7%	1,166,838	2.7%	39,193	7.5%	3.4%
2013	340,376	3.5%	37,166	6.0%	10.9%	1,211,177	3.8%	41,012	4.6%	3.4%
2014	366,640	7.7%	39,593	6.5%	10.8%	1,257,636	3.8%	42,765	4.3%	3.4%
2015	378,424	3.2%	42,014	6.1%	11.1%	1,287,918	2.4%	46,602	9.0%	3.6%

Source: GLA Economics calculations

Consequently, the creative industries contribution to London's total GVA increased over the period, rising from 10.5 per cent of total GVA in 2009, to 11.1 to per cent in 2015 (Table 2).

Figure 2 shows growth of GVA in London and the rest of the UK, in both the creative industries and in the economy as a whole, indexed from 2009. The growing importance of the creative sector is evident, with relatively strong growth in GVA since 2009.

Figure 2: Changes in total and creative industries GVA, London and the Rest of the UK, indexed to 2009=100



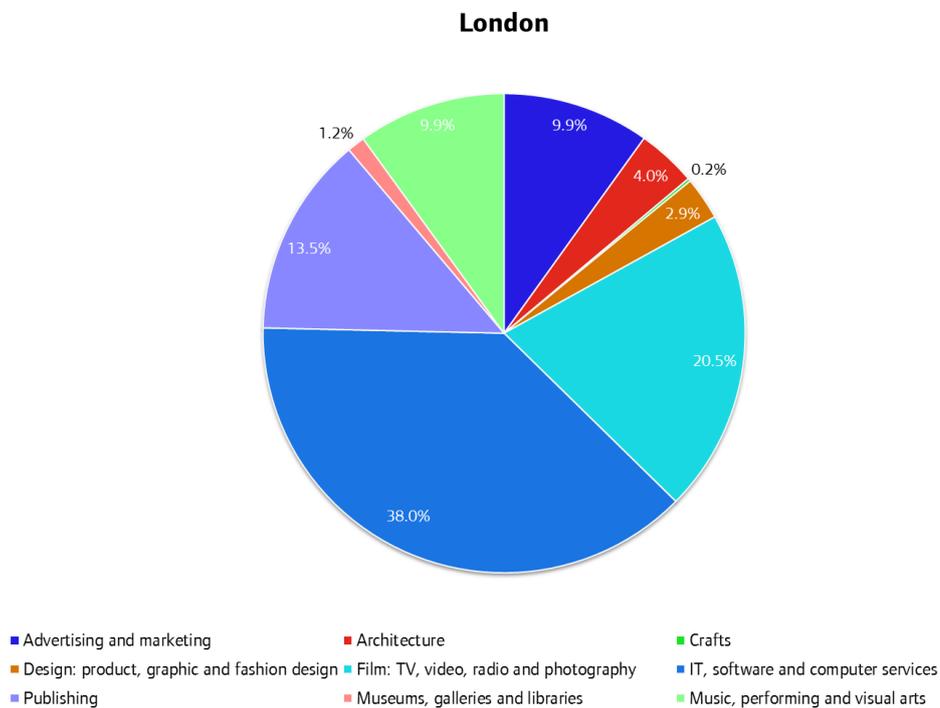
Source: GLA Economics calculations

2.2 Estimates by creative industries group

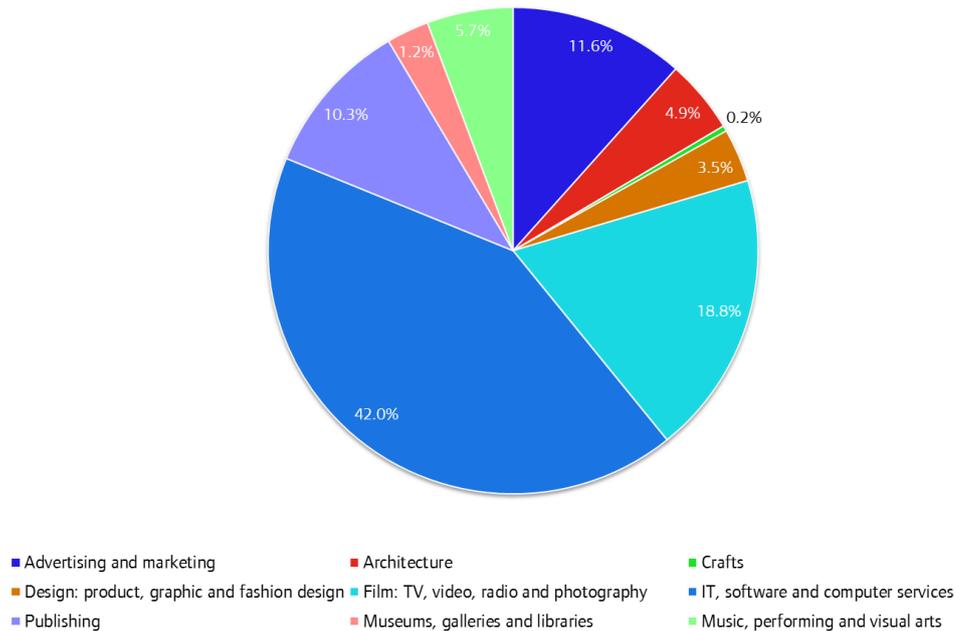
The IT, software and computer service group accounts for the largest proportion of GVA in London's creative industries, contributing 38.0 per cent of the sector's GVA in 2015. This was followed by Film, TV, video, radio and photography (20.5 per cent), and Publishing (13.5 per cent). At the other end of the scale, Crafts is the group which contributed the least, accounting for just 0.2 per cent of the creative industries GVA London in 2015; followed by Museums, galleries and libraries (1.2 per cent).

The composition of the creative industries in terms of GVA by sub-group is relatively similar in London and the rest of the UK – as shown in Figure 3.

Figure 3: Contribution of each creative industries group to total creative industries GVA, London and Rest of the UK, 2015



Rest of the UK



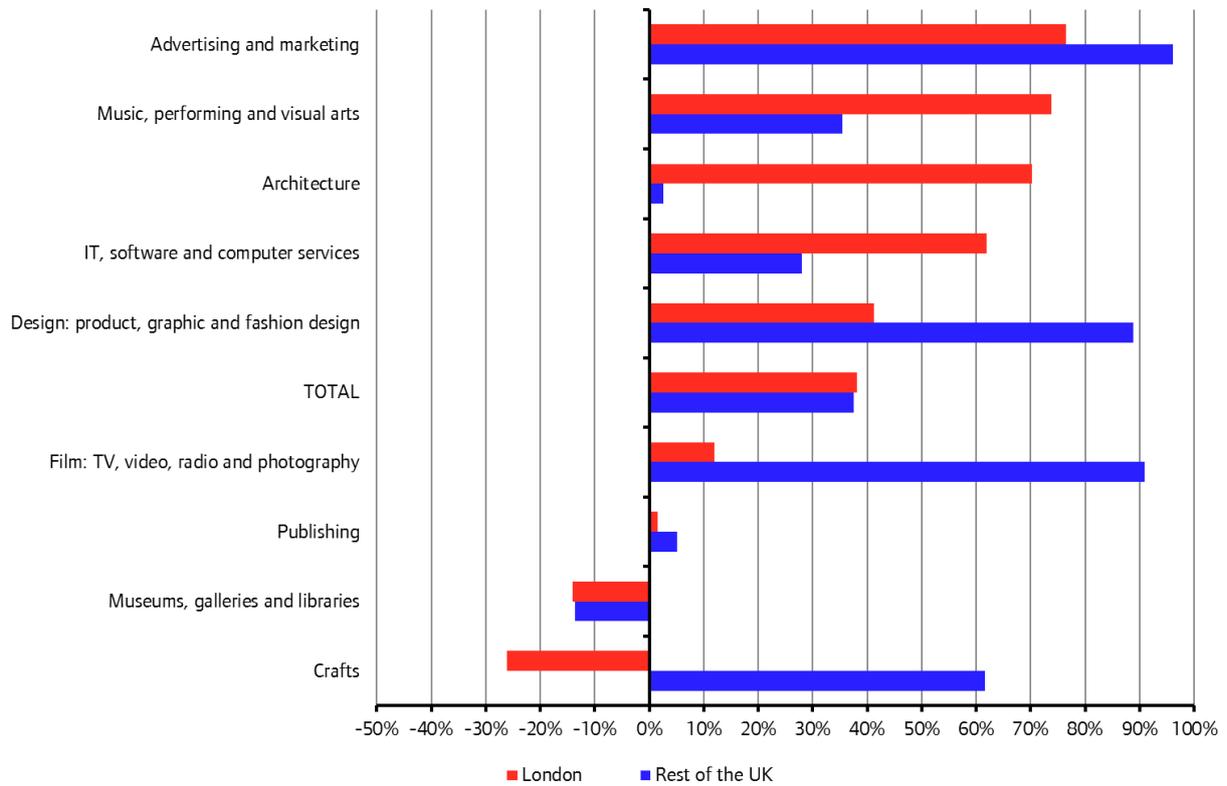
Source: GLA Economics calculations

Figure 4 sets out the change in GVA of each of the creative industries sub-groups in London over the 2009 to 2015 period. Advertising and marketing had the greatest percentage increase between 2009 and 2015 (+ 76.6 per cent). This was followed by Music, performing and visual arts (+73.8 per cent from 2009-2015) and Architecture (+70.3 per cent). Despite having the fourth highest *rate* of growth during this period, the IT, software and computer services sub-group was responsible for over half (52.5 per cent) of the *absolute* growth in creative industries GVA in London since 2009 – reflecting its overall share of output.

Conversely, only two sub-groups experienced negative growth in London since 2009: Museums, galleries and libraries⁹ and Crafts (-14.0 per cent and -26.2 per cent respectively). Whilst a similar trend was seen nationally for Museums, galleries and libraries, this was not true of Crafts, where the sub-group experienced strong growth in GVA outside of the capital during this time.

⁹ Please note that the Museums, galleries and libraries group (and to some extent the Music, performing and visual arts group as well) is to be considered a peculiar group within the creative industries sector, given that most of these establishments do not charge for entry or for providing their services/products. Therefore, it is difficult to compare the contribution of this group with the others in the creative industry sector.

Figure 4: Change in GVA of the creative industries groups in London and the Rest of the UK, 2009-2015



Source: GLA Economics calculations

3. Employment in the creative industries in London

This chapter provides an overview of employment and the labour market characteristics of the workforce in both the creative industries and wider creative economy in London. After providing the general context for London (e.g. trends in employment), some of the characteristics of the workforce (place of birth, gender, ethnicity, socio-economic group) in these industries are explored, followed by analysis of pay.

As mentioned in Chapter 1, this analysis uses the approach developed by DCMS to define the boundaries of the creative economy, according to the jobs that people do, and the industry sectors they work in.¹⁰

The analysis presented in this chapter has been carried out using two main data sources, both of which are Office for National Statistics (ONS) official statistics, namely the Annual Population Survey and the Annual Survey of Hours and Earnings.¹¹

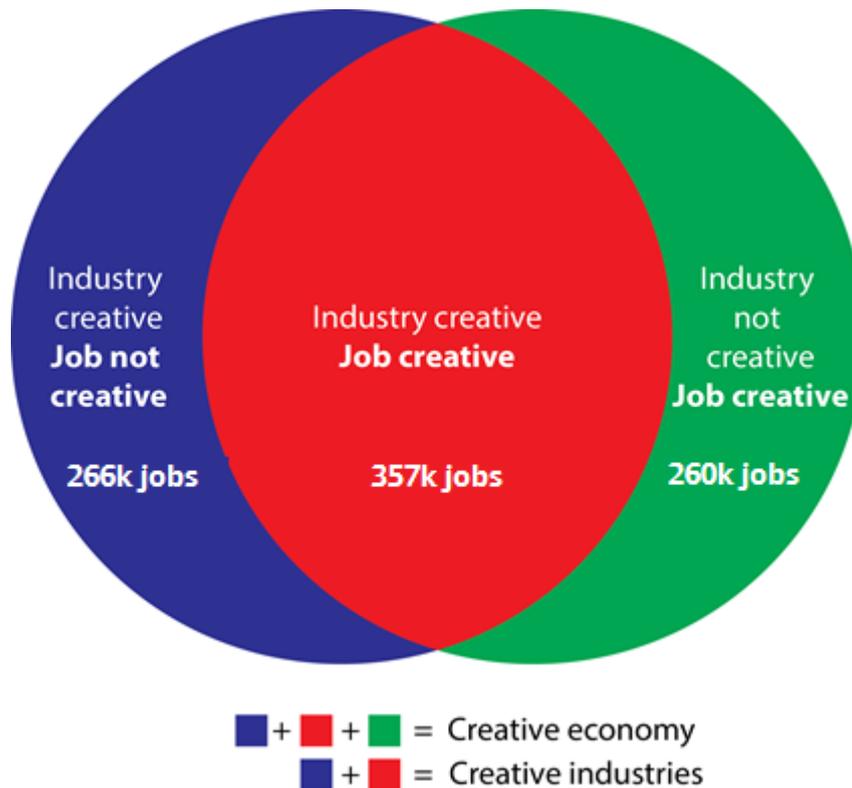
Following the DCMS definition, and according to the 'Creative Trident' as defined by Nesta (2008), Figure 5 sets out the headline estimates for jobs in London in 2016. It shows that:

- the sum of all the estimates reported above provides an estimate for jobs in the **creative economy** (= 266k + 357k + 260k = 883k);
- the sum of non-creative jobs in the creative industries and creative jobs in the creative industries provides an estimate of jobs in the **creative industries** (= 226k + 357k = 623k);
- the sum of creative jobs in the creative industries and creative jobs in non-creative industries provides an estimate of jobs in '**creative occupations**' (= 357k + 260k = 617k).

¹⁰ For more details, please see Chapter 1 or Annex A and Annex B of the [DCMS publication](#).

¹¹ Please note that the three main creative economy groups and their sub-groups are defined using the Standard Industrial Classification 2007 (SIC07), as well as the Standard Occupational Classification 2010 (SOC10).

Figure 5: Employment in the creative economy in London (thousand jobs), 2016



Source: ONS Annual Population Survey, 2016; figures rounded to the nearest thousand.

The following section considers these estimates in more detail.

3.1 Overview of employment in London

In 2016, there were approximately 882,900 jobs in the creative economy in London, accounting for 16.9 per cent of employment in the capital, compared to 7.9 per cent of jobs in the rest of the UK. The creative industries alone accounted for 622,600 or 11.9 per cent of jobs in London, 7.0 percentage points higher than the employment share in the rest of the UK (4.9 per cent).

These figures indicate the relative importance of the creative sector to the London economy and the importance of London's creative sector to the UK, with almost one in three (29.1 per cent) of the UK's creative economy jobs based in the capital. Table 3 further breaks down the estimates for the creative industries and the creative economy over the 2012-2016 period for both London and the rest of the UK.

