

London Measured



A summary of key London
socio-economic statistics

September 2018

London Measured



○ People

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- 1.1 Population Growth
- 1.2 Migration Flow

2. Diversity

- 2.1 Foreign-born Londoners

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○ Economy

1. Business & Economy

- 1.1 Size of Economy
- 1.2 Industry Groups
- 1.3 Job Growth
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2. Labour Market

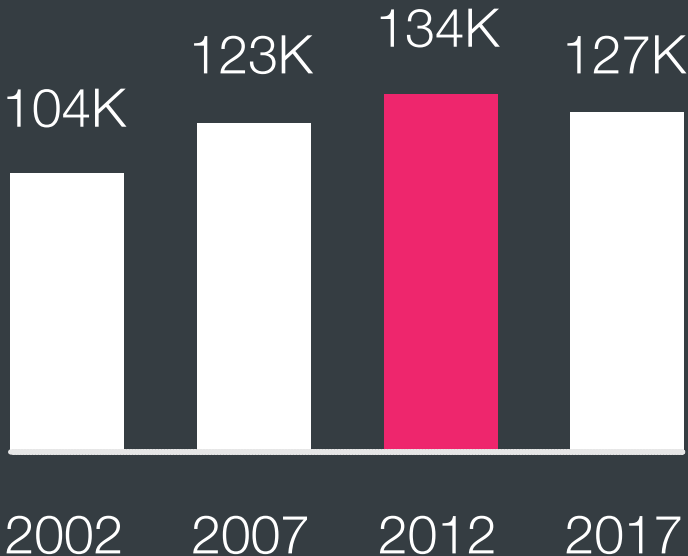
- 2.1 Qualifications
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People | Population

Bigger than ever and still growing

London's population is bigger than ever with approximately 8.9m residents, exceeding the previous 1939 peak, and is set to grow to approximately 10.5m inhabitants by 2041.

Drivers of population growth:



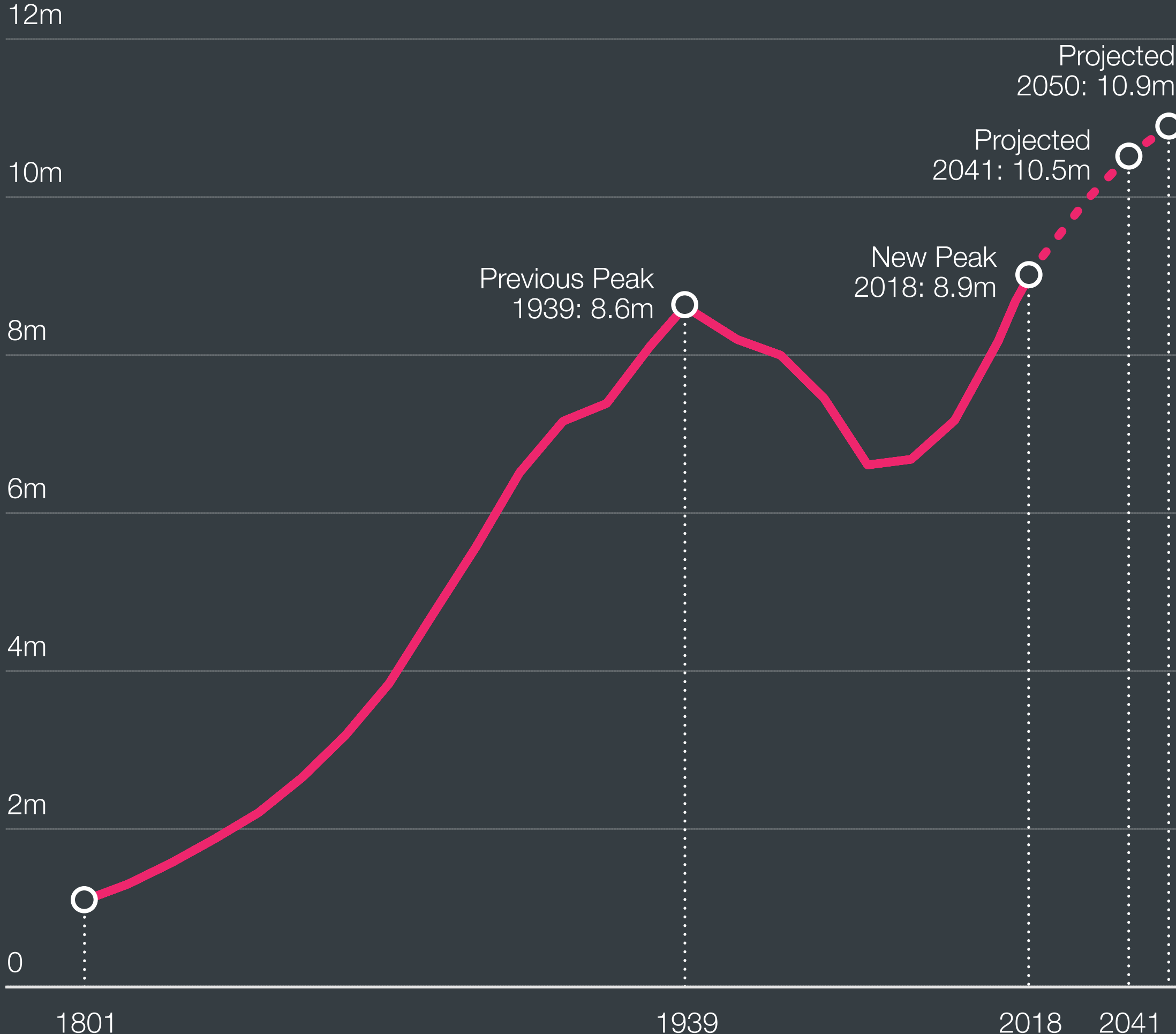
Births

Births grew throughout the 2000s reaching a peak of 134,000 in 2012. The impact of the growth in births during the previous decade has put greater pressure on London's primary schools.

Migration

London's population has grown largely as a result of international migration – firstly through its direct impact on population and, subsequently, through its knock-on impact on the capital's natural population change: over half of births (58%) in London in 2017 were by mothers born outside the UK (compared to 28% of births nationally).

London Population



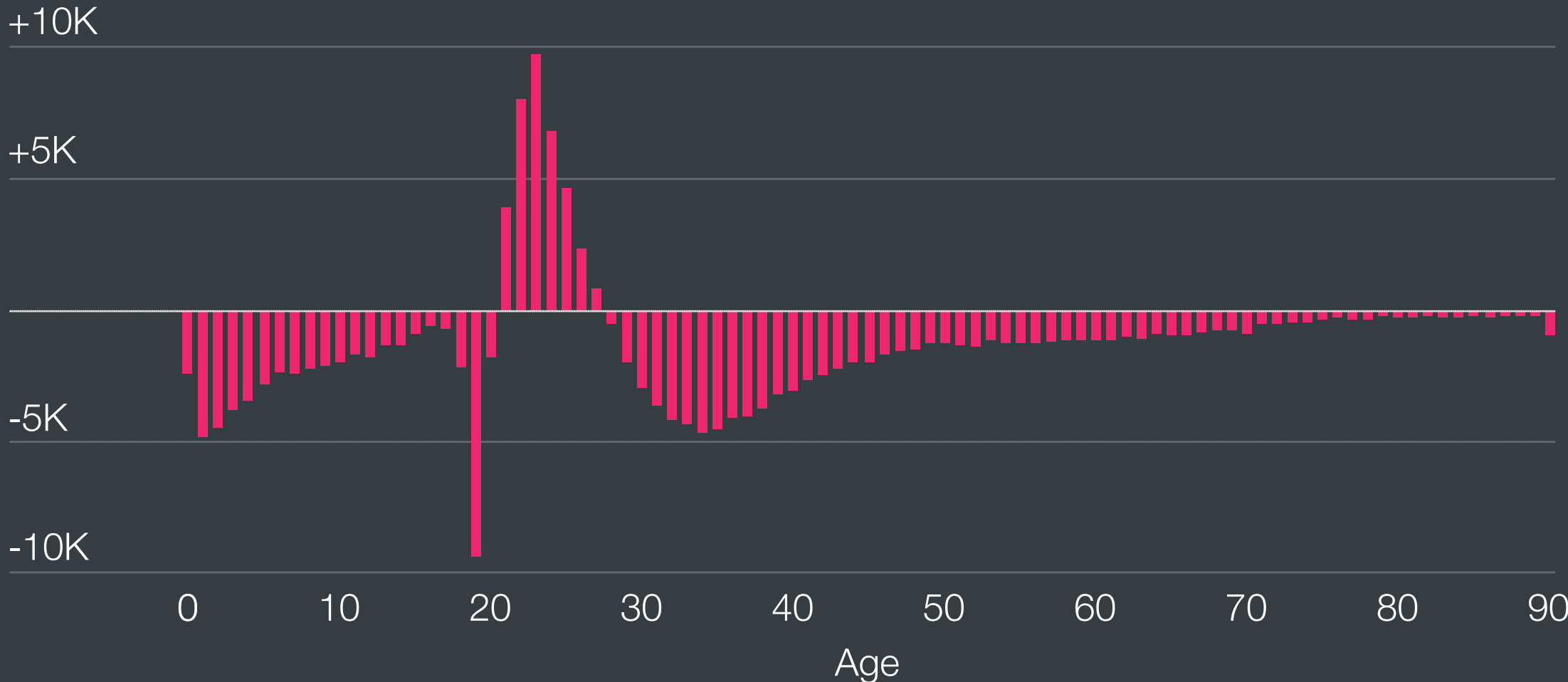
People | Population

Since 1996, London's population has grown largely as a result of international migration.