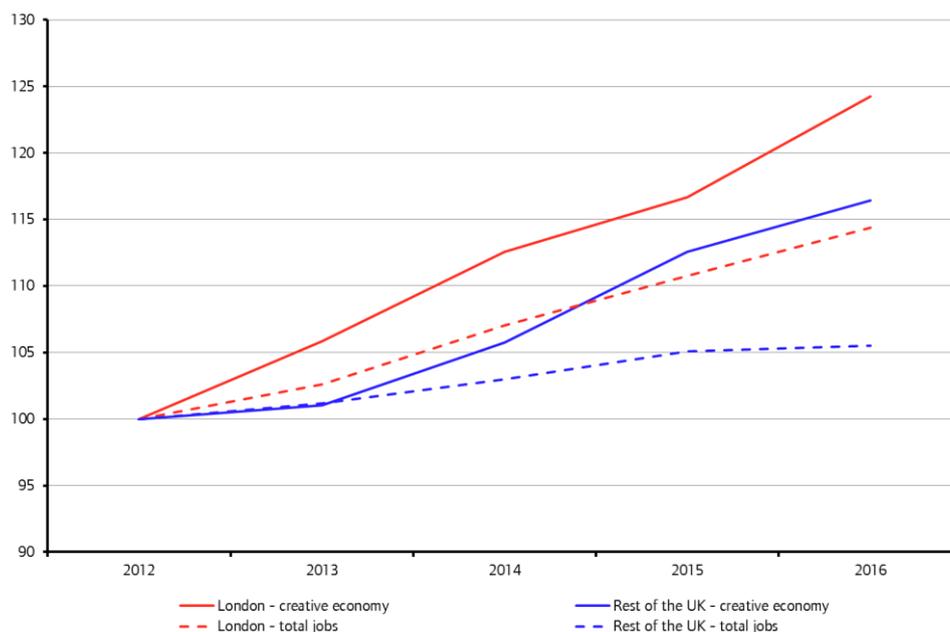
Table 3: Number of jobs in the creative industries and in the creative economy in London and the Rest of the UK, 2012-2016 (thousands)

London	2012	2013	2014	2015	2016	% in 2016
Job and industry are both creative	284	292	334	317	357	6.8%
Industry creative but job not creative or unknown	230	239	245	268	266	5.1%
Job creative but industry not creative or unknown	197	222	221	244	260	5.0%
Industry and job not creative or unknown	3,857	3,934	4,089	4,230	4,342	83.1%
Sub-total: jobs in creative industries	513	531	579	585	623	11.9%
Sub-total: jobs in the creative economy	711	752	800	829	883	16.9%
<i>Total</i>	4,568	4,687	4,889	5,059	5,225	100.0%
Rest of the UK	2012	2013	2014	2015	2016	% in 2016
Job and industry are both creative	606	599	638	670	690	2.5%
Industry creative but job not creative or unknown	572	584	594	624	646	2.4%
Job creative but industry not creative or unknown	669	688	725	789	815	3.0%
Industry and job not creative or unknown	23,919	24,198	24,582	25,002	25,046	92.1%
Sub-total: creative industries	1,178	1,183	1,232	1,294	1,336	4.9%
Sub-total: creative economy	1,847	1,871	1,957	2,082	2,151	7.9%
<i>Total</i>	25,766	26,069	26,539	27,084	27,197	100.0%

Sources: ONS Annual Population Survey, 2012 to 2016; figures rounded to the nearest thousand.

As set out in Figure 6, employment in London's creative economy has been growing at a relatively fast rate. Between 2012 and 2016 the number of jobs in the creative economy grew by almost a quarter (24.2 per cent), rising from 710,700 in 2012 to 882,900 in 2016. This was above the rate of jobs growth in London as whole (14.4 per cent) and for the creative economy in the rest of the UK (16.5 per cent).

Figure 6: Change in creative economy employment and total employment, London and the Rest of the UK, 2012-2016 – Index 2012 = 100

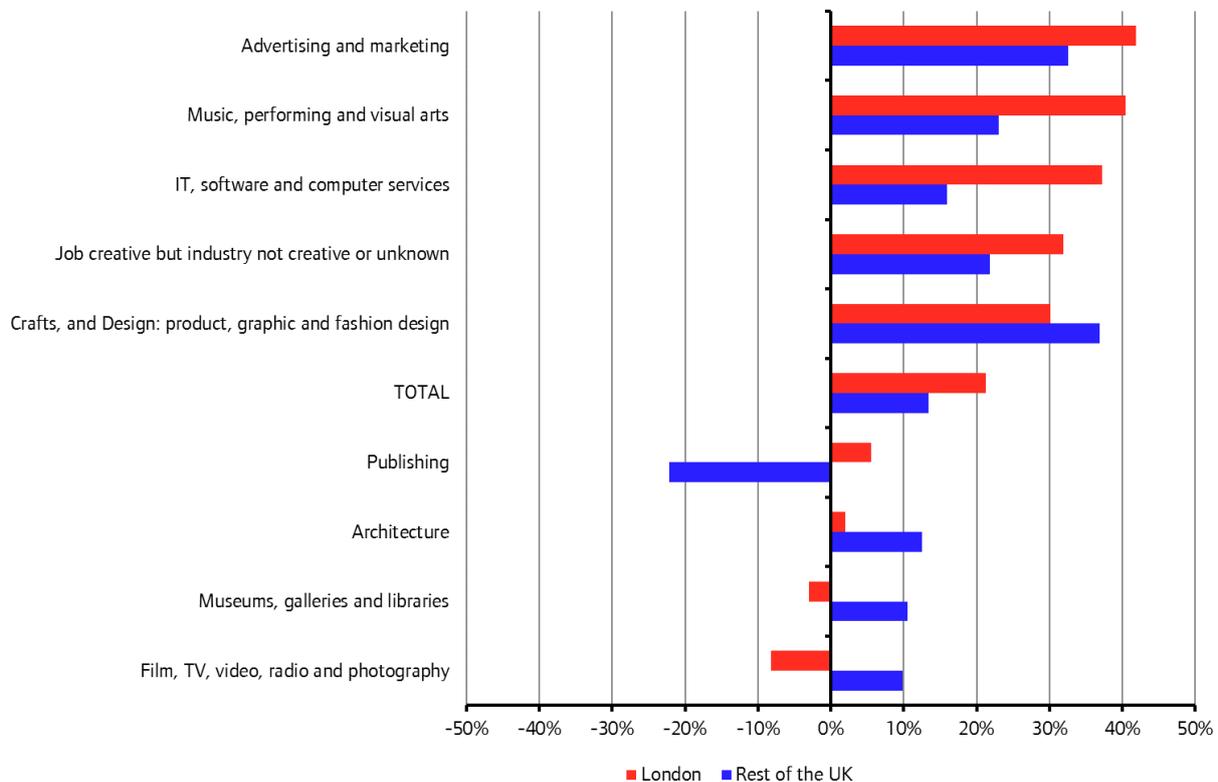


Source: GLA Economics calculations based on ONS Annual Population Survey (APS), 2012-2016

3.1.1 Estimates by creative economy sub-group

To understand trends in creative economy employment in more detail, Figure 7 summarises the percentage change in jobs in the sector for the years 2012 to 2016, for London and for the rest of the UK, broken down by sub-group.¹²

Figure 7: Jobs growth (%) by creative economy sub-group, London and the Rest of the UK, 2012–2016



Source: ONS Annual Population Survey (APS), 2012–2016.

The area of London’s creative economy with the fastest rate of jobs growth since 2012 has been Advertising and marketing (+41.7 per cent; 28,900 jobs), closely followed by Music, performing and visual arts (+40.5 per cent; 28,200 jobs) and IT, software and computer services (+37.2 per cent; 47,000 jobs). Employment in London declined in two creative economy sub-groups during this time: Film, TV, video, radio and photography (-8.1 per cent; -8,200 jobs) and Museums, galleries and libraries (-3.4 per cent; -700 jobs).

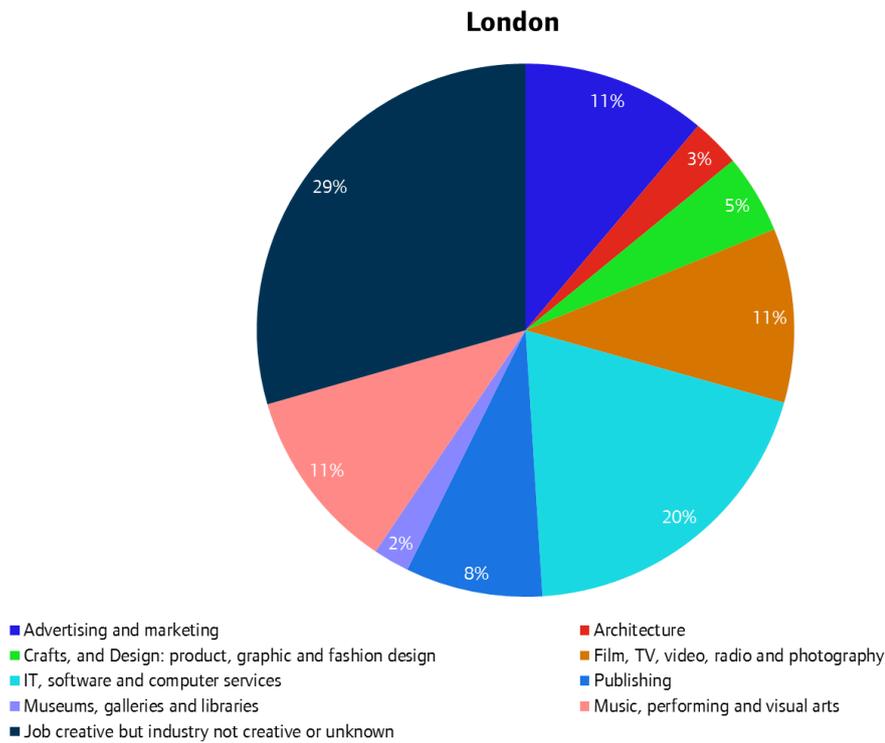
Figure 8 sets out the share of employment for different sub-groups in the creative economy. This includes creative jobs in non-creative or unknown industries, which accounted for the largest share of jobs in the creative economy in 2016 (29.5 per cent). The IT, Software and Computer services is next the largest sub-group (and the largest within the creative industries), contributing 19.6 per cent of jobs in 2016. Advertising and marketing (11.1 per cent); Music, performing and visual arts (11.1 per cent); and Film, TV, video, radio and photography (10.6 per

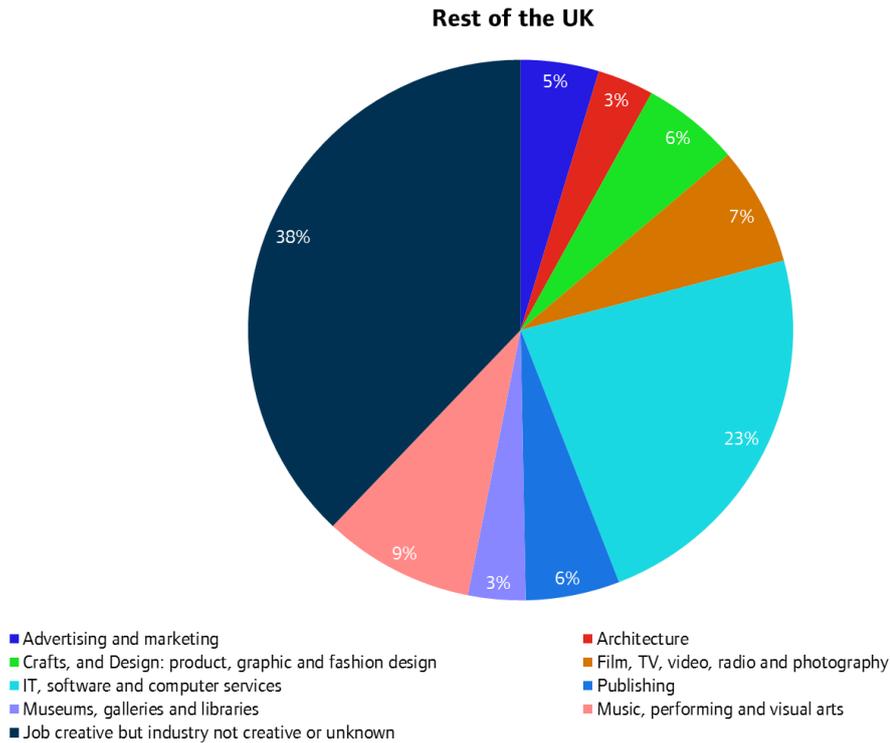
¹² Note: in this section, sub-sectors have been grouped where there are issues with sample sizes. For example, Crafts is regularly combined with Design: product, graphic and fashion design (occasionally with Architecture as well). There are also instances where Museums, galleries and libraries has been combined with Music, performing and visual arts.

cent) follow. Architecture (2.9 per cent) and Museums, galleries and libraries (2.2 per cent) contributed the lowest share of jobs in 2016.

In the rest of the UK, creative jobs in non-creative or unknown industries (37.9 per cent) and IT, software and computer services (23.3 per cent) account for an even larger share of jobs as compared to London (8.4 and 3.6 percentage points higher respectively); whereas Advertising and marketing (4.6 per cent); Music, performing and visual arts (9.0 per cent); and Film, TV video, radio and photography (7.1 per cent) account for relatively smaller shares of creative economy employment.

Figure 8: Jobs by creative economy sub-groups as share of total number of jobs in the creative economy, London and the Rest of the UK, 2016





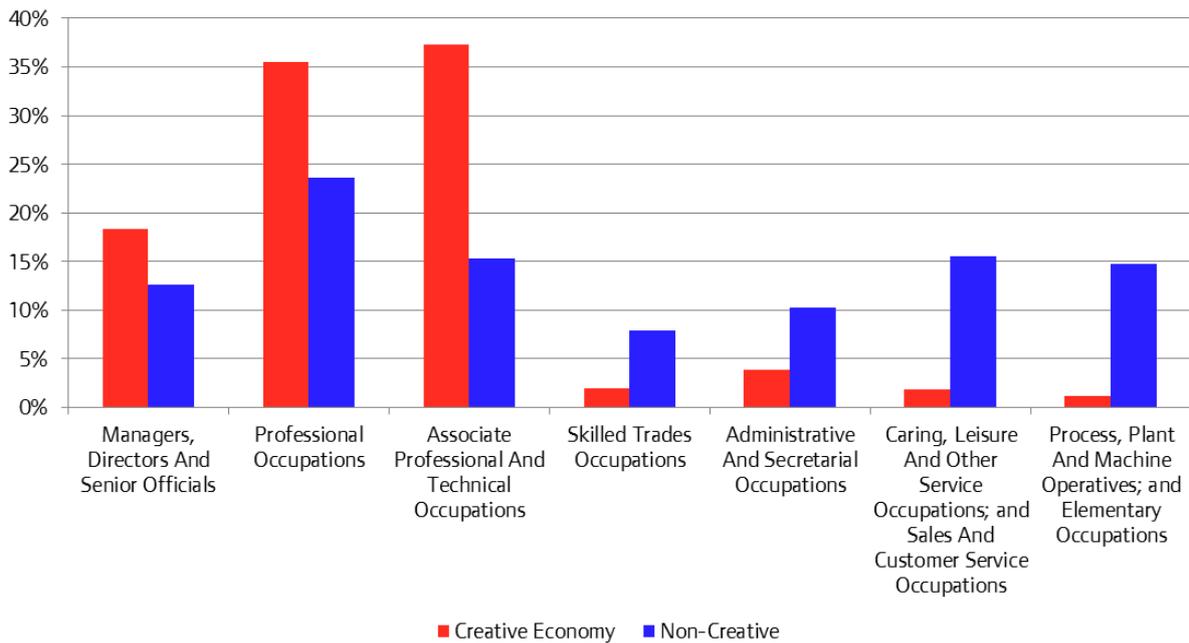
Source: ONS Annual Population Survey (APS), 2016.

3.1.2 Estimates by major occupational group

Another notable feature of London's creative economy is its occupational structure. Figure 9 provides a breakdown of the proportion of people employed in different broad occupational groups across London in the creative and non-creative economy in 2016.

It shows that three occupational categories traditionally regarded as 'higher-skilled' (Managers, Directors and Senior Officials; Professional; and Associate Professional and Technical Occupations) accounted for approximately 91.1 per cent of jobs in London's creative economy, compared to just over half (51.5 per cent) of jobs outside of the creative economy in the capital.

Figure 9: Proportion (%) of jobs in the creative economy and non-creative economy by major occupational group, London, 2016



Source: ONS Annual Population Survey (APS), 2016.

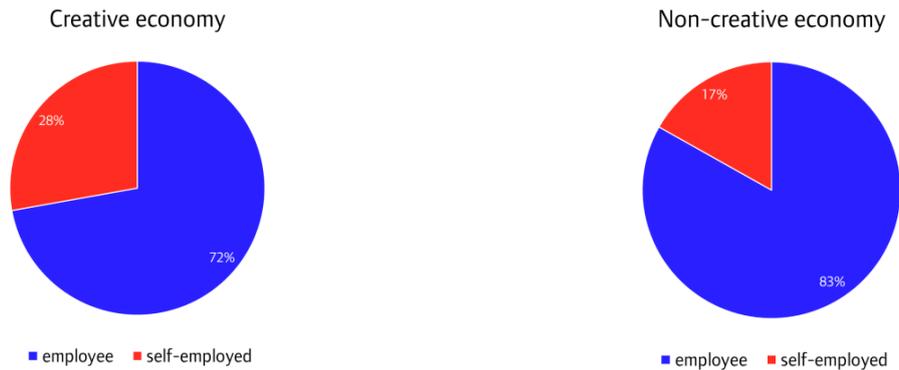
Overall, the share of London's creative economy employment in these three categories is relatively unchanged since 2012, when it equalled 89.2 per cent of employment in the sector.