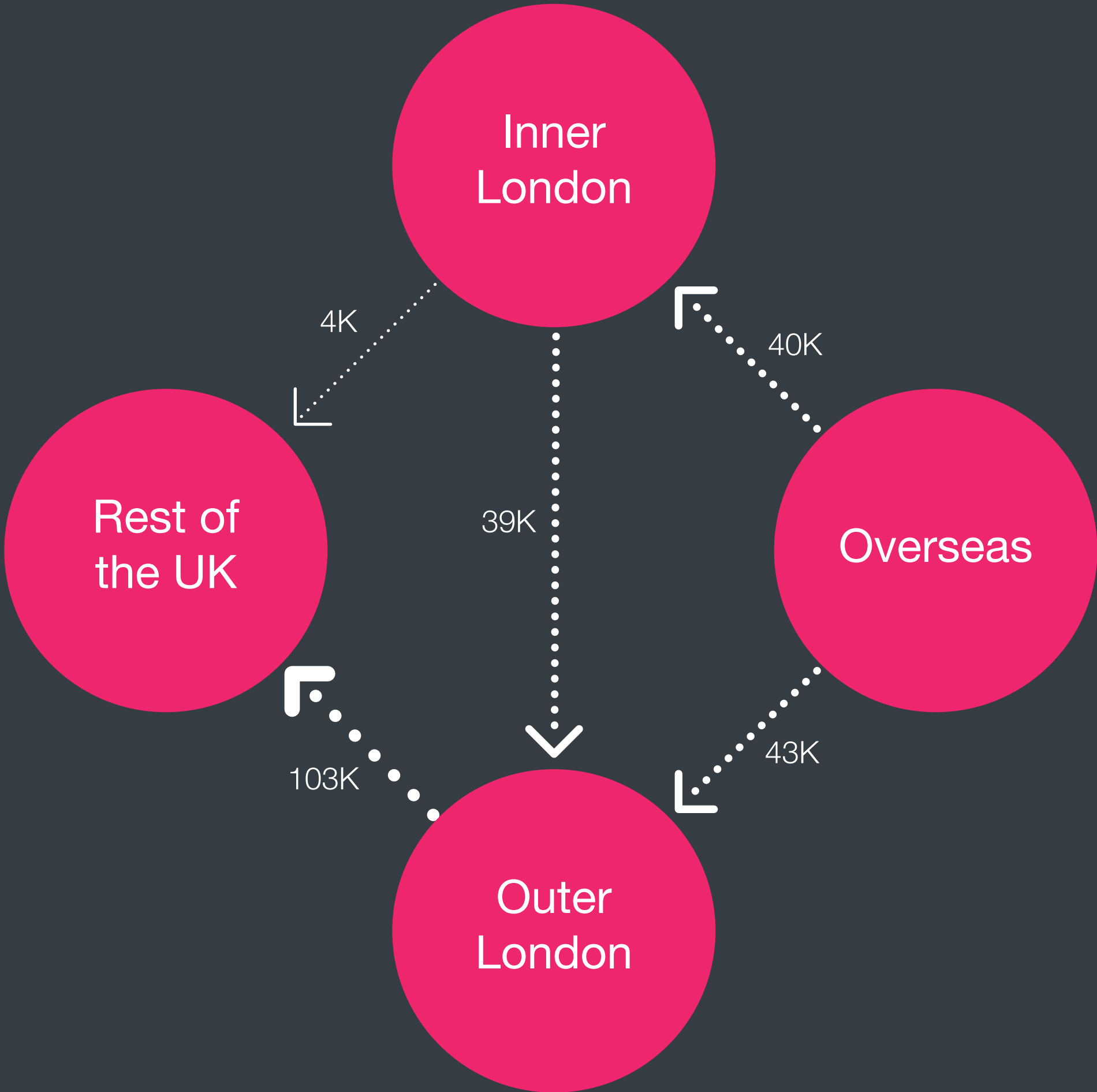
London also sees considerable domestic flows, with more people moving out of London to the rest of the UK than vice versa.

The age structure of migration flows is a key characteristic of London's demography. London attracts students and young adults from other parts of the UK and loses young children, students and those in their 30s to the rest of the UK.

Internal Net Migration Flows by Age in London, 2017



Net Migration Flows in London 2017



People | Diversity

A hub for foreign-born communities



London's high international inflow means it has become something of a hub for foreign-born communities. Approximately 3.4m people living in London were born abroad (38% of the total population).

London is renowned for its diversity

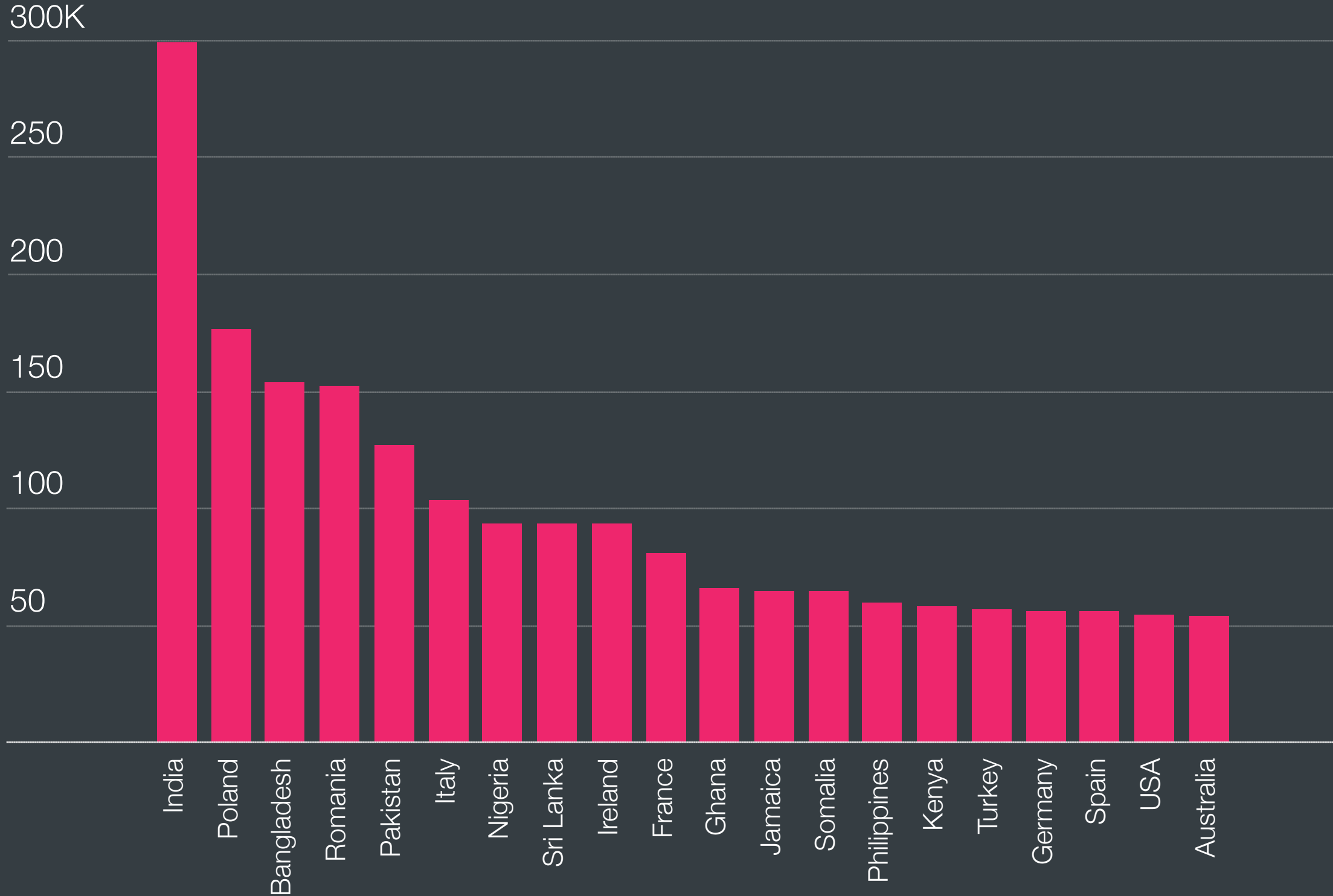
Some 40% of its residents perceived themselves as Black, Asian or Minority Ethnic.

Ethnicity Breakdown



The top non-UK country of birth of Londoners in 2017 was India with 300,000 (3.2% of the total London population) residents. Poland (1.9%), Bangladesh (1.7%), Romania (1.6%), Pakistan (1.4%) and Italy (1.1%) also had over 100,000 residents each living in London during 2017.

Top non-UK country of birth of Londoners in 2017

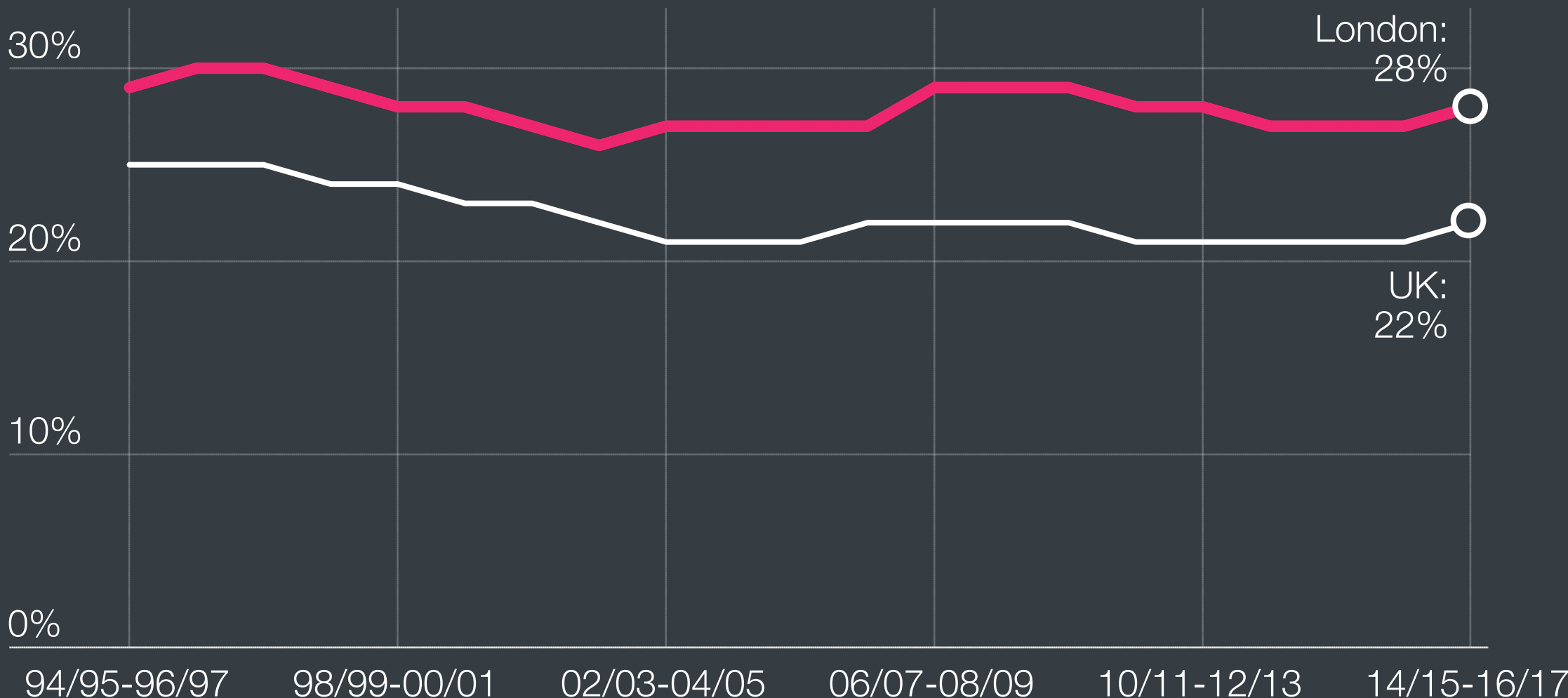


People | Social Issues

Poverty (after housing costs) is higher in London than the rest of the UK (28% vs 22%).

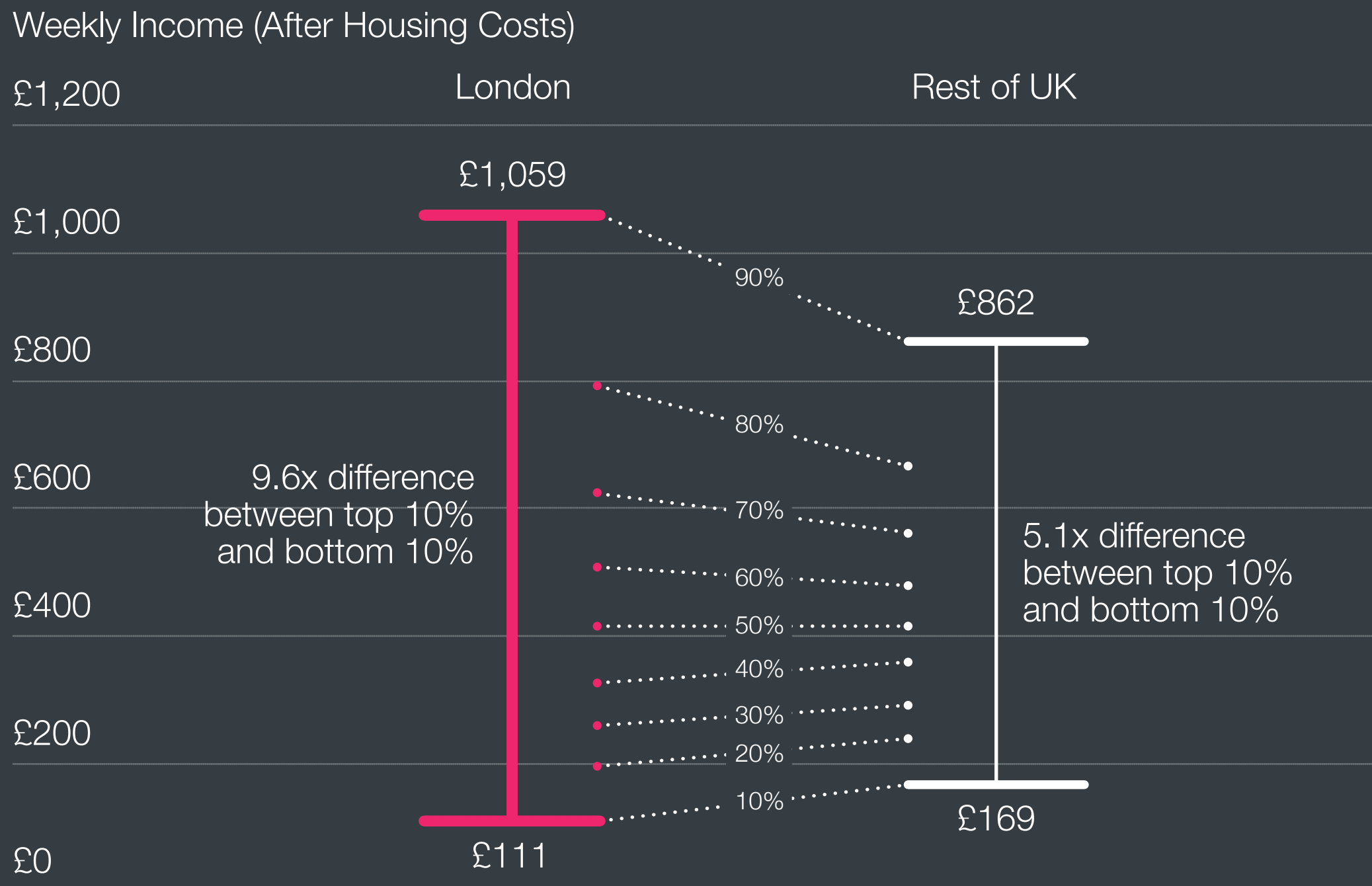
The difference is particularly stark for children with more than a third (37%) living in households with income below the poverty line compared to 30% nationally.

Relative Poverty (After Housing Costs)



There is also much greater income inequality in London. While London's richest 10th have much higher income than the rest of the UK, its poorest 10th have much lower incomes than elsewhere. Income after housing costs at the 90th percentile in London is 9.6x that at the 10th percentile.