3.1.3 Employment by employment status

Self-employment takes many forms: from entrepreneurs and 'one-man band', to consultants and contractors across industries and pay scales. New technologies are also facilitating the rise of the 'gig economy' and altering the nature of work in many sectors, including in the London creative economy.

As Figure 10 shows, an estimated 27.8 per cent – just over 1 in 4 – of jobs in the creative economy in London were taken by self-employed workers in 2016, compared to 16.8 per cent of jobs in the non-creative economy.

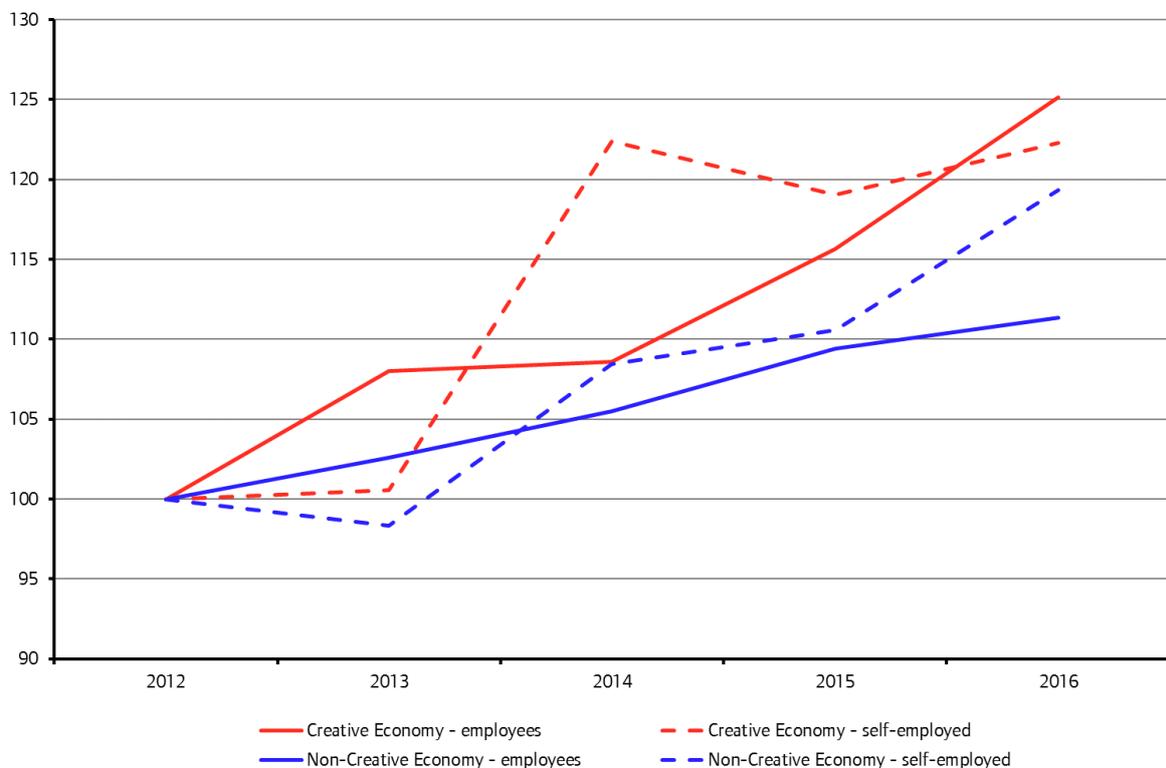
Figure 10: Jobs in the creative economy, self-employed and employee jobs, London, 2016



Source: ONS Annual Population Survey (APS), 2016

Between 2012 and 2016 the level of self-employment in London's creative economy increased by 44,700 or 22.3 per cent, rising from 200,900 to 245,700 jobs. Yet the growth rate was slightly lower than for employee jobs during this period (25.1 per cent) – contrary to trends in the non-creative economy where self-employed jobs grew faster than employee jobs (Figure 11).

Figure 11: Change in creative and non-creative economy jobs, by employment status, London, 2012-2016 – Index 2012 = 100

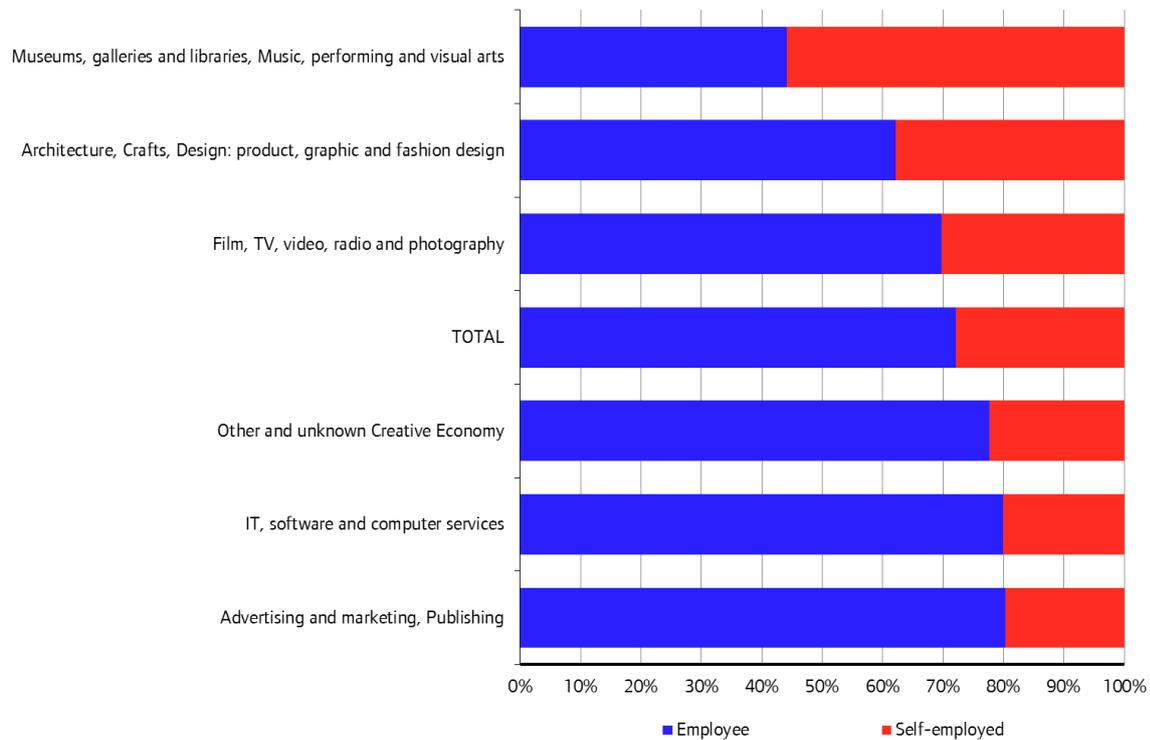


Source: ONS Annual Population Survey (APS), 2012-2016

Looking in more detail at London's creative economy by sub-group, self-employment accounts for a relatively high share of jobs in Museums, galleries and libraries, Music, performing and

visual arts (55.8 per cent); followed by Architecture, Crafts, Design: product, graphic and fashion design (37.8 per cent) and Film, TV, video, radio and photography (30.3 per cent). Despite seeing the strongest rate of growth since 2012, IT, software and computer services has a relatively low incidence of self-employment overall (20.0 per cent).

Figure 12: Proportion of employee and self-employed jobs by creative economy sub-group, London, 2016



Source: ONS Annual Population Survey (APS), 2016.

3.2 Employment and socio-economic characteristics

This section reports the estimates of employment in the creative industries and the creative economy across a range of economic and social characteristics.

3.2.1 Employment by country of birth

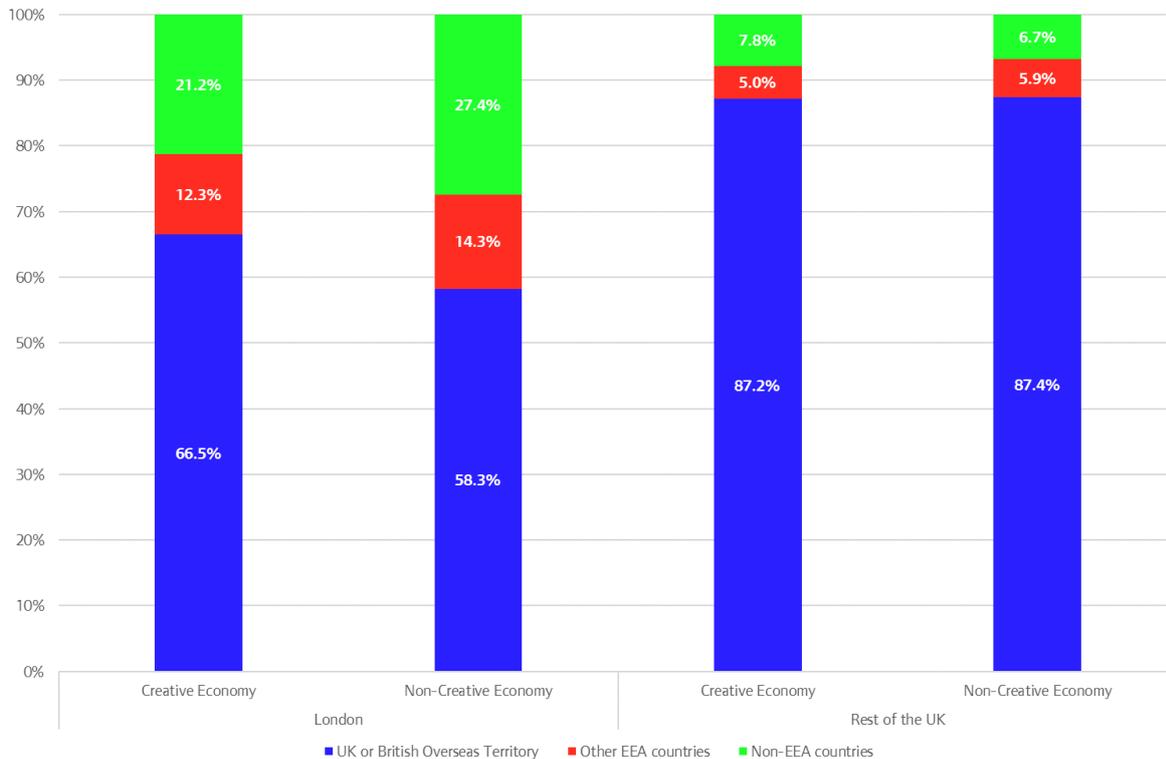
Of the 882,900 jobs in the creative economy in London, around 66.5 per cent were held by workers born in the UK or a British Overseas Territory in 2016; 21.2 per cent of jobs were held by workers born in non-EEA countries; and 12.3 per cent born in other EEA countries.¹³

¹³ The British Overseas Territory includes: Anguilla, Bermuda, the British Indian Ocean Territory, the British Virgin Islands, the Cayman Islands, the Falkland Islands, South Georgia, Gibraltar, Montserrat, the Pitcairn Islands, Saint Helena, the South Sandwich Islands and the Turks and Caicos Islands. The European Economic Area (EEA) includes: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, the Republic of Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK. The EEA specifically excludes: Andorra, Monaco, San Marino and Vatican City. Although Iceland, Liechtenstein and Norway are not members of the European Union (EU), their citizens have the same rights as EU citizens to enter, live in and work in the UK.

Note: using country of birth to identify migrants has some advantages but also significant caveats. Overall, there is no single measure of migration. For more detail see: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06077>

In total, around one third (33.5 per cent) of London's creative economy workforce were born outside of the UK in 2016, compared to 12.8 per cent of the sector's workforce in the rest of the UK. This is significant in light of the UK's decision to leave the European Union, since restrictions on access to non-UK born workers could have a particular impact (e.g. in terms of skill shortages) on the creative economy in the capital.¹⁴

Figure 13: Percentage of jobs in the creative and non-creative economy by place of birth, London and the Rest of the UK, 2016

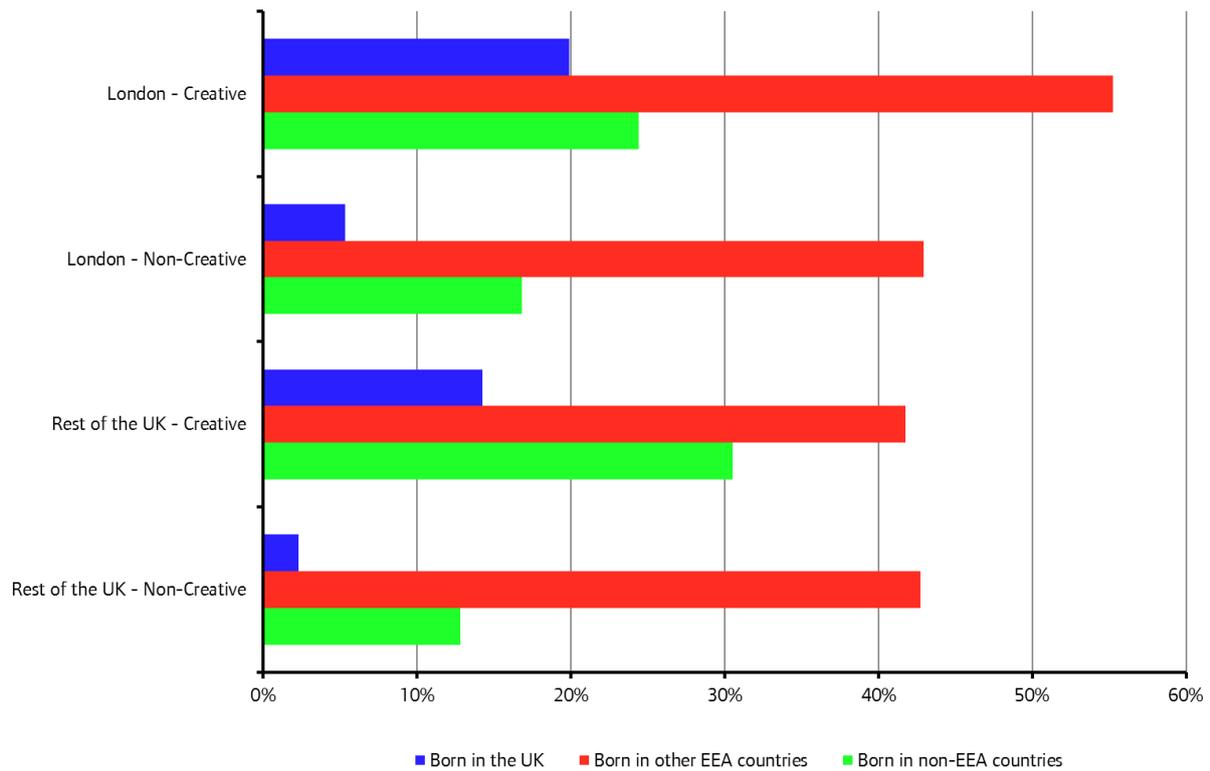


Source: ONS Annual Population Survey (APS), 2016

Looking at changes over time, as set out in Figure 14, the number of jobs filled by other-EEA born workers (excluding the UK) has increased considerably over recent years. This is particularly apparent for London's creative economy, where the number of jobs held by workers born in other-EEA countries rose by 55.3 per cent or 38,600 from 2012 and 2016. The number of jobs held by workers born outside of the EEA has also risen sharply; although the rate of growth in jobs held by non-EEA workers was higher in the creative economy outside the capital (30.5 per cent) than in London's creative sector since 2012 (24.4 per cent or 36,700).