Income Inequality 2013/14 - 2015/16



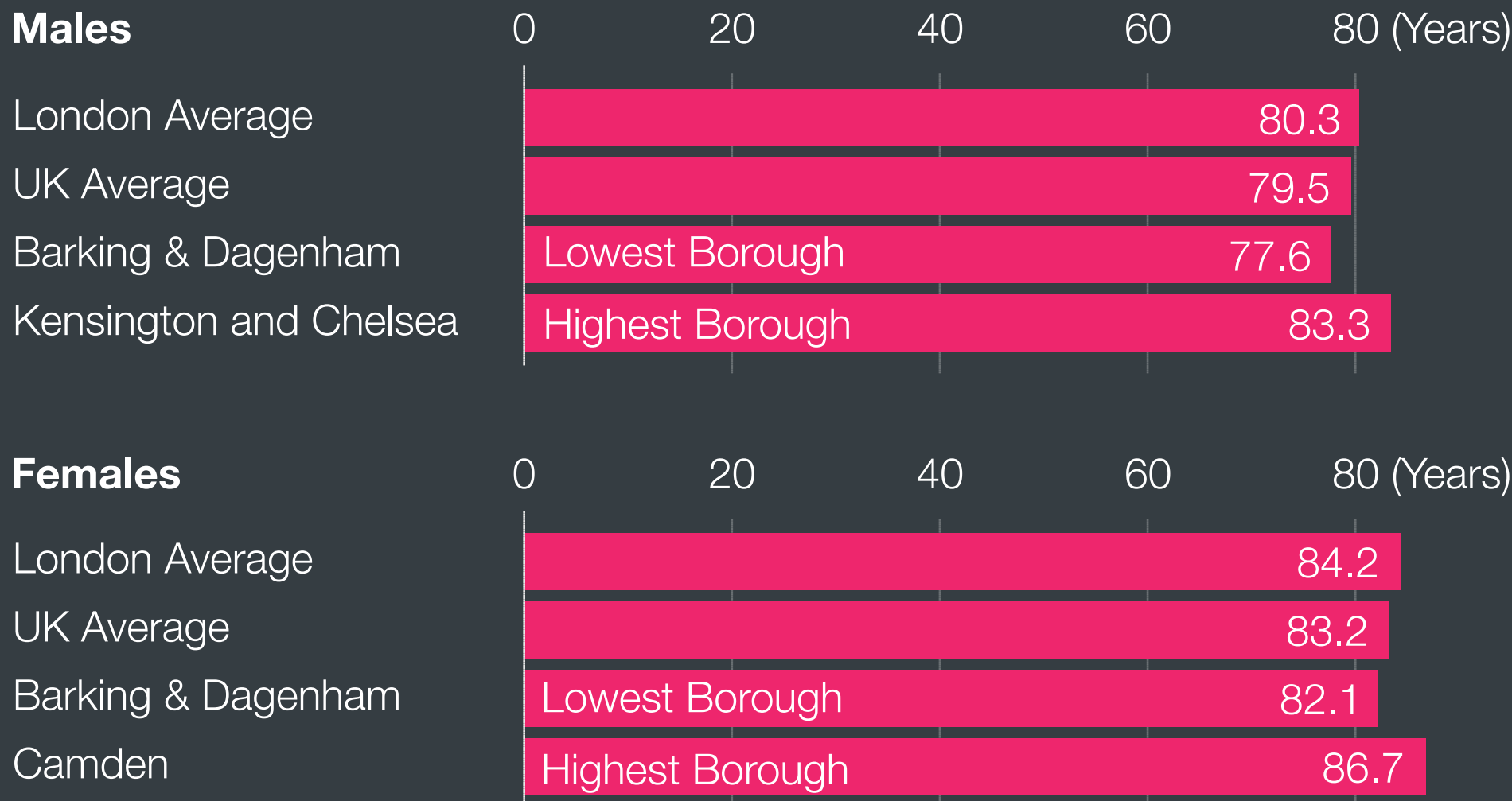
Wealth in London is even more unequally divided than income. Half of all households own just 5% of the total household wealth, whereas the richest 10% own more than 60% of the total wealth.

People | Social Issues

Life expectancy in London is higher than the UK, but is inconsistent across Boroughs.

Average life expectancy at birth in London is slightly higher than the national average for both males (80.3 vs. 79.5) and females (84.2 vs. 83.2). There are however significant variations across local authorities. For example in Barking & Dagenham, men are expected to live 6 years fewer and women 4 years fewer than those from Kensington & Chelsea.

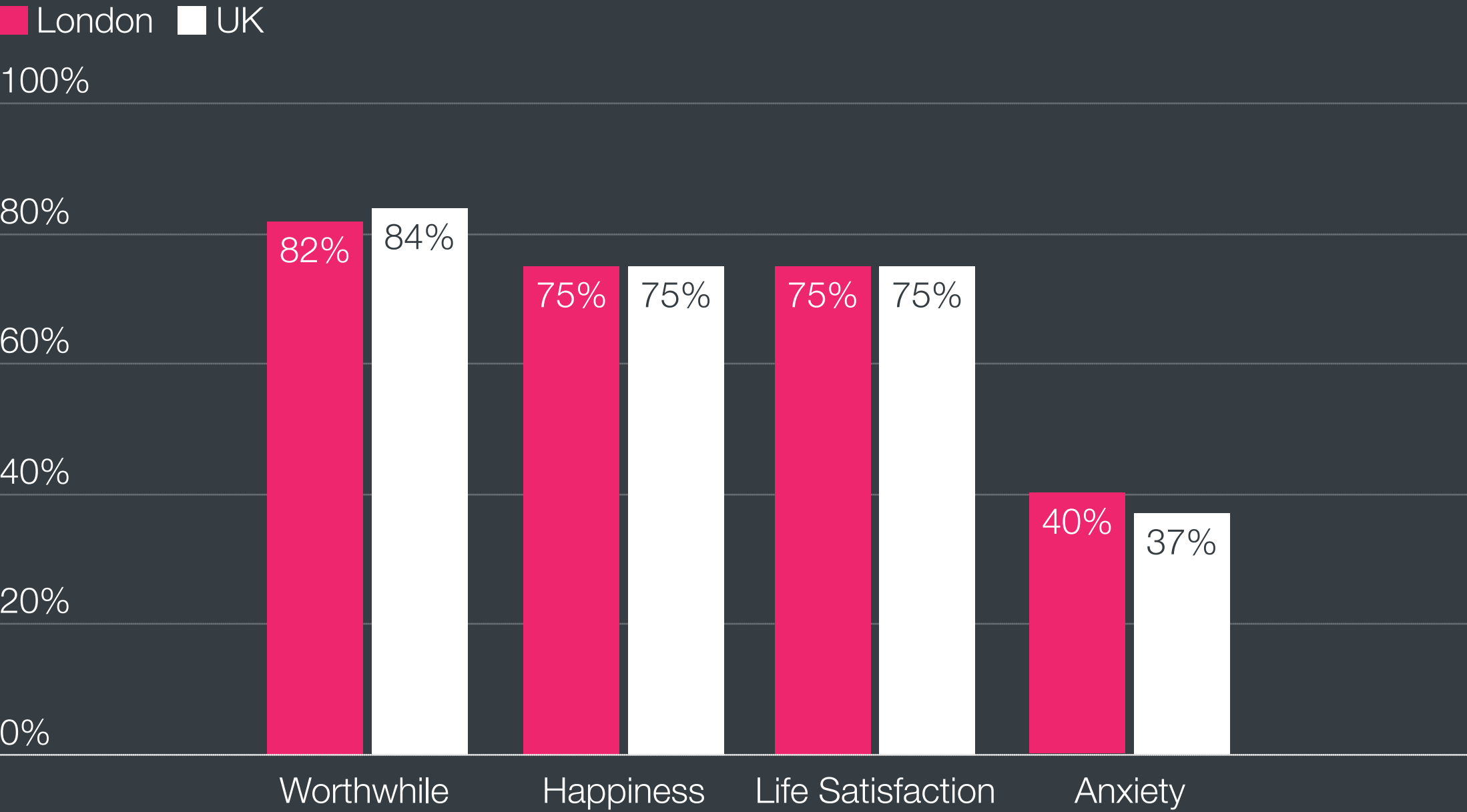
Life Expectancy at Birth



Well-being

On average, Londoners are broadly in line with the UK in reporting fairly high levels of Worthwhileness, Happiness and Life Satisfaction. However, when asked to rate their level of anxiety from 1 to 10, Londoners averaged a score of 3.12 – somewhat higher than the national average of 2.90. This equates to 40% reporting high levels of anxiety.

% People with High or Very High levels

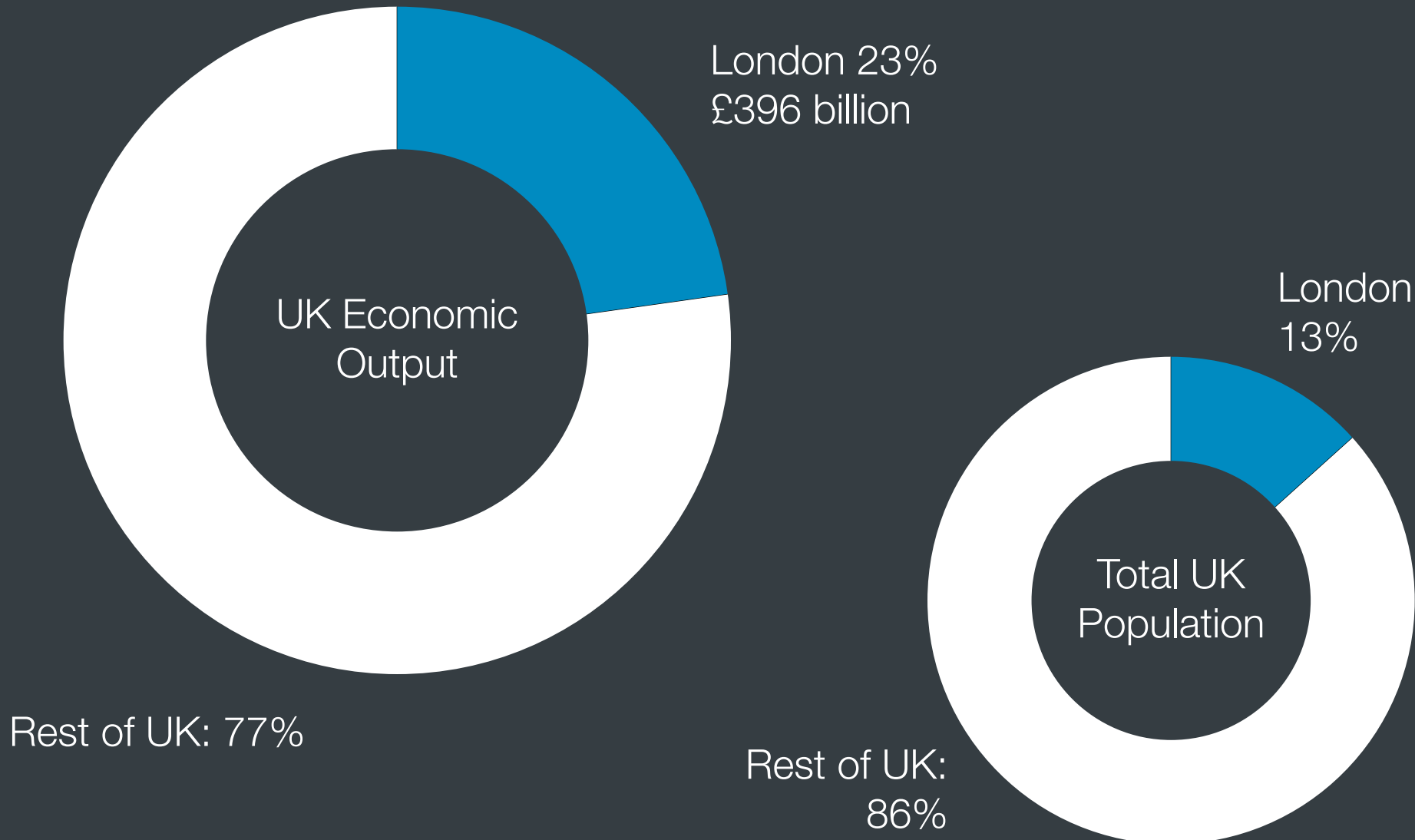


Economy | Business & Economy

One of the largest economies in Europe, accounting for 23% of UK economic output.

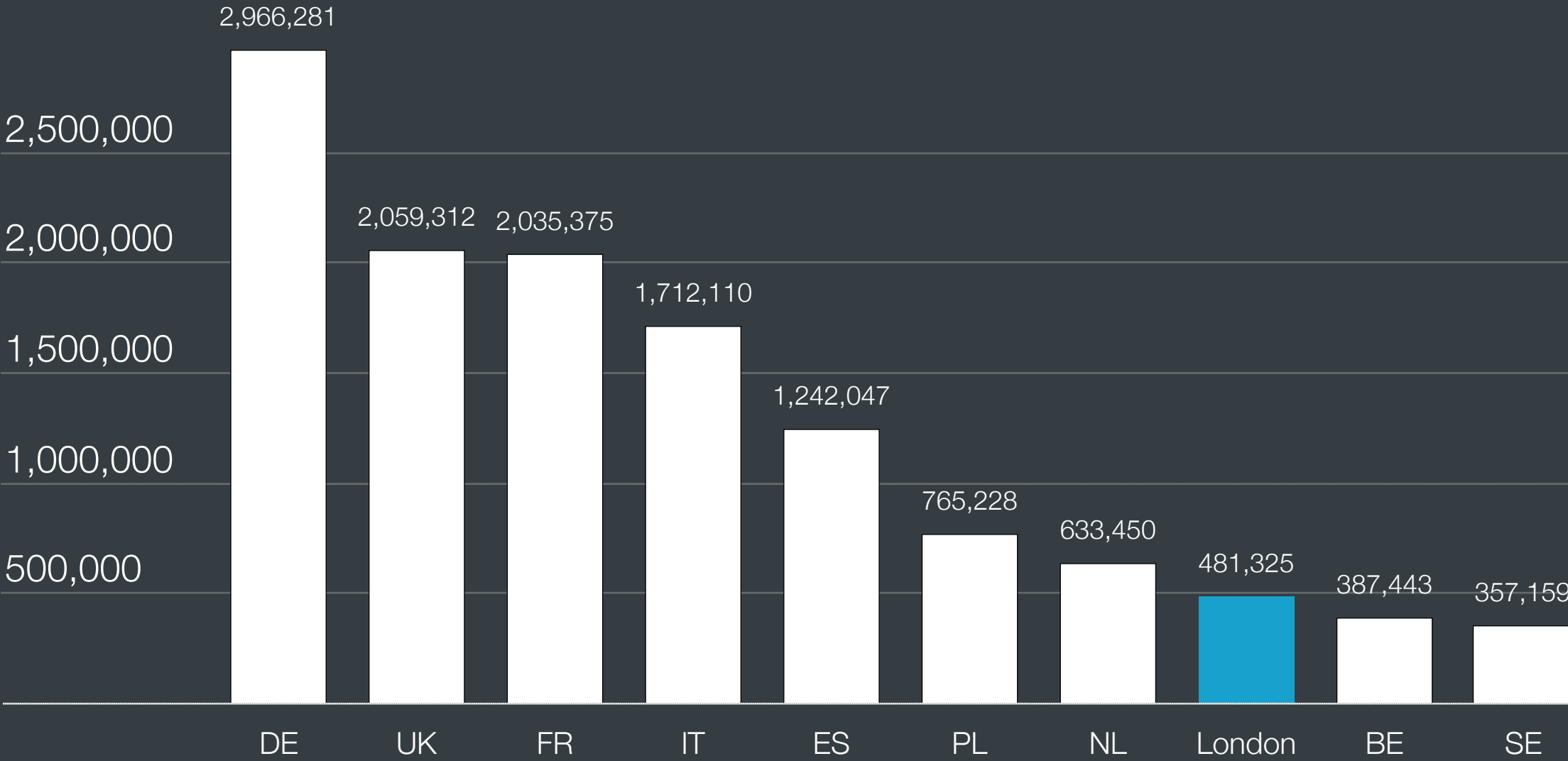
In 2016 London's economic output (its 'Gross Value Added') totalled £396 billion accounting for around 23% of UK economic output. London makes up 13% of the UK population as a whole.

London's contribution to UK economic output (GVA)



If London's economy is considered against European countries (on a comparable basis) it would rank as the eighth biggest economy – larger than Belgium and Sweden, for example.