¹⁴ For more information on London's relationship with Europe, see GLA Economics (2017) London and Europe: Facts and figures, Current Issues Note 51: <https://www.london.gov.uk/sites/default/files/london-and-europe-cin51.pdf>

Figure 14: Percentage change in the number of jobs in the creative economy and non-creative economy by country of birth, London and the Rest of the UK, 2012-2016



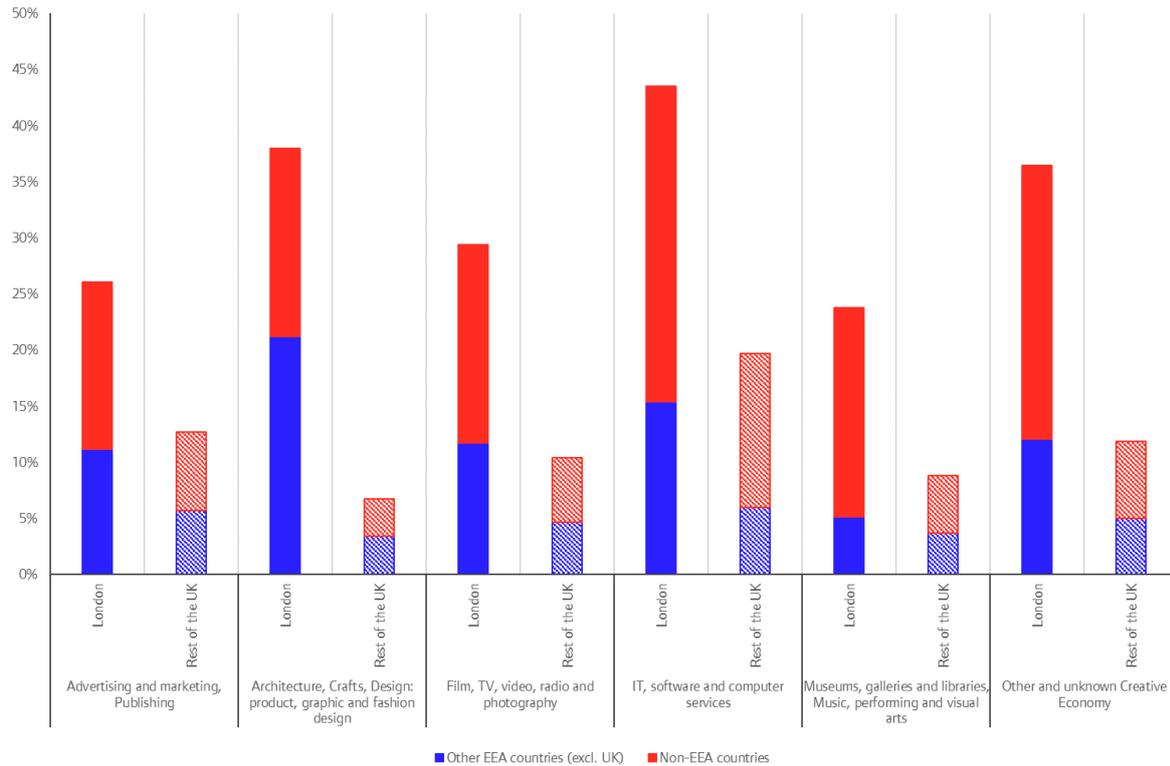
Source: ONS Annual Population Survey (APS), 2012-2016

As Figure 15 shows, the overall share of jobs filled by non-UK born workers exceeds the rest of the UK average across all of London's creative economy sub-groups. However, when looking at the profile of jobs filled by non-UK born workers, there are some notable similarities and differences between London and the rest of the UK.

In both cases the highest representation of non-UK born workers is found in the IT, software and computer services sub-group. Approximately 43.5 per cent of London's jobs in IT, software and computer services were filled by non-UK born workers in 2016, compared to 19.7 per cent of jobs in the rest of the UK. There is a particularly high share of non-EEA born workers in this sub-group, accounting for 28.1 per cent of the jobs held in London.

For the Architecture, Crafts, Design: product, graphic and fashion design sub-group, an estimated 38.0 per cent of jobs in London were filled by non-UK born workers in 2016, compared to just 6.7 per cent of jobs in the rest of the UK. This was the second highest representation of non-UK born workers in the capital, but the lowest share in the rest of the UK. Note, the Architecture, Crafts, Design: product, graphic and fashion design group also had the highest share of other-EEA born workers in London in 2016 (21.2 per cent).

Figure 15: Percentage of creative economy jobs filled by non-UK born workers, by creative economy sub-group, London and the Rest of the UK, 2016



Source: ONS Annual Population Survey (APS), 2016.

3.2.2 Employment by gender

In 2016, women held 43.8 per cent of all jobs in London, with men accounting for 56.2 per cent of jobs. These shares were relatively unchanged since 2012, when women held 43.5 per cent of jobs.

3.2.2.1 Jobs by gender in the creative economy

In 2016, there was a greater male/female split of jobs in London's creative economy to that of the whole economy; 64.4 per cent of jobs were held by male workers, compared to 35.6 for female workers. The gender gap – in terms of employment share – was equal to 28.8 percentage points in the creative economy, but only 9.0 percentage points in the non-creative economy. A similar pattern can be seen in the creative industries (Table 4).

Table 4: Jobs in the creative economy and in the creative industries by gender, London, 2012-2016

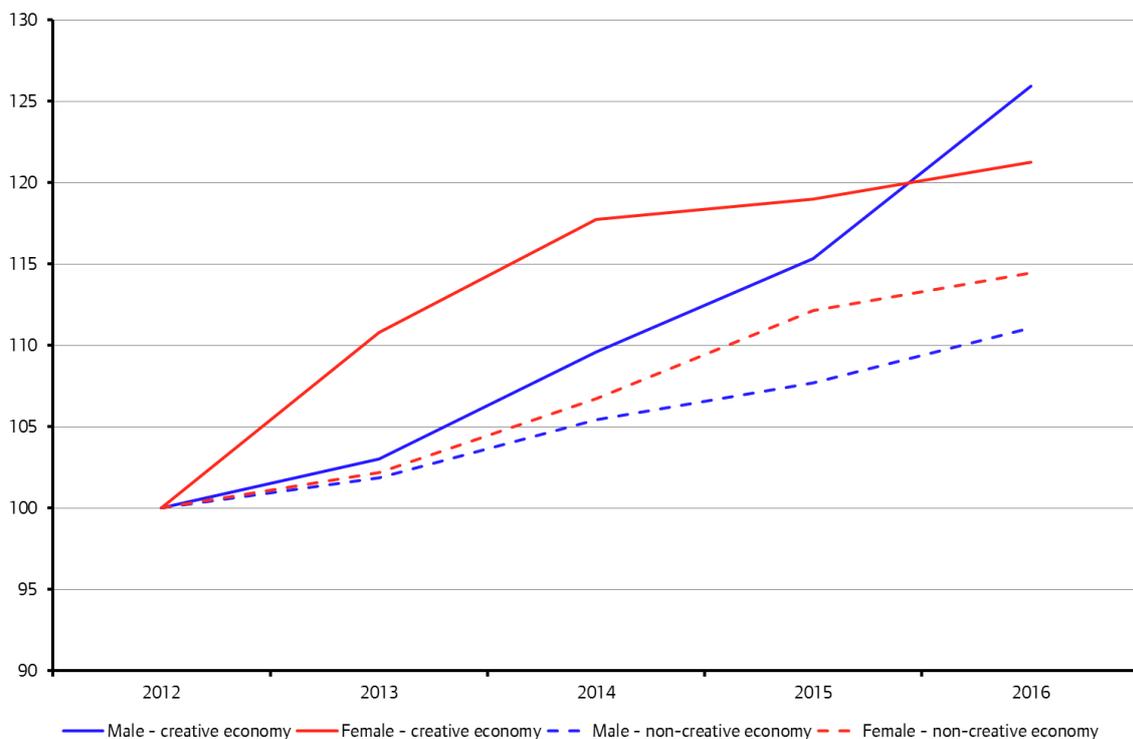
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
Creative economy	Number of jobs (thousands)					%				
Male	451	465	495	521	568	63.5%	61.8%	61.8%	62.8%	64.4%
Female	259	287	305	309	314	36.5%	38.2%	38.2%	37.2%	35.6%
Creative industries	Number of jobs (thousands)					%				
Male	324	326	354	370	393	63.2%	61.5%	61.1%	63.3%	63.1%
Female	189	204	225	215	230	36.8%	38.5%	38.9%	36.7%	36.9%
Non-creative economy	Number of jobs (thousands)					%				
Male	2,131	2,170	2,247	2,294	2,366	55.2%	55.2%	54.9%	54.2%	54.5%
Female	1,726	1,764	1,842	1,936	1,975	44.8%	44.8%	45.1%	45.8%	45.5%

Source: ONS Annual Population Survey (APS), 2012-2016; data is rounded to the nearest thousand.

Recent years have seen relatively strong growth in creative economy jobs for both genders. Between 2012 and 2016 the number of jobs filled by male workers in the creative economy rose by 25.9 per cent, compared to a 21.2 per cent increase in jobs filled by female workers. This was partly down to a sharp (9.2 per cent) rise in jobs filled by males from 2015 to 2016, which brought the overall growth rate above the rise in female employment for the period (Figure 16).

In both cases, the increase in creative economy jobs outpaced the growth in non-creative jobs. This means that, despite a widening gender gap within the creative sector, the rate of growth in female employment has been higher in the creative than non-creative economy in recent years.

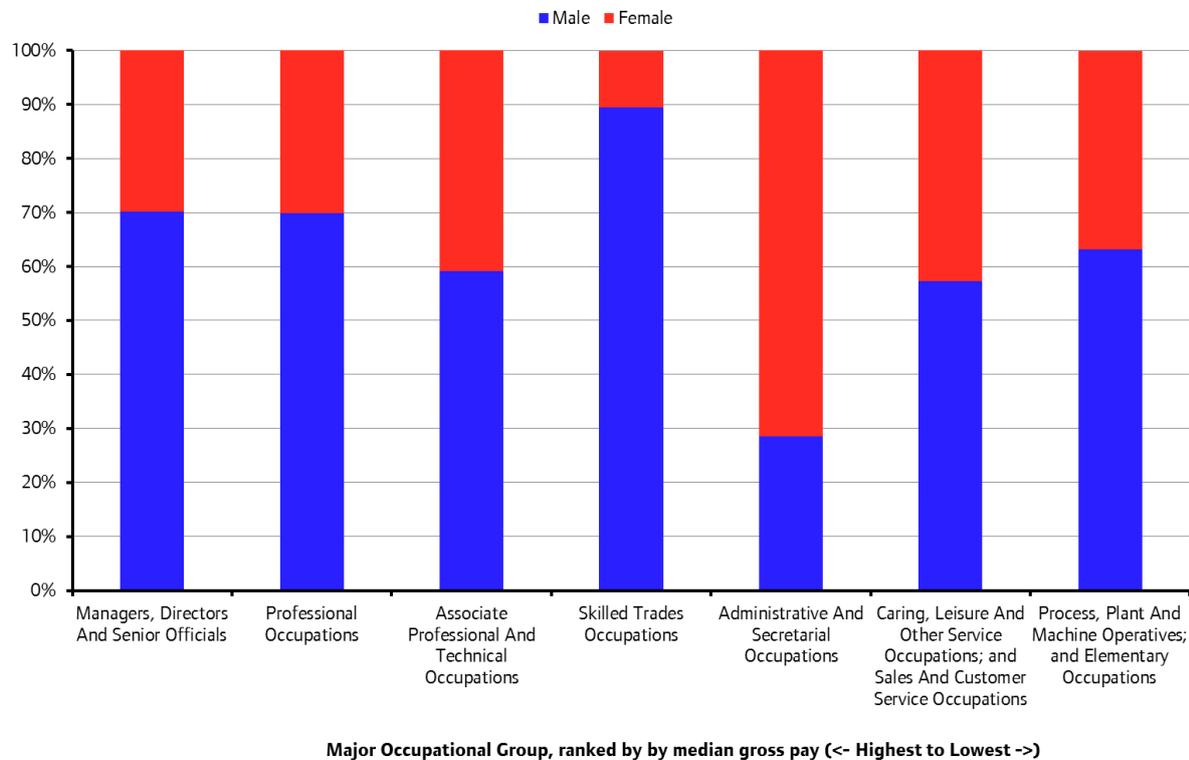
Figure 16: Changes in the number of jobs in the creative economy and non-creative economy by gender, London, 2012-2016 – Index 2012 = 100



Source: ONS Annual Population Survey (APS), 2012-2016.

Figure 17 sets out the gender split by major occupational group in London's creative economy.

Figure 17: Jobs in the creative economy by gender and major occupational group (ranked by median gross pay), London, 2016



Source: ONS Annual Population Survey (APS), 2016.

Men held the majority of creative economy jobs in London across most occupational groups in 2016. This includes a significant gap among higher paid occupational groups, such as Managers, Directors and Senior Officials and Professional Occupations (where 70.1 per cent and 69.9 per cent of jobs were filled by men respectively).

On the other hand, women filled most creative economy jobs in only one occupational category in 2016, namely Administrative and Secretarial roles (71.4 per cent of jobs filled by women). However, this is a relatively small group overall – accounting for 7.8 per cent of the jobs filled by women in London's creative economy. By comparison, the largest number was in Associate Professional and Technical Occupations (42.8 per cent of jobs filled by women) and, in total, 88.2 per cent of jobs held by female workers were in the top three occupational groups by median hourly pay¹⁵ (Managers, Directors and Senior Officials; Professional; and Associate Professional and Technical Occupations), compared to 92.7 per cent of jobs filled by men.

3.2.3 Employment by ethnicity

In London, across all industries, 31.3 per cent of jobs were filled by people from Black, Asian and Minority Ethnic (BAME) groups in 2016, with people from White ethnicity groups accounting for 68.7 per cent of total jobs in the capital.

¹⁵ See Section 3.3.3 for more detail on pay estimates by major occupational group.

3.2.3.1 Employment by ethnicity in the creative economy

The number of jobs in London's creative economy held by people from BAME groups totalled 206,500 or 23.4 per cent of creative economy jobs in 2016. This remains below the proportion of jobs in the non-creative economy (32.9 per cent), despite strong growth in jobs filled by BAME workers in recent years. By comparison, 76.6 per cent of creative economy jobs in the capital were held by people from White ethnicity groups in 2016.¹⁶

Table 5: Jobs in the creative economy and in the creative industries by ethnicity, London, 2012-2016

	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
Creative economy	Number of jobs (thousands)					%				
White	558	608	641	663	675	78.6%	80.9%	80.3%	80.0%	76.6%
BAME	152	144	158	165	206	21.4%	19.1%	19.7%	20.0%	23.4%
Creative industries	Number of jobs (thousands)					%				
White	406	432	472	468	482	79.2%	81.5%	81.6%	80.1%	77.6%
BAME	107	98	106	116	139	20.8%	18.5%	18.4%	19.9%	22.4%
Non-creative economy	Number of jobs (thousands)					%				
White	2,684	2,712	2,808	2,805	2,909	69.6%	69.0%	68.8%	66.5%	67.1%
BAME	1,170	1,220	1,273	1,415	1,428	30.4%	31.0%	31.2%	33.5%	32.9%

Source: ONS Annual Population Survey (APS), 2012-2016; data is rounded to the nearest thousand.