European economies vs London, 2016 (Million PPS)



Note: PPS is an artificial currency unit used to compare countries or cities, on a consistent basis: one PPS can buy the same amount of goods and services in each

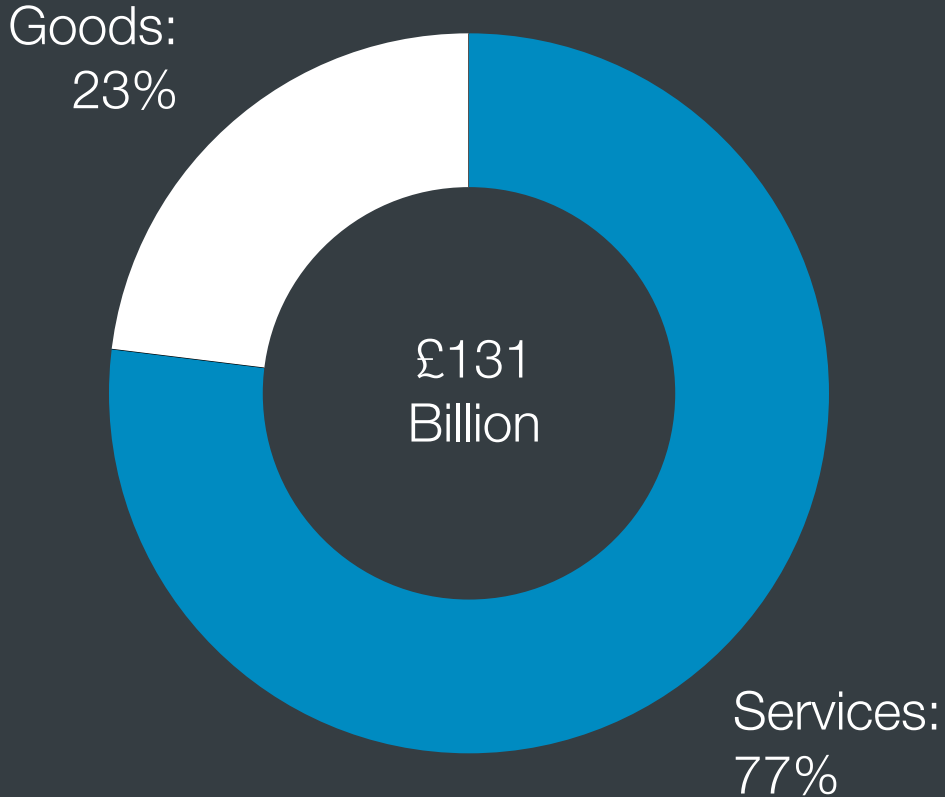
Economy | Business & Economy

Globalisation has seen London specialising in internationally competitive business services

The biggest areas of economic activity in London are **Real Estate, Finance and Insurance, Professional Services** and **Information & Communication**.

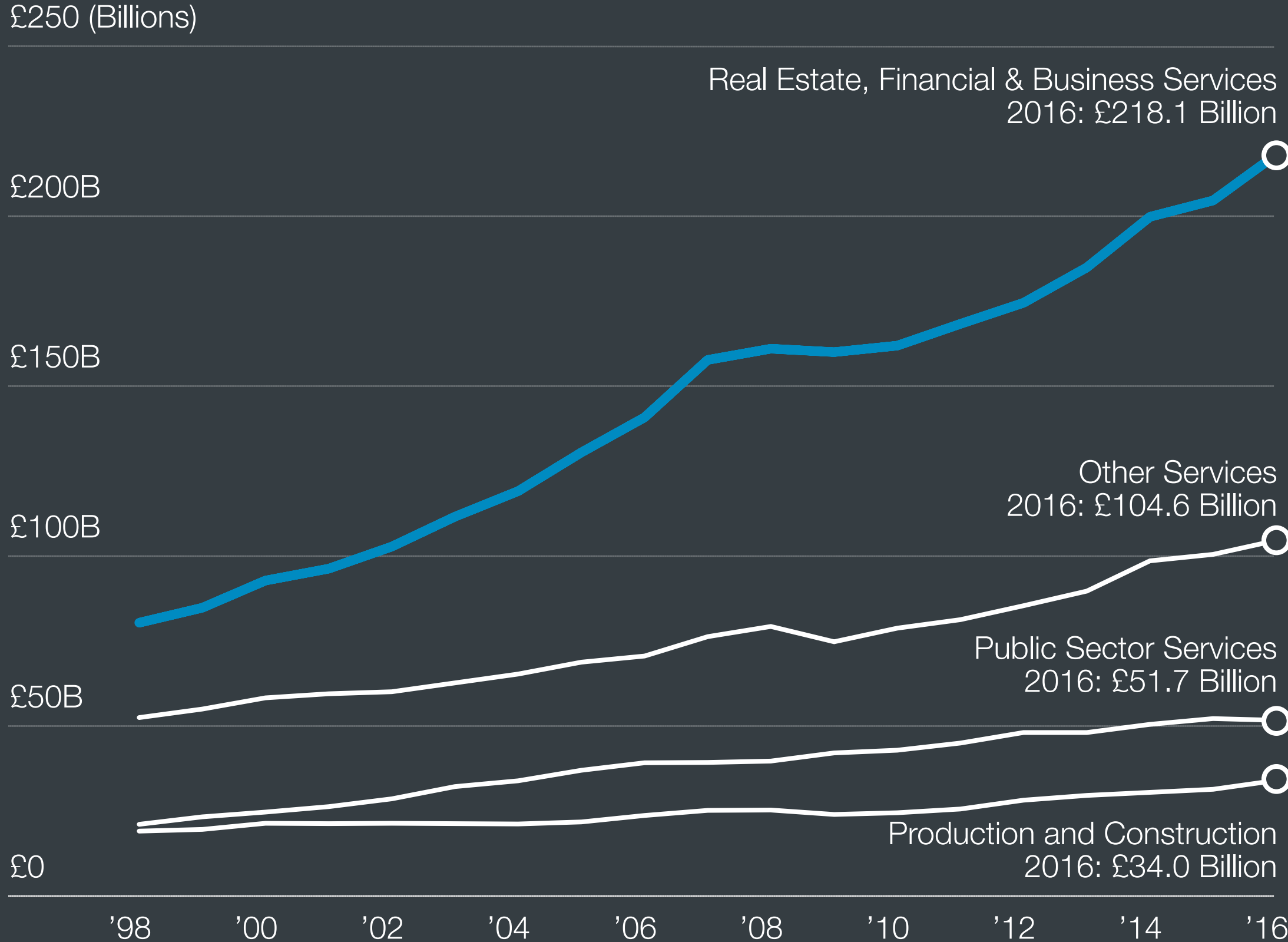
Combined, **these four sectors** accounted for around £218 billion or 53% of London's economic output in 2016, up from 46% in 1998.

London Exports (2015)



London exported over £131 billion of goods and services in 2015 – over three quarters of this (77%) total was exports of services, with the EU London's largest service exports destination by global region.

Value of London's economic output by selected industry group, 1998-2016, current prices

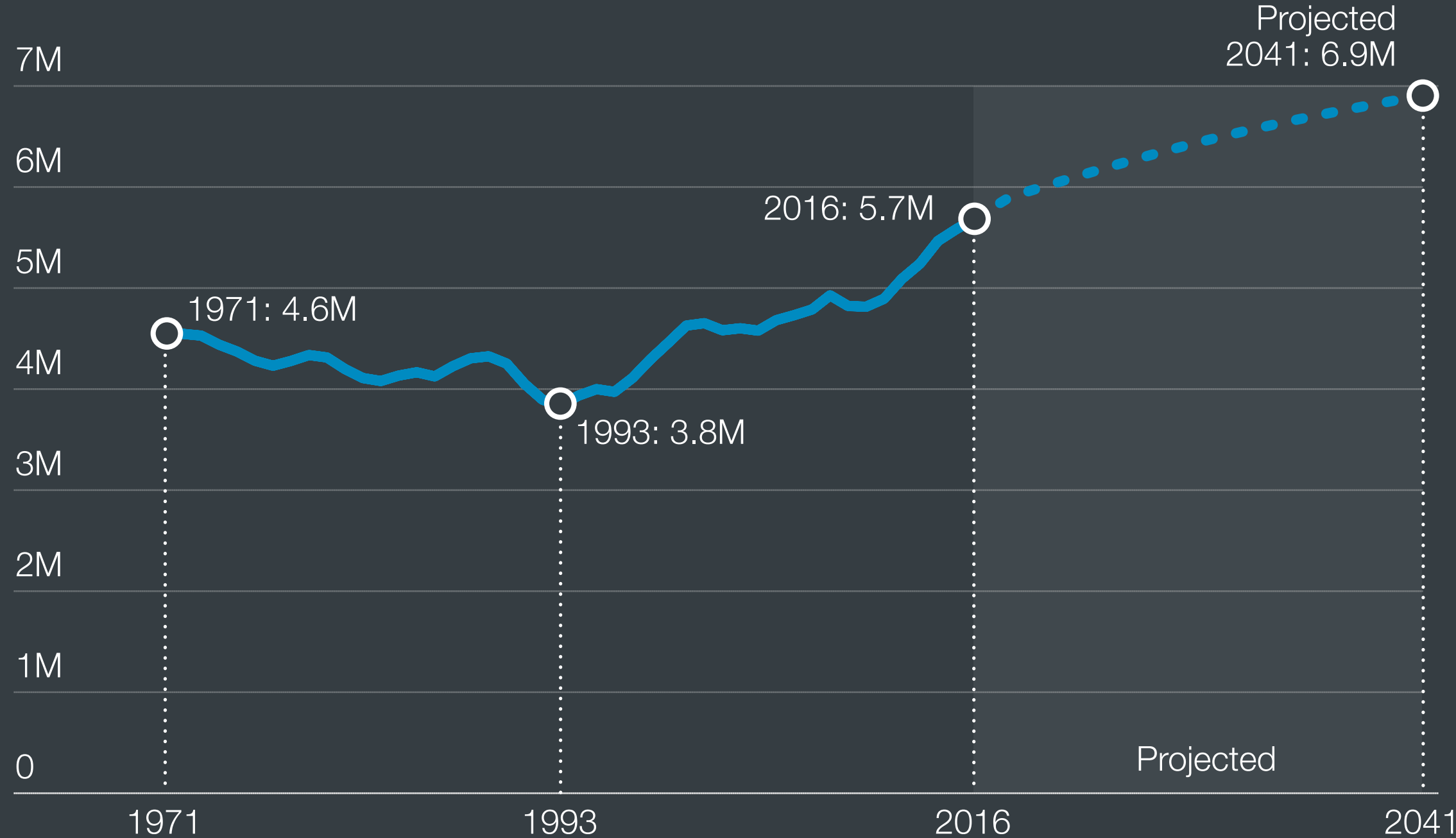


Economy | Business & Economy

There are approximately 5.9 million jobs in London (2018) up from 3.8 million in 1993.

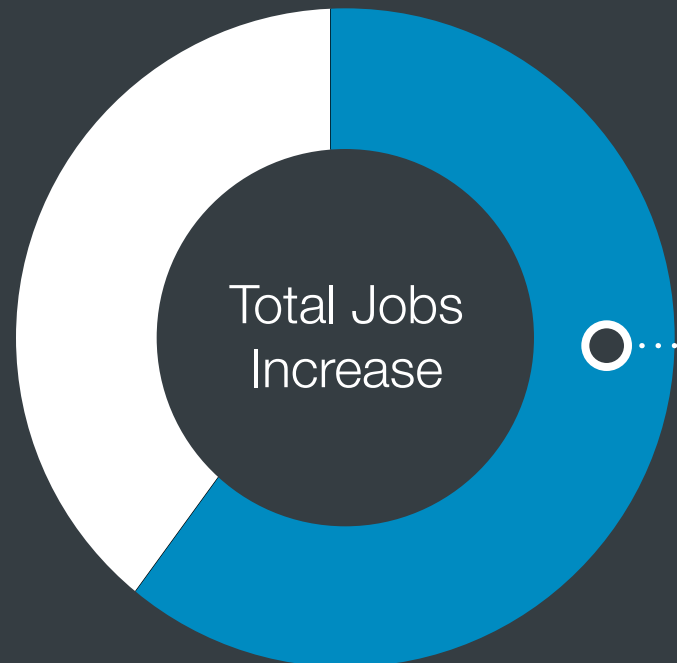
Based on past trends employment is projected to reach 6.9 million by 2041.

London Jobs



Recent jobs growth in London has been driven by a growth in business services sectors as well as services for London's population.

Jobs Increase to 2041

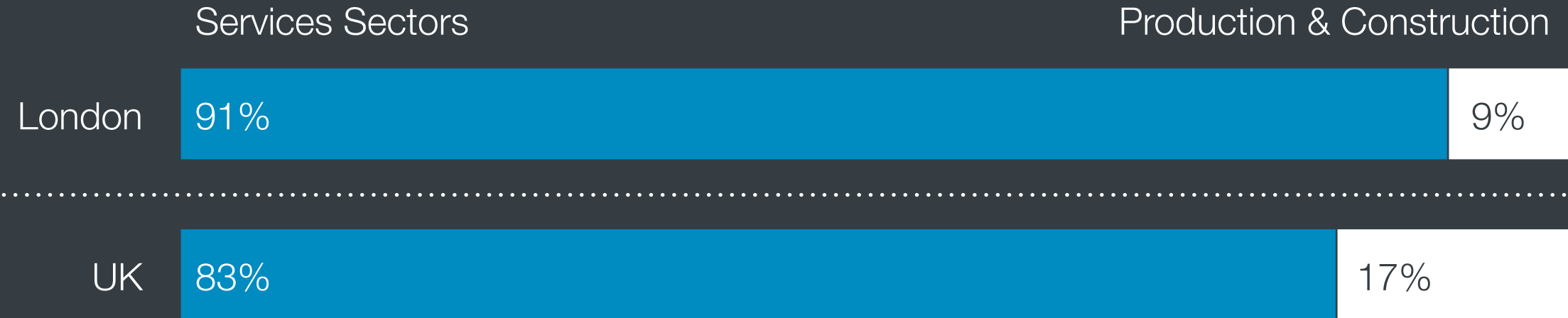


These six sectors account for nearly 60% of the expected total London increase in jobs to 2041:

- Professional, Real Estate, Scientific & Technical
- Administrative & Support Services
- Accommodation & Food Services
- Information & Communication
- Health
- Education

In total, 91% of London's jobs are in service sectors compared to 83% for the UK.

London vs UK Job Sectors



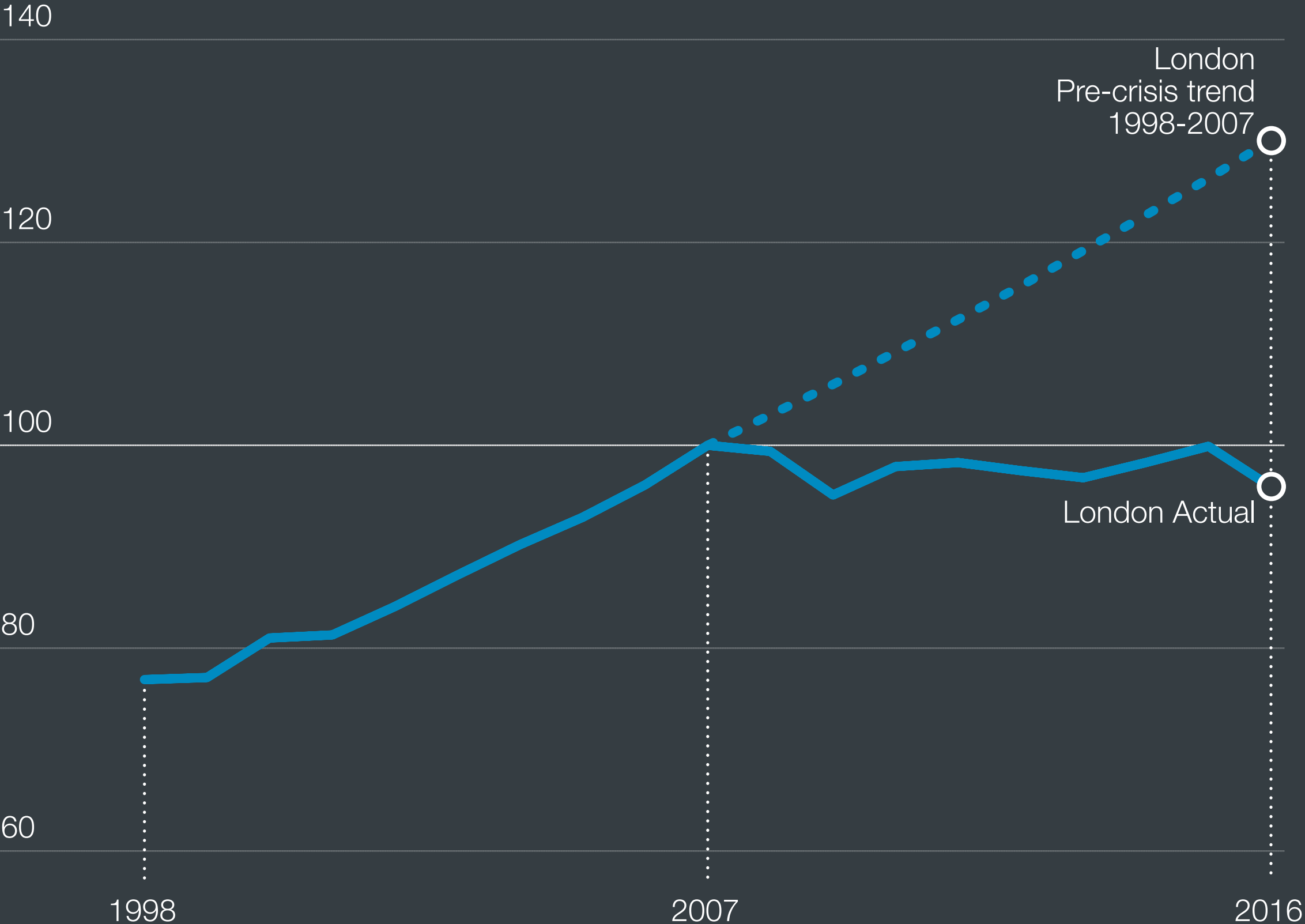
Economy | Business & Economy

While labour productivity in London was 33% above the UK average in 2016, productivity growth has slowed sharply in recent years.