Note:

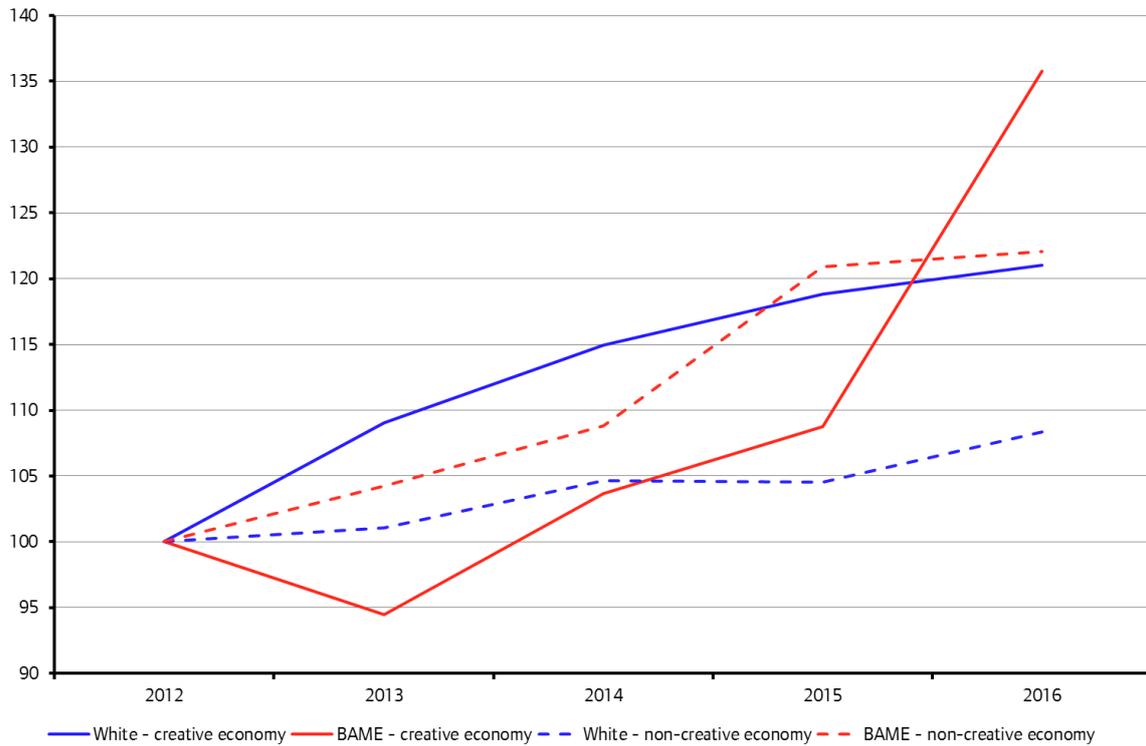
- Black, Asian and Minority Ethnic (or BAME) includes all non-white groups
- Totals exclude a small number of jobs with non-response to the ethnicity question; this is the reasons why they may be different from totals reported in tables earlier on in this chapter

The ethnicity split for jobs in the creative industries alone follows a similar pattern to jobs in the wider creative economy, as set out in Table 5.

As Figure 18 shows, the number of jobs filled by people from BAME ethnicity groups increased by 35.8 per cent in London's creative economy between 2012 and 2016, compared to an increase of 21.0 per cent for White ethnic groups. This follows a sharp (6.4 per cent) rise in creative economy jobs filled by BAME workers between 2015 and 2016. By comparison, for other jobs (not in the creative economy), the proportion held by BAME groups increased by 22.0 per cent from 2012 to 2016, and 8.4 per cent for White groups.

¹⁶ Looking at the UK overall, 89.0 per cent of creative economy jobs were filled by workers from White ethnic groups in 2015, and 10.9 per cent were filled by BAME workers. Source: DCMS (2016) Creative Industries: Focus on Employment: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/534305/Focus_on_Employment_revised_040716.pdf

Figure 18: Change in the creative economy and in the non-creative economy by ethnicity, London, 2012-2016 – index 2012 = 100



Source: ONS Annual Population Survey (APS), 2012-2016.

Note:

- Black, Asian and Minority Ethnic (or BAME) includes all non-white groups
- Totals exclude a small number of jobs with non-response to the ethnicity question; this is the reasons why they may be different from totals reported in tables earlier on in this chapter

There is variation in the ethnicity split by creative economy group in London. For example, over a quarter (26.8 per cent) of the jobs filled by BAME workers in London's creative economy were in IT, software & computer services, accounting for 31.9 per cent of creative economy jobs in that sub-group in 2016. But a far lower proportion of jobs in Architecture (15.7 per cent) or Music, performing & visual arts (15.7 per cent) were filled by BAME workers in 2016.

Table 6: Jobs in the creative economy in London by creative economy groups and ethnicity, 2012-2016

	White	BAME	% BAME
Advertising & marketing	80,300	17,300	17.7%
Architecture	21,600	4,000	15.7%
Crafts, and Design: product, graphic & fashion design	32,300	10,000	23.7%
Film, TV, video, radio & photography	74,300	18,400	19.8%
IT, software & computer services	117,900	55,300	31.9%
Publishing	58,900	14,000	19.2%
Museums, galleries & libraries	14,500	4,700	24.5%
Music, performing & visual arts	82,500	15,400	15.7%
Other and unknown Creative Economy	192,700	67,500	25.9%
Total	675,000	206,600	23.4%

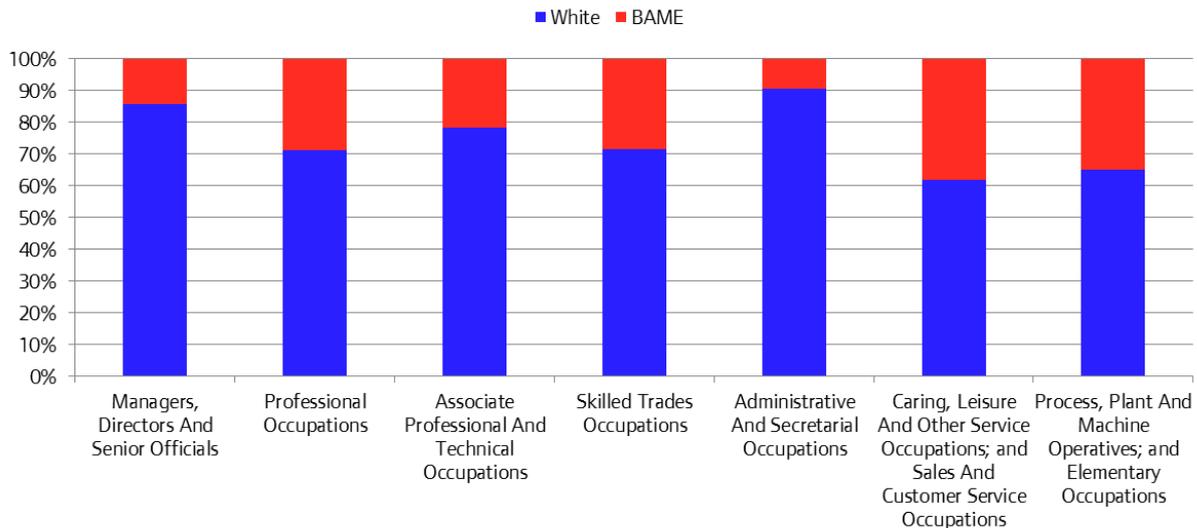
Source: ONS Annual Population Survey (APS), 2016; data is rounded to the nearest thousand.

Note:

- Black, Asian and Minority Ethnic (or BAME) includes all non-white groups
- Totals exclude a small number of jobs with non-response to the ethnicity question; this is the reasons why they may be different from totals reported in tables earlier on in this chapter
- 'Other and unknown Creative Economy' indicates that jobs may have a creative occupation but not be part of the creative industries.

Figure 19 breaks these estimates down by looking at the ethnicity split by occupational group in London's creative economy. Overall, a relatively high proportion of Managers, Directors and Senior Officials were from White ethnic groups in 2016 (85.8 per cent versus 14.2 per cent); while a far higher proportion of jobs in Caring, Leisure and Other Service Occupations and Sales and Customer Service Occupations were filled by BAME workers (38.1 per cent).

Figure 19: Jobs in the creative economy in London by ethnicity and major occupational group (ranked by median gross pay), 2012-2016



Major Occupational Group, ranked by by median gross pay (<- Highest to Lowest ->)

Source: ONS Annual Population Survey (APS), 2012-2016; data is rounded to the nearest hundred.

Note:

- Black, Asian and Minority Ethnic (or BAME) includes all non-white groups
- Totals exclude a small number of jobs with non-response to the ethnicity question; this is the reasons why they may be different from totals reported in tables earlier on in this chapter

Again, though, irrespective of ethnicity the majority of creative economy jobs are in the top three paying occupation groups, namely Managers, Directors and Senior Officials; Professional; and Associate Professional and Technical Occupations. Together these occupational categories accounted for 89.7 per cent of jobs filled by BAME workers in 2016 and 91.5 per cent of jobs filled by White workers.

3.2.4 Employment by socioeconomic class

To look at employment across socioeconomic class, this report uses the National Statistics Socio-economic Classification (NS-SEC).¹⁷ It was constructed to measure the employment relations and conditions of occupations, which are central to showing the structure of socio-economic positions in modern societies.

The NS-SEC is the official socio-economic classification in the UK. To assign a person to a category, their occupation title is combined with information about their employment status, whether they are employed or self-employed and whether they supervise other employees (see Figure 20). In this way, the NS-SEC offers a wider picture of socio-economic position than occupation alone.

In-line with DCMS analysis¹⁸, the categories presented here group NS-SEC classifications 1, 2, 3 and 4 ('more advantaged') which broadly includes: managerial, professional and intermediate occupations, small employers and own account workers; and classifications 5, 6, 7 and 8 ('less-

¹⁷ For further information, please refer to:

www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassificationsoc/soc2010/soc2010volume3thenationalstatisticsocioeconomicclassificationnssecbasedonsoc2010

¹⁸ See: Department for Culture, Media and Sport (2016) Creative Industries: Focus on Employment

advantaged') which broadly includes: lower supervisory and technical occupations, routine and semi-routine occupations, and those who are unemployed or who have never worked.

As the analysis is based on those currently employed in the creative economy it automatically excludes those who are unemployed. Further, occupations within the creative economy are generally higher skilled, and so will include a higher proportion of jobs held by people in more advantaged NS-SEC classifications.

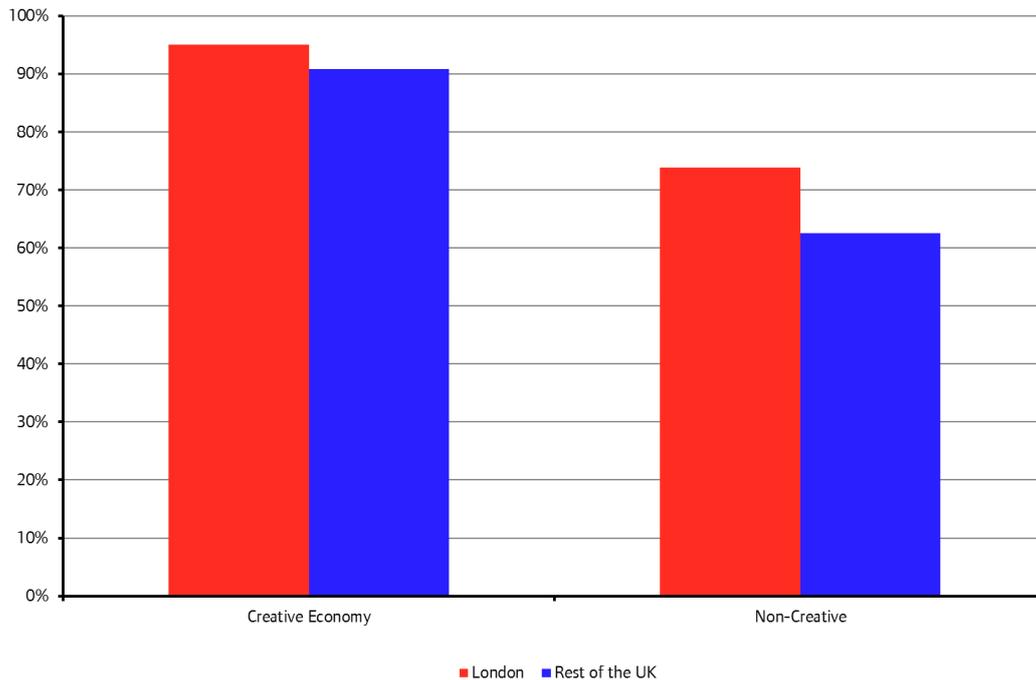
Figure 20: NS-SEC analytic classes, eight-, five- and two-class versions

eight classes	five classes	two classes
1. Higher managerial, administrative and professional occupations	1. Higher managerial, administrative and professional occupations	More advantaged
1.1 Large employers and higher managerial and administrative occupations		
1.2 Higher professional occupations		
2. Lower managerial, administrative and professional occupations		
3. Intermediate occupations	2. Intermediate occupations	Less advantaged
4. Small employers and own account workers	3. Small employers and own account workers	
5. Lower supervisory and technical occupations	4. Lower supervisory and technical occupations	
6. Semi-routine occupations	5. Semi-routine and routine occupations	
7. Routine occupations		
8. Never worked and long-term unemployed	*Never worked and long-term unemployed	

3.2.4.1 Employment in the creative economy, by socio-economic class

Of the 883,900 jobs in London's creative economy, 838,900 (95.0 per cent) were held by people from more advantaged groups in 2016, with 44,000 (5.0 per cent) jobs filled by people from less advantaged groups. These proportions have not changed significantly in recent years, with 93.8 per cent of jobs held by people from more advantaged groups in 2012.

Figure 21: Percentage of jobs held by workers from more advantaged groups (NS-SEC 1, 2, 3 or 4), London and the Rest of the UK, 2016



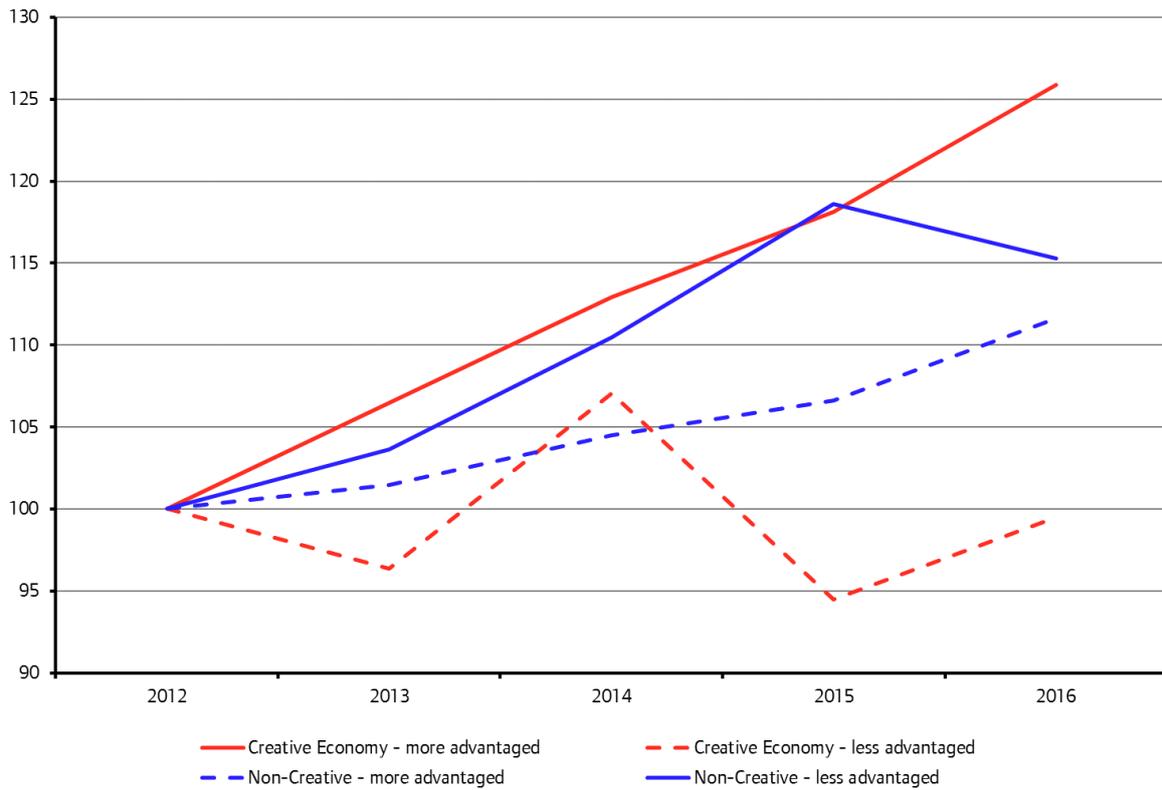
Source: ONS Annual Population Survey (APS), 2016.

As Figure 21 shows, a similar picture can be seen for jobs in the creative economy for the rest of the UK, with 90.9 per cent held by people from more advantaged groups and 9.1 per cent from less advantaged groups.

However, looking outside of the creative economy, only 73.8 per cent of jobs in London were held by people from more advantaged groups, and 64.3 per cent for the UK as a whole. As outlined in section 3.1.2, a very high proportion of creative economy jobs are found in higher paying occupational groups, and this explains why such a high proportion of jobs are held by people from the more advantaged groups.

Between 2012 and 2016 the number of jobs held by people from more advantaged groups in the creative economy increased by 25.9 per cent, while the number of jobs done by those in less advantaged groups did not change significantly (-0.5 per cent). By comparison, for jobs outside of the creative economy in London, the growth in jobs held by people from less advantaged groups (+15.3 per cent) was higher than for more advantaged groups (+11.6 per cent) during this time.

Figure 22: Change in jobs in London by socio-economic class, Creative economy and outside the Creative Economy, 2012-2016 – Index 2012 = 100



Source: ONS Annual Population Survey (APS), 2012-2016.

Looking by sub-group, around 7.8 per cent of jobs in the Film, TV, video, radio and photography industry group, or Film, TV, video, radio and photography jobs outside the creative industries, were done by those in the less advantaged group, compared to 4.9 per cent of jobs in Advertising and marketing.

Table 7: Jobs in the Creative Economy by sub-group and socio-economic class, London, 2016

	More Advantaged	Less Advantaged	% less advantaged
Advertising and marketing	204,300	10,500	4.9%
Architecture; Crafts; Design: product, graphic and fashion design	89,800	6,700	7.0%
Film, TV, video, radio and photography	97,900	8,300	7.8%
IT, software and computer services	239,800	-	-
Museums, galleries and libraries	20,800	-	-
Music, performing and visual arts	106,300	6,400	5.6%
Publishing	80,100	-	-
Creative Economy total	838,900	44,000	5.0%

Source: ONS Annual Population Survey (APS), 2016. Data is rounded to the nearest hundred; '-' means that estimates are based upon fewer than 6,000 jobs and are considered unreliable. They have thus been suppressed. Note:

- The Creative Economy sub-groups presented include all jobs in the listed Creative Industry, plus all jobs that are not in any Creative Industry but are in the listed Creative Occupation. They exclude jobs in the listed Creative Occupation but in a different Creative Industry.¹⁹

3.3 Pay in the Creative Economy and Creative Industries

The Annual Survey of Hours and Earnings (ASHE) is the official source for information on pay by industry and by occupation. By adopting the same DCMS definition of creative industries, it is possible to look at pay in the creative economy and creative industries over time.²⁰ However, ASHE covers only the pay of employees i.e. it does not cover pay for the self-employed; the figures reported in this section are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

In London, the median hourly pay²¹ for employees in the creative economy was £20.38 in 2016, almost a third (32.1 per cent) higher than for employees in non-creative sectors of the economy (£15.43). This is consistent with the occupational structure highlighted above.

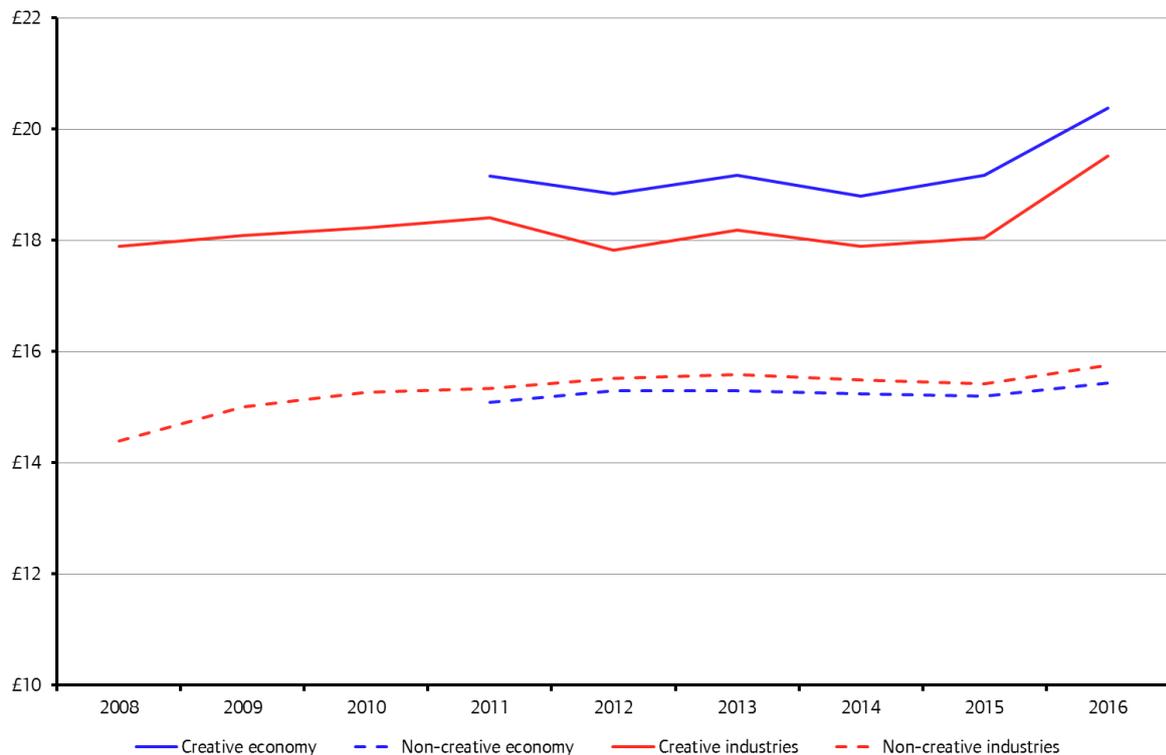
It also follows a relatively high rate of growth over the period 2011 to 2016, particularly in the last year. The annual increase in median pay in the creative economy averaged 1.3 per cent per year between 2011 and 2016, compared to 0.5 per cent per year in the non-creative economy. The 6.3 per cent growth seen between 2015 and 2016 is by far the highest annual growth in earnings during this period (Figure 23).

¹⁹ For example, the sub-group "Architecture" includes all jobs in the Architecture industry and all Architecture jobs that are not in a Creative Industry but not Architecture jobs that are in any of the other Creative Industries. This approach matches the approach used by DCMS in section 8.1 of: www.gov.uk/government/uploads/system/uploads/attachment_data/file/439714/Annex_C

²⁰ Throughout the section, *nominal* wages will be reported rather than *real* wages, i.e. figures will not account for inflation.

²¹ Pay is defined as gross pay per hour excluding overtime.

Figure 23: Gross median hourly pay (excluding overtime) in the creative and non-creative economy and creative and non-creative industries, 2008/2011-2016, London



Source: ONS Annual Survey of Hours and Earnings (ASHE), 2008-2016

Note: the figures are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

The picture for creative industries in London is similar to that for the creative economy. Median hourly pay reached £19.52 in the creative industries in 2016, 23.9 per cent higher than in non-creative industries (Figure 23). Between 2008 and 2016 median pay in the creative industries rose by an average of 1.1 per cent per year in nominal terms, the same as in the non-creative industries for this period.²² The 8.2 per cent growth between 2015 and 2016 was the highest growth in earnings in the creative industries during this time.

3.3.1 Distribution of earnings in the creative industries and creative economy

Focusing solely on the median does not tell us about the distribution of earnings in the creative sector. Looking at the ratio of low to high pay is one way to analyse pay inequality between employees.

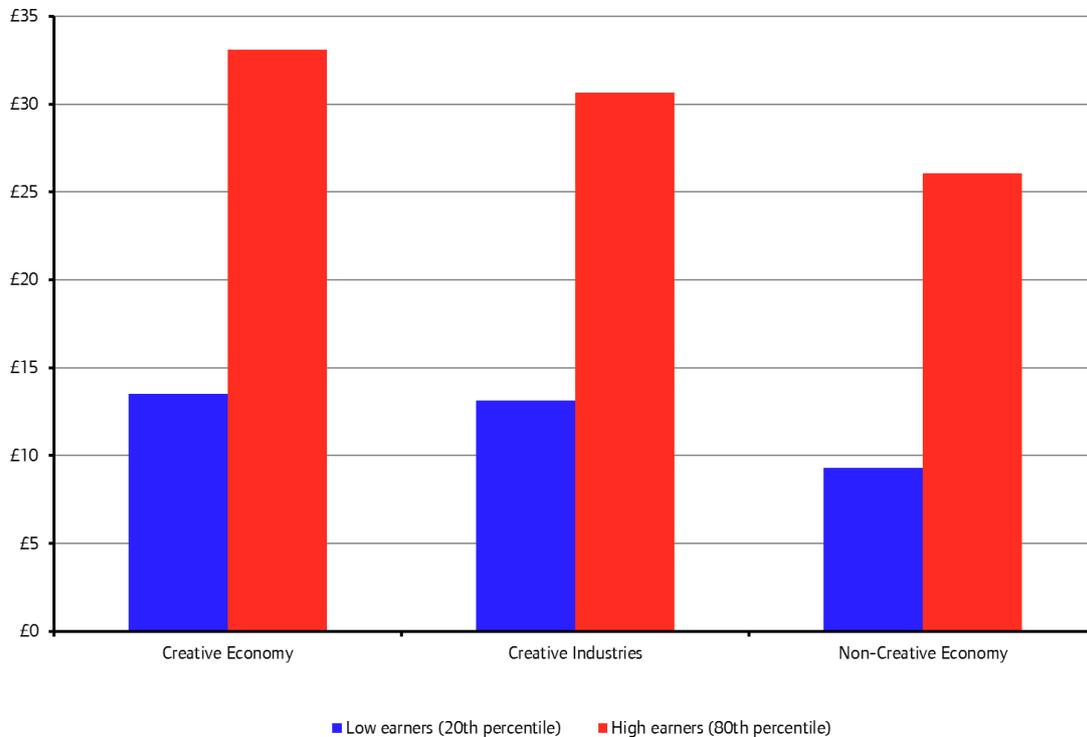
Figure 24 shows the distribution of hourly earnings among employees in London for 2016. At the bottom of the distribution, 20 per cent of employees in the creative economy earned less than £13.52 per hour excluding overtime (the 20th percentile), whereas at the other end of the scale 20 per cent earned more than £33.08 per hour (the 80th percentile).

Looking at earnings for employees in jobs outside of the creative economy, pay is lower at both the bottom of the distribution (20 per cent of employees in the non-creative economy earned

²² Please note that the analysis based on the creative economy can only be provided from 2011 onwards because it relies on SOC10 as well as SIC07.

less than £9.30 per hour) and at the top end (20 per cent of employees earned more than £26.06 per hour), yet the gap in pay between 'low' and 'high' earners is wider.

Figure 24: Distribution of gross hourly earnings by sector (excluding overtime), London, 2016



Source: ONS Annual Survey of Hours and Earnings (ASHE), 2016

Note: the figures are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

On this measure, earnings at the 80th percentile are 2.4 times that of the 20th percentile in the creative economy and 2.3 times in the creative industries, compared to 2.8 times for jobs outside of the creative economy. These ratios have been relatively steady since 2014; during this time pay growth for 'low earners' (20th percentile) in London's creative economy has been in line with that for jobs outside of the creative economy (5.8 per cent and 6.5 per cent respectively).

3.3.2 Pay estimates by creative industry group

Table 8 breaks these estimates down further to look at median pay levels by creative industry sub-group.

The highest paid sub-groups in London's creative industries in 2016 were Film, TV, video, radio & photography (£21.77/hour), IT, Software and Computer services (£21.59/hour), and Publishing (£20.08/hour). This is unsurprising given these are also the leading sub-groups in terms of total GVA (Chapter 2) and GVA per workforce job (Chapter 4). The lowest paid sub-groups were Crafts; Design: product, graphic and fashion design (£15.34/hour) and Museums, galleries and libraries; Music, performing and visual arts (£15.71/hour).

Table 8: Gross median hourly earnings (excluding overtime) by creative industry group, London, 2011-2016

	2011	2012	2013	2014	2015	2016	<i>Change 2011-2016</i>
Advertising & marketing	£17.95	£19.06	£17.59	£18.36	£18.57	£19.65	9.5%
Architecture	£17.20	£16.49	£16.86	£16.30	£15.72	£17.16	-0.2%
Crafts; Design: product, graphic & fashion design	£14.37	£14.82	£14.13	£15.17	£16.43	£15.34	6.8%
Film, TV, video, radio & photography	£18.97	£17.71	£19.16	£19.16	£19.34	£21.77	14.8%
IT, software & computer services	£21.50	£20.03	£20.97	£19.14	£19.17	£21.59	0.4%
Publishing	£19.03	£19.26	£19.55	£18.39	£18.62	£20.08	5.5%
Museums, galleries & libraries; Music, performing & visual arts	£13.56	£13.82	£13.56	£15.33	£15.78	£15.71	15.9%

Source: ONS Annual Survey of Hours and Earnings (ASHE), 2011-2016

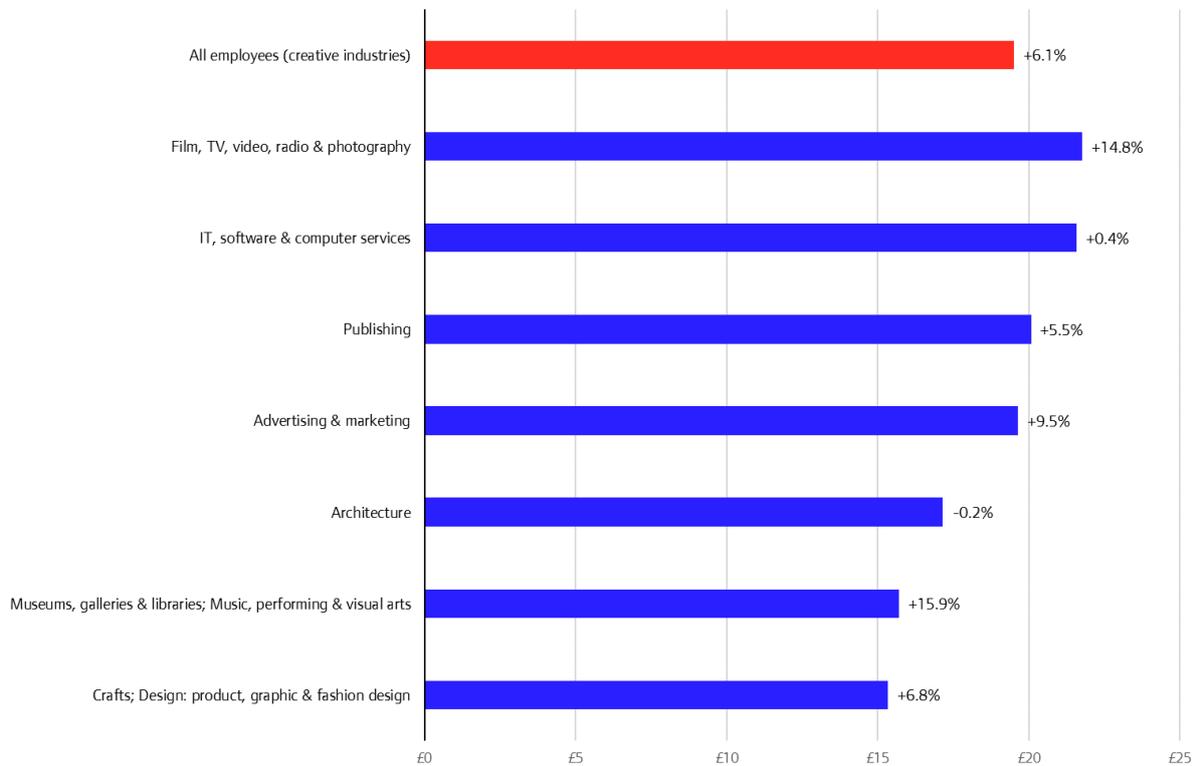
Note:

- Nominal wages

- the figures are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

There is, however, considerable variation in nominal earnings growth across the different sub-groups. If changes between 2011 and 2016 are considered, the group which saw the largest increases in median hourly pay was Museums, galleries and libraries together with Music, performing and visual arts (+15.9 per cent), followed by Film, TV, video, radio and photography (+14.8 per cent). While, for the same time period, median pay was virtually unchanged for employees in the Architecture and IT, software and computer services sub-groups over the same period (-0.2 per cent and +0.4 per cent respectively).

Figure 25: Gross median hourly earnings in the Creative Industries and percentage change from 2011 (excluding overtime), by creative industries group, London, 2016



Source: ONS Annual Survey of Hours and Earnings (ASHE), 2011-2016

Note:

- Nominal wages

- the figures are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

3.3.3 Pay estimates by major occupational group

As one would expect, there are also significant differences in pay levels between occupation groups across London's creative economy – as set out in Figure 26.²³

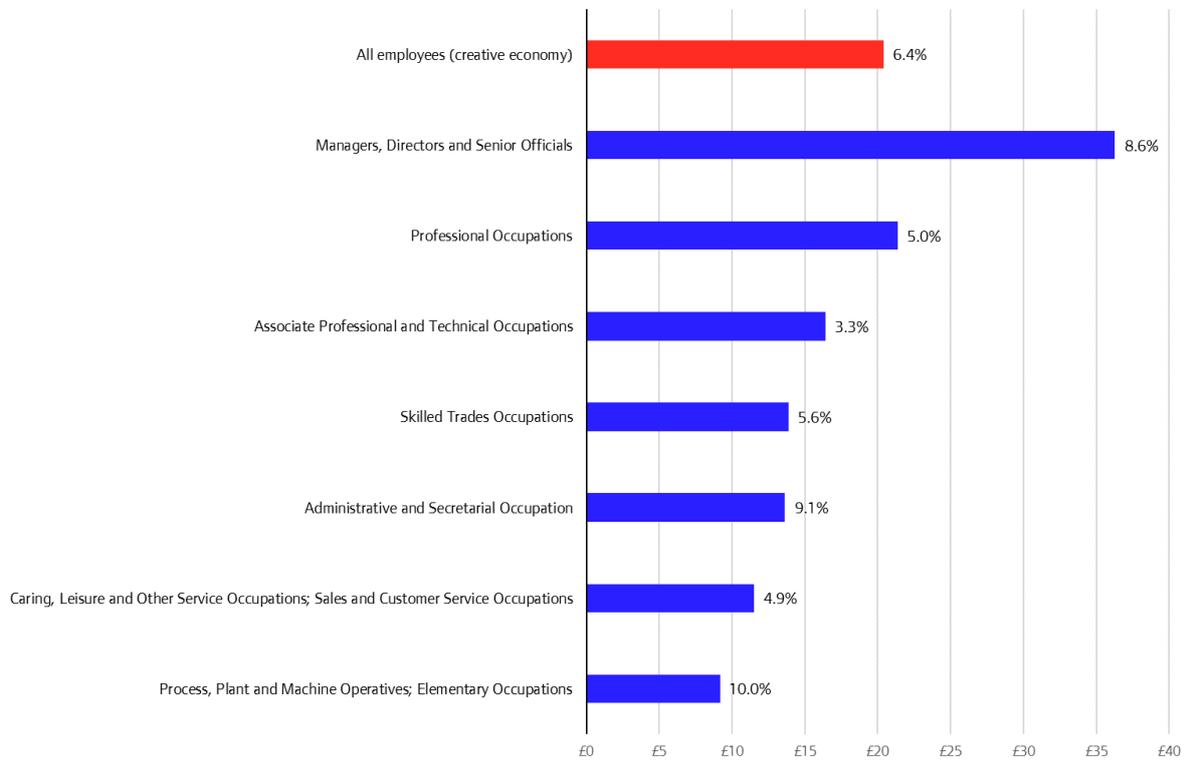
The occupation group with the highest median hourly earnings in 2016 was Managers, Directors and Senior Officials (£36.29/hour), followed by Professional Occupations (£21.38/hour) and Associate Professional and Technical occupations (£16.41/hour). Process, Plant and Machine Operatives and Elementary occupations²⁴ were the lowest paid group (£9.17/hour).

At this broad level, two of the lowest paid occupations have seen the largest percentage increases, with Process, Plant and Machine Operatives and Elementary Occupations growing by 10.0 per cent compared with 2011 and Administrative and Secretarial Occupations growing by 9.1 per cent.

²³ The ONS SOC10 classification of occupations is used here. For more information please see [here](#).

²⁴ Please note that the two occupations group have been grouped here because of issues related to the sample size being too small to be able to produce accurate estimates of pay in those occupations group taken alone.

Figure 26: Gross median hourly earnings in the Creative Economy and percentage change from 2011 (excluding overtime), by major occupational group, London, 2016



Source: ONS Annual Survey of Hours and Earnings (ASHE), 2011-2016

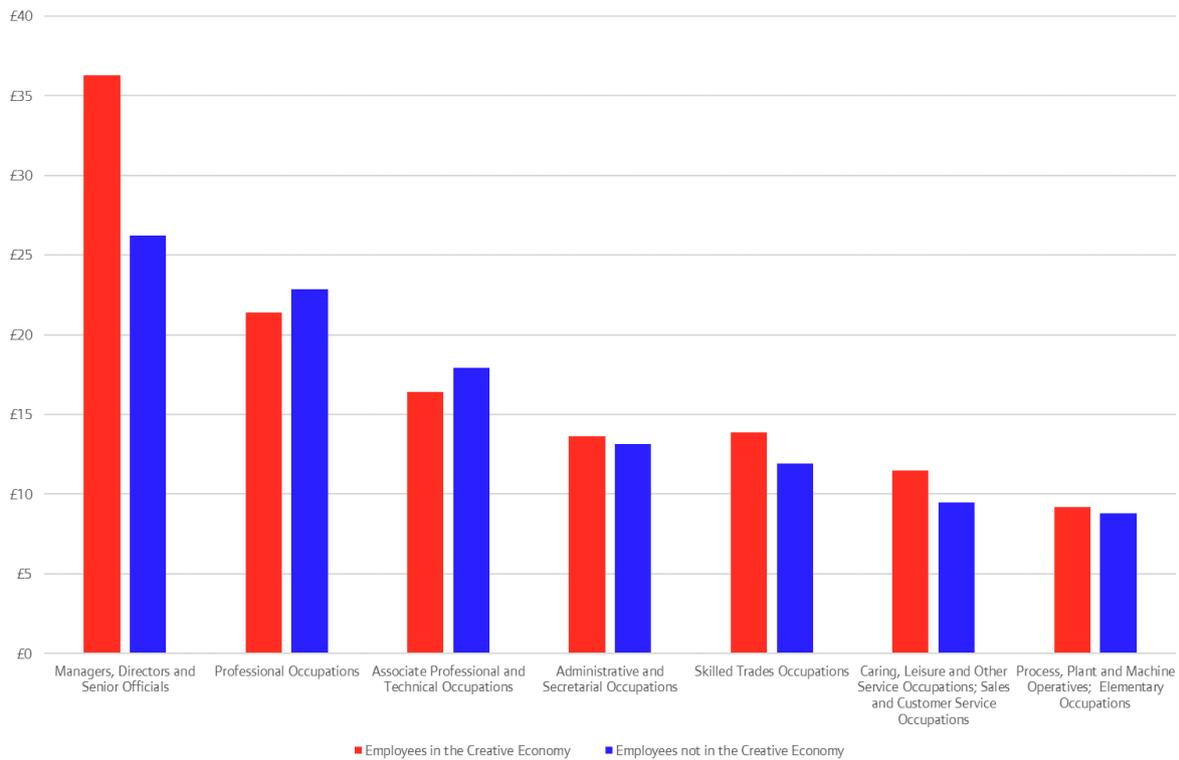
Note:

- Nominal wages

- the figures are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

As Figure 27 shows, median hour pay was relatively high for employees in the creative economy in London in most occupation groups in 2016, particularly for Managers, Directors and Senior Officials. However, compared to employees in jobs outside of the creative economy, median earnings were 6.6 per cent lower for employees in Professional Occupations, and 8.4 per cent lower for those in Associate Professional and Technical Occupations.

Figure 27: Gross median hourly earnings in the Creative Economy and Non-Creative Economy by major occupational group (excluding overtime), London, 2016



Source: ONS Annual Survey of Hours and Earnings (ASHE), 2016

Note:

- Nominal wages

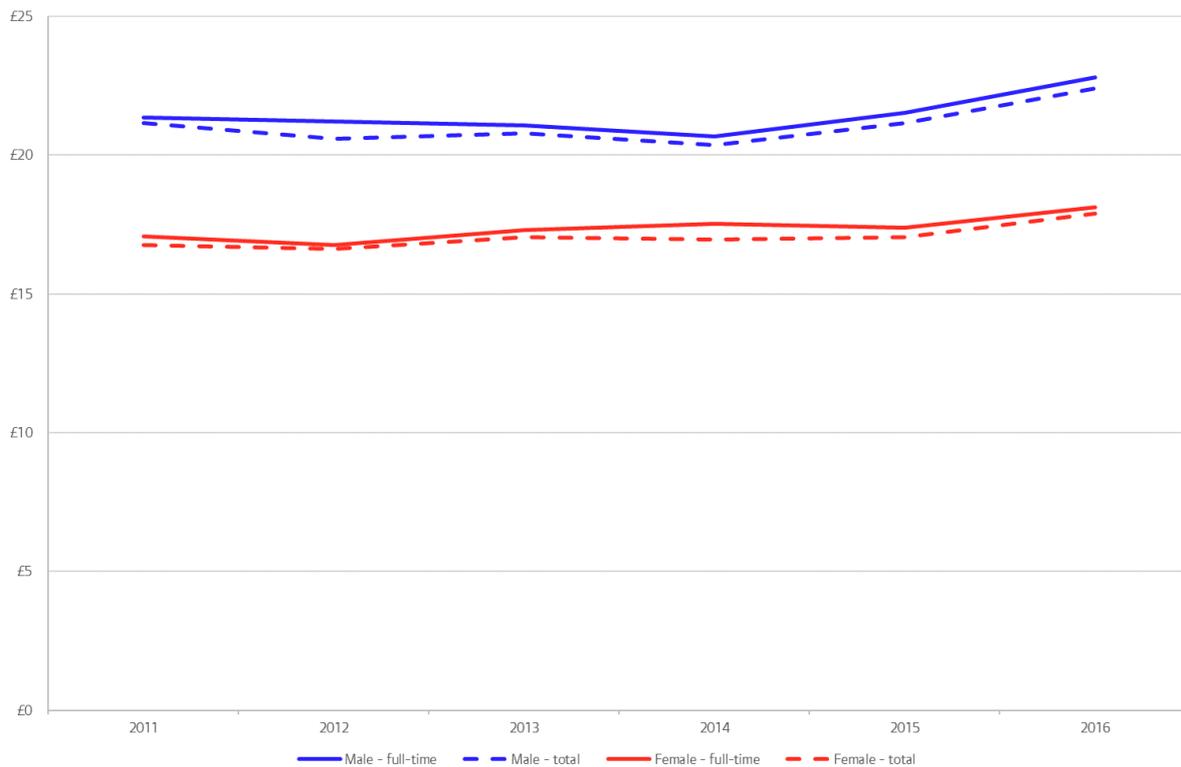
- the figures are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

3.3.4 Pay estimates by gender

Furthermore, the Annual Survey of Hours and Earnings (ASHE) also provides information on pay broken down by gender. Given the strong influence of the balance between full-time and part-time employees, the analyses of gender pay differences focuses on full-time employees.²⁵

²⁵ In the measurement of the gender pay differences, it is common practice to focus on full-time employees. For example, see: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2016provisionalresults#gender-pay-differences>

Figure 28: Gross median hourly pay in the creative economy by gender (excluding overtime), London, 2011-2016



Source: ONS Annual Survey of Hours and Earnings (ASHE), 2011-2016

Note:

- Nominal wages

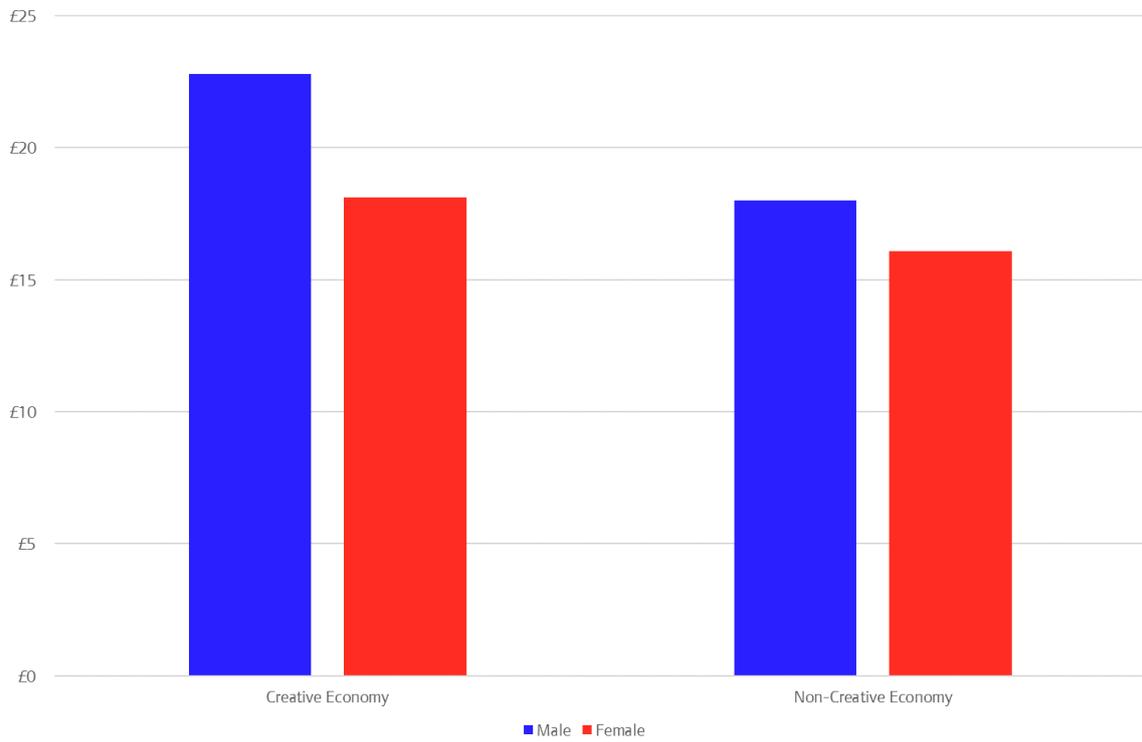
- the figures are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

Figure 28 summarises this information for employees in the creative economy over the 2011 to 2016 period. It shows that, at £18.13, full-time median hourly pay for women in the creative economy was 20.4 per cent or £4.66 lower than for men employed in the creative economy (£22.79/hour) in 2016. By comparison, on this measure, the gender pay gap was 10.7 per cent or £1.92 per hour for full-time employees in London's non-creative economy in the same year.

Overall, despite having narrowed between 2011 and 2014, the gender pay gap for full-time employees in the creative economy in London has not changed significantly from 2011, when it was 20.1 per cent. Median hourly pay for men working full-time increased by around 6.7 per cent during the 2011-2016 period; while female earnings increased by 6.3 per cent.

At the same time, median hourly earnings are significantly higher in the creative than the non-creative economy for both genders (Figure 29). Full-time median hourly pay for women working in London's creative economy was a quarter (12.7 per cent) higher than female median pay in the non-creative sector in 2016, and over a quarter (26.6 per cent) higher for male employees.

Figure 29: Gross median hourly pay (excluding overtime) for full-time employees in the creative and non-creative economy by gender, London, 2016



Source: ONS Annual Survey of Hours and Earnings (ASHE), 2016

Note:

- the figures are for employees aged 16 and over on adult rates of pay, whose pay for the survey pay-period was not affected by absence.

4. Productivity of the creative industries in London: GVA per job

This section looks at GLA Economics estimates of GVA as a ratio of workforce jobs in the creative industries in London.²⁶

GVA per workforce job is often used as a proxy of the relative productivity of a sector and the economy as a whole. It measures the ratio of output (nominal GVA) divided by the labour input (number of jobs) used to create it. Note, while this is a widely-recognised measure of labour productivity, it does not fully account for differences in working patterns in different sectors (such as the mix of part-time and full-time workers, and job shares).²⁷

It is also worth noting that the job figures used here are based on the ONS Workforce Jobs series, meaning they are not directly comparable with the employment data discussed in the previous section (which uses the ONS Annual Population Survey). The estimates are broadly consistent with GLA Economics Working Paper 70; further details on the methodology are available in Working Paper 87 (GLA Economics, 2017).

4.1 Main findings

In 2015, total GVA per workforce job in London's creative industries was estimated at £71,400. This compares to an equivalent figure of £52,700 for the creative industries across the UK and £58,400 for all sectors of the London economy.

Table 9: GVA per workforce job in the creative industries, London and the UK, 2015

GVA per Workforce Job (£k)	London	UK
Advertising and Marketing	£51,100	£51,800
Architecture	£49,100	£43,500
Crafts	£59,200	£46,500
Design: product, graphic and fashion design	£42,500	£30,200
Film, TV, video, radio and photography	£83,200	£83,800
IT, software and computer services	£96,600	£59,500
Publishing	£89,400	£61,300
Museums, galleries and libraries	£32,200	£26,600
Music, performing and visual arts	£43,800	£26,000
Total	£71,400	£52,700

Source: GLA Economics calculations

Based on these estimates, the creative industries (overall) contributed 35.5 per cent more to the economy, per workforce job, in London than in the UK in 2015. GVA per job in the creative industries was also 22.2 per cent higher than the average for all sectors of the London economy.

Looking at the annual growth in GVA per workforce job (as shown in Table 10)²⁸, following three consecutive years of decline, productivity in London's creative industries returned to

²⁶ As set out in Chapter 2, the GVA estimates in this paper may differ, and are not directly comparable, to the UK GVA estimates produced by DCMS.

²⁷ GVA per hour worked is a more comprehensive indicator of labour productivity and the preferred measure at sub-national level (as outlined [here](#)).

²⁸ Please note that the GVA per workforce job calculations are in nominal prices, i.e. not accounting for inflation

growth in 2015 (+4.8 per cent). This contrasts with the UK picture, where GVA per workforce job only declined in one year over the 2009-2015 period (in 2014).

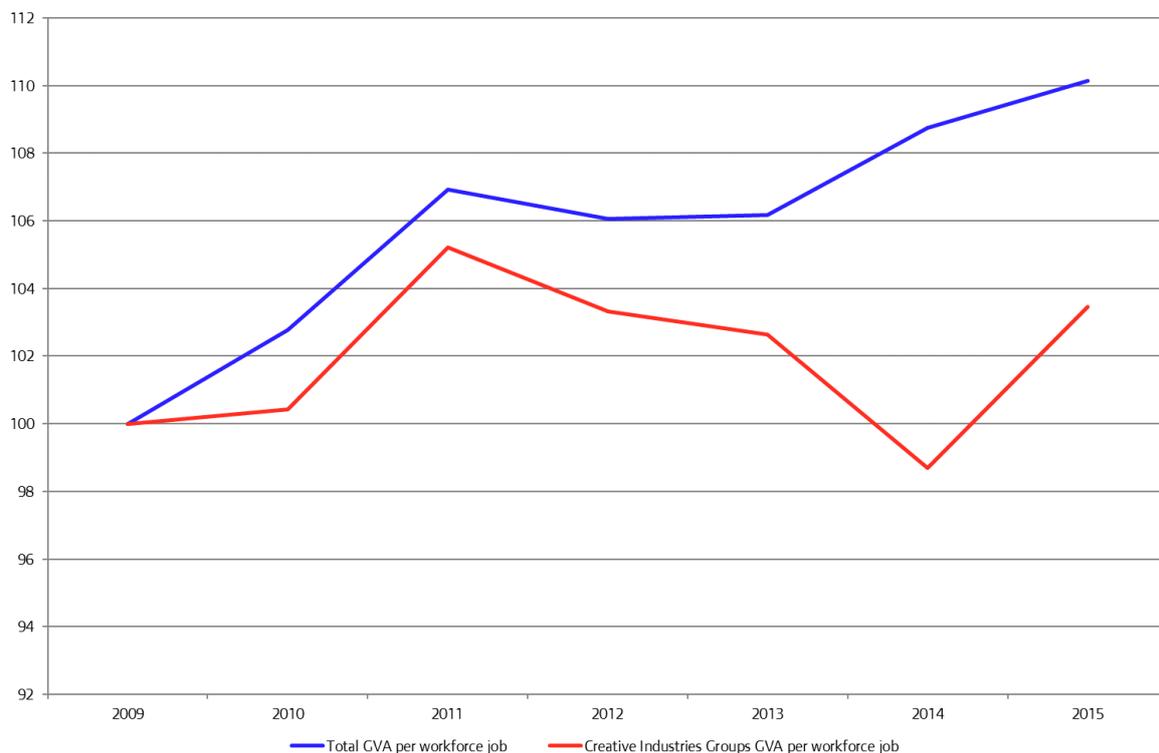
Table 10: GVA per workforce job for the creative industries in London and in the UK and annual growth rate, 2009-2015

Year	London		UK	
	GVA per Workforce Job	Annual Growth Rate	GVA per Workforce Job	Annual Growth Rate
2009	£69,000		£47,000	
2010	£69,300	0.4%	£49,000	4.3%
2011	£72,700	4.8%	£50,300	2.6%
2012	£71,300	-1.8%	£50,400	0.2%
2013	£70,900	-0.7%	£51,000	1.2%
2014	£68,100	-3.8%	£50,400	-1.3%
2015	£71,400	4.8%	£52,700	4.6%

Source: GLA Economics calculations

It is also interesting to look at the comparison of growth in GVA per workforce job in London for the economy as a whole as compared to the creative industries only, as shown in Figure 30.

Figure 30: Changes in GVA per workforce job for the London economy as a whole and for the creative industries groups in London, indexed to 2009=100



Source: GLA economics calculations

It is evident that the trend in output growth (as reported in Section 2) is reversed when GVA per workforce job is considered. As opposed to trends in growth in total GVA, the creative industries groups have been growing slower than London's economy as a whole in terms of GVA per job – albeit from a higher base. The reason for this is faster growth in employment than output in the

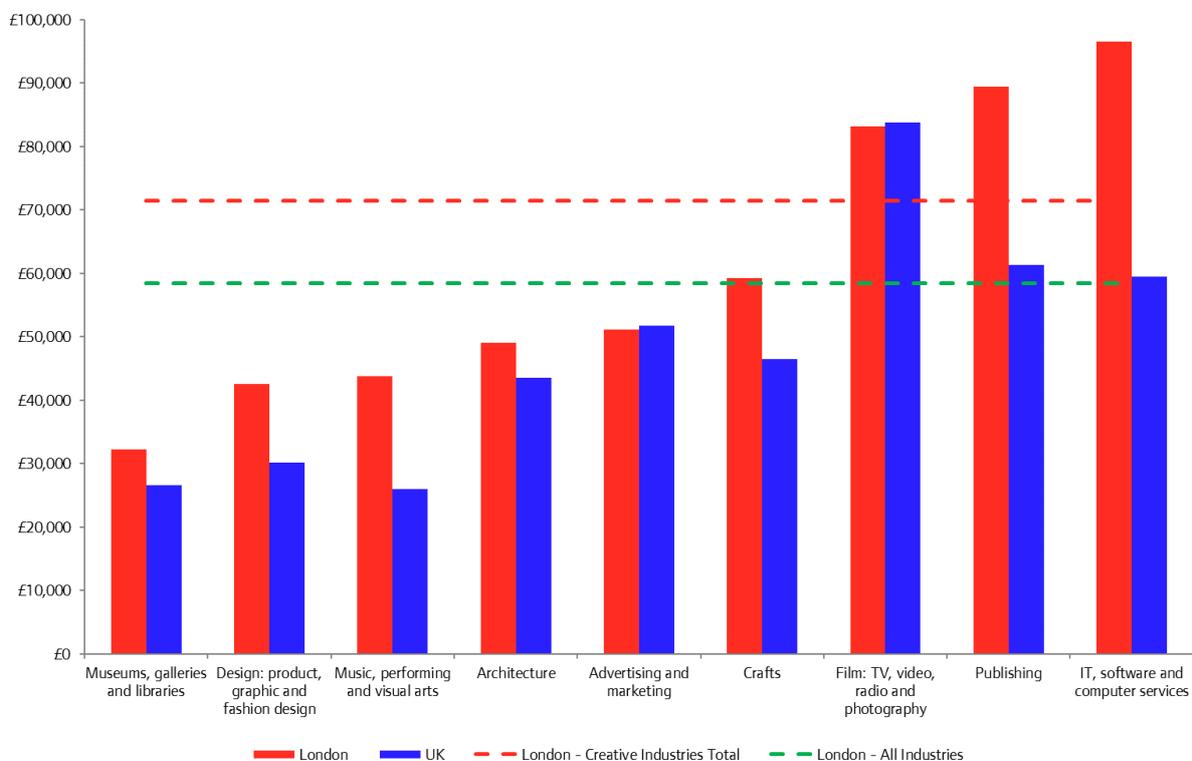
creative industries in London in recent years, including strong employment growth in some sub-sectors with lower GVA per workforce job, such as Music, performing & visual arts.

4.2 Estimates by creative industries group

The estimates produced allow for comparative analysis of the GVA per workforce job by creative industries group for London and the UK. As set out in Figure 31, there is considerable variation in GVA per job between different creative industry sub-groups, although the profile is relatively similar for London and the UK as a whole.

In the capital, GVA per workforce job was above the (London) creative industries average in three sub groups: Film, TV, video, radio and photography (£83,200), Publishing (£89,400); and IT, software and computer services (£96,600). GVA per workforce job was below the creative industries average in all other groups, particularly in Museums, galleries and libraries (£32,200).

Figure 31: GVA per workforce job for the creative industries in London and the UK, 2015

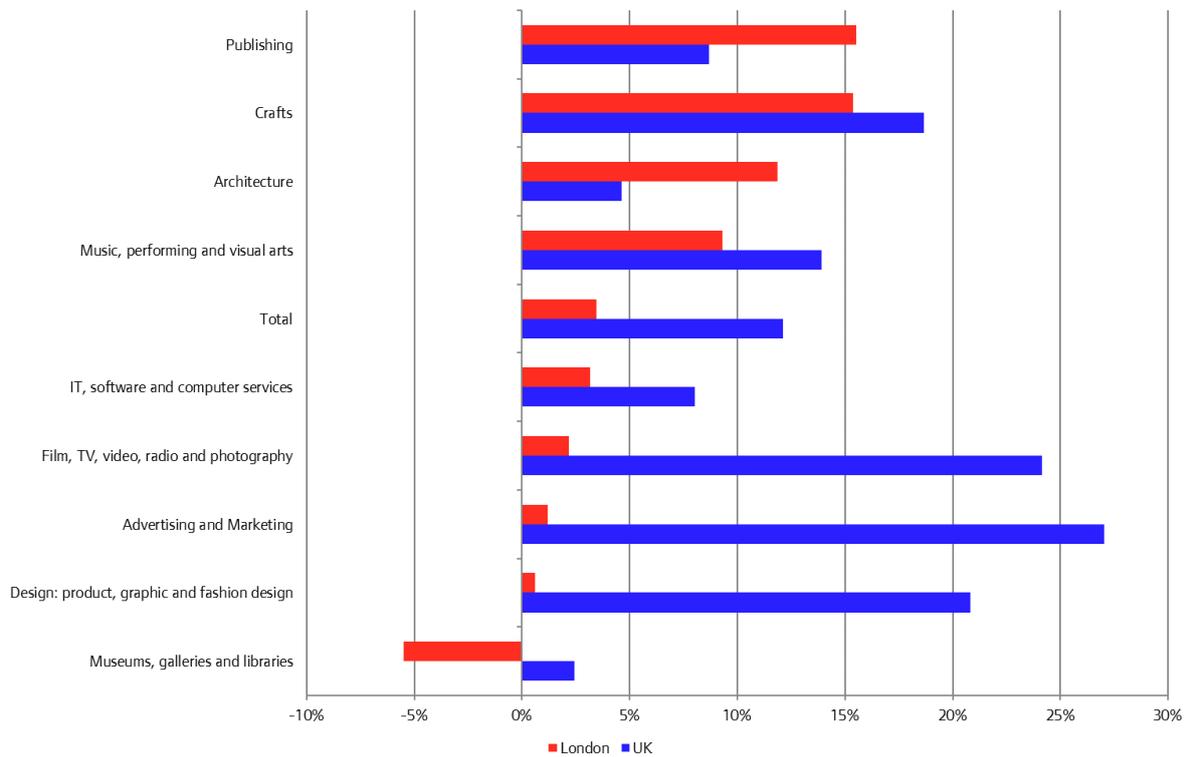


Source: GLA Economics calculations

GVA per workforce job was also higher in London than for the UK as a whole in most sub-groups. This is most apparent in the case of IT, software and computer services (+62.3 per cent) and Music, performing and visual arts (+68.4 per cent). However, there are also two creative industries groups where this is not the case, albeit very marginally; in Film, TV, video, radio and photography and Advertising and Marketing, GVA per workforce job was in-line with the UK average in 2015 (-0.7 per cent and -1.3 per cent respectively).

Focusing further on specific groups of the creative industries, the sub-group which experienced fastest growth in GVA per job over the 2009-2015 period was Publishing (an increase of 15.5 per cent), followed by Crafts (15.4 per cent growth), and Architecture (11.9 per cent growth).

Figure 32: GVA per workforce job by creative industries sub-group, London, 2009-2015



Source: GLA Economics calculations

The only group showing negative growth in GVA per workforce job was Museums, galleries and libraries (-5.5 per cent); while GVA per workforce job was virtually unchanged in Design: product, graphic and fashion design (+0.6 per cent). It is notable that faster growing sub-groups for employment, such as IT, software & computing services and Advertising & marketing, also experienced relatively slow productivity growth in London over this period (+3.2 per cent and +1.2 per cent respectively).

Conclusion

This paper has updated much of the data on the value of the creative industries in London, set out in Working Paper 70. It also provides some additional estimates on employment by socio-economic characteristics. It offers GLA Economics' latest understanding on the importance of the creative industries in terms of output, employment, and productivity in the capital.

The analysis estimates that the GVA of the creative industries in London was £42.0 billion in 2015, accounting for just under half (47.4 per cent) of the UK total for the sector, and 11.1 per cent of the capital's economic output across sectors. This follows relatively fast growth in recent years, with creative industries GVA rising by 38.2 per cent in nominal terms since 2009, compared to 30.6 per cent for the London economy as a whole.

IT, software and computer services is, by some way, the largest sub-group in the creative industries in terms of GVA, and accounted for just over half (52.5 per cent) of the output growth since 2009.

In terms of employment, there were approximately 622,600 jobs in the creative industries in London in 2016, making up 11.9 per cent of jobs in the capital, compared to 4.9 per cent of jobs in the rest of the UK.

Using the wider definition of the sector, there were 882,900 jobs in London's creative economy in 2016, up by almost a quarter (24.2 per cent) since 2012. These jobs tend to be higher paid occupation groups, with 91.1 per cent of all creative economy jobs in the manager and senior officials; professional; or, associate professional and technical occupations. Consistent with this finding, median hourly pay for employees in London's creative economy was almost a third higher than in the non-creative economy in 2016. At the same time, over 1 in 4 jobs (27.8 per cent) across the creative economy were held by self-employed workers in 2016.

The paper has also reviewed some of the social and economic characteristics of the workforce in London's creative economy. It showed that a relatively high share of creative economy jobs were held by workers born outside of the UK in 2016 – 33.5 per cent of jobs in London, compared to 12.8 per cent of creative economy jobs in the rest of the UK. However, other groups were relatively underrepresented in London's creative sector:

- 35.6 per cent of creative economy jobs were filled by women, compared to 45.5 per cent of jobs outside of the creative economy.
- 23.4 per cent of creative economy jobs were filled by people from BAME groups, compared to 32.9 per cent of jobs outside of the creative economy.

Finally, GVA per workforce job in the creative industries (a proxy for productivity) was estimated at £71,400 in 2015, which was 22.2 per cent higher than the average across all sectors of London's economy. GVA per workforce job is particularly high in three sub-groups: Film, TV, video, radio and photography; Publishing; and IT, software and computer services. Following strong jobs growth in recent years, the productivity of the creative industries increased at a slower rate than the London economy as a whole from 2009 -2015 – albeit from a higher

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