London had by far the highest labour productivity in the UK in 2016: GVA per hour worked was 33% above the UK average.

However, labour productivity has fallen in the past five years is now about 26% lower than it would have been based on its pre-crisis (1998-2007) trend, compared to 18% lower for the UK as a whole.

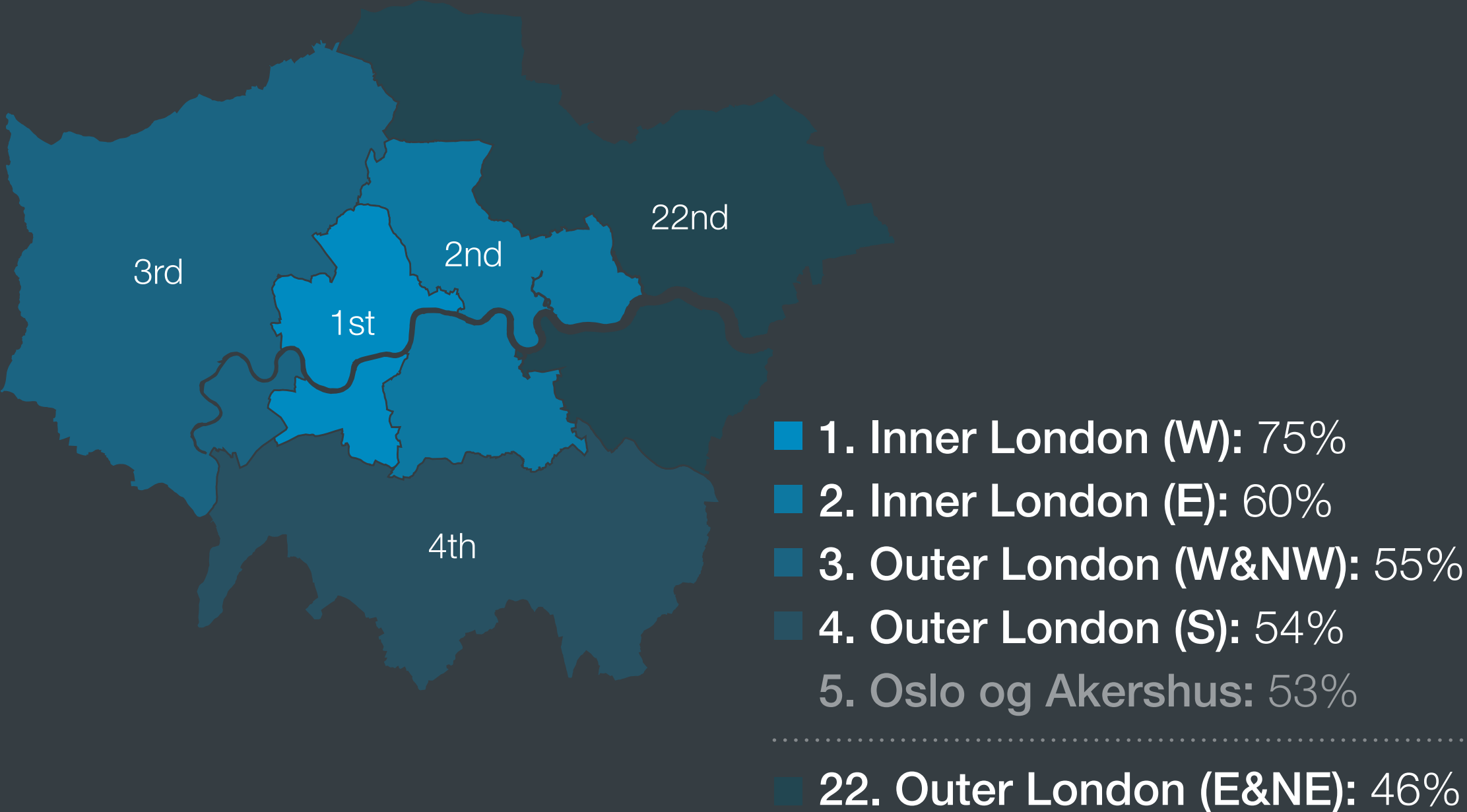
Index of output per hour for London
1998-2016, constant price (CVM), Units: 2007 = 100



Economy | Labour Market

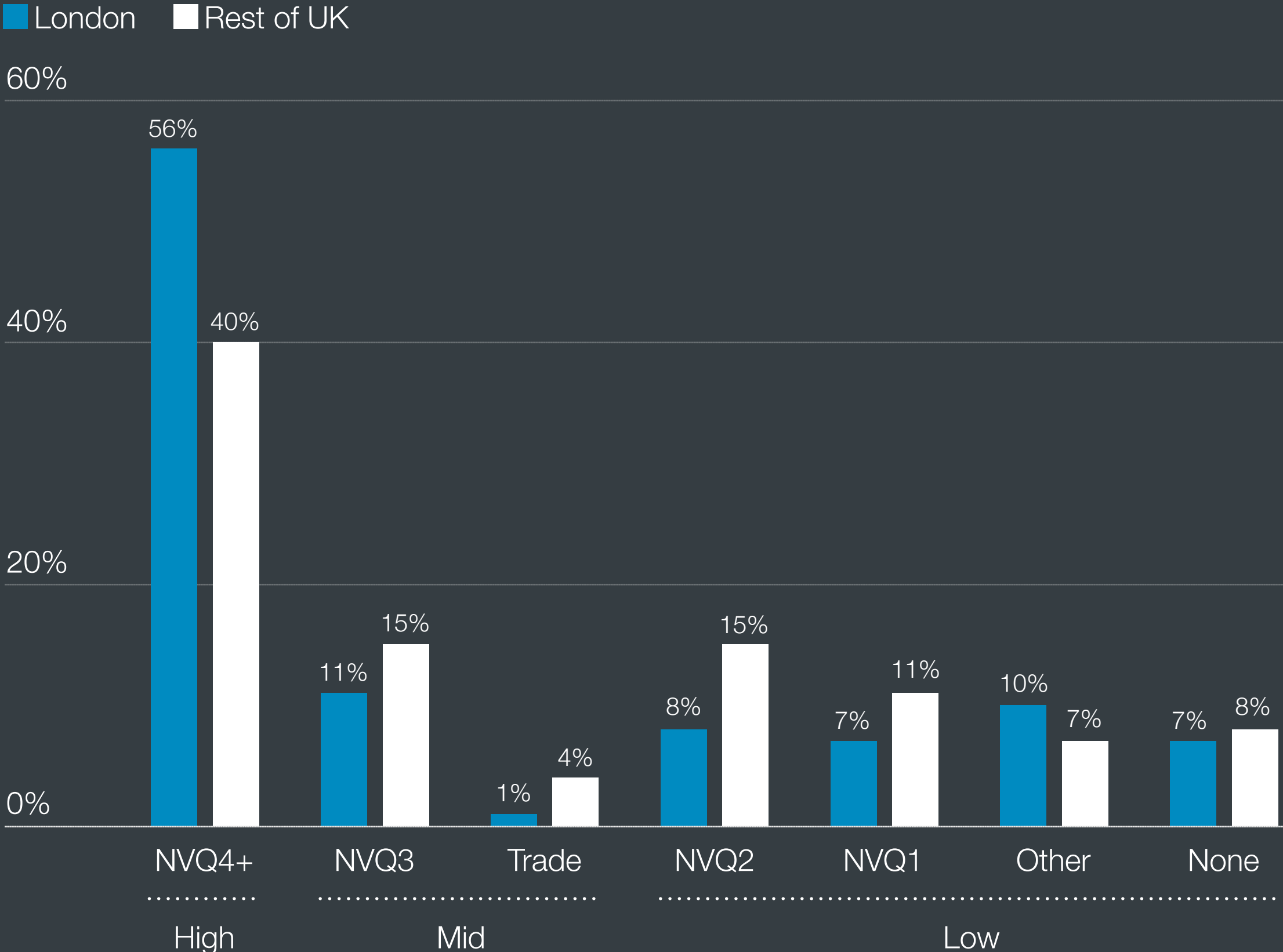
London's workforce is more highly qualified than the rest of the UK, and even than the rest of Europe.

4 out of 5 London sub-regions are in the top 5 in Europe for the share of 25-64 year olds with higher education qualifications.



56% of London residents aged 25-64 had a higher-level (NVQ4+) qualification in 2017, compared to 40% in the rest of the UK.

Qualification level of 25-64 year olds
London and rest of UK, 2017



Economy | Labour Market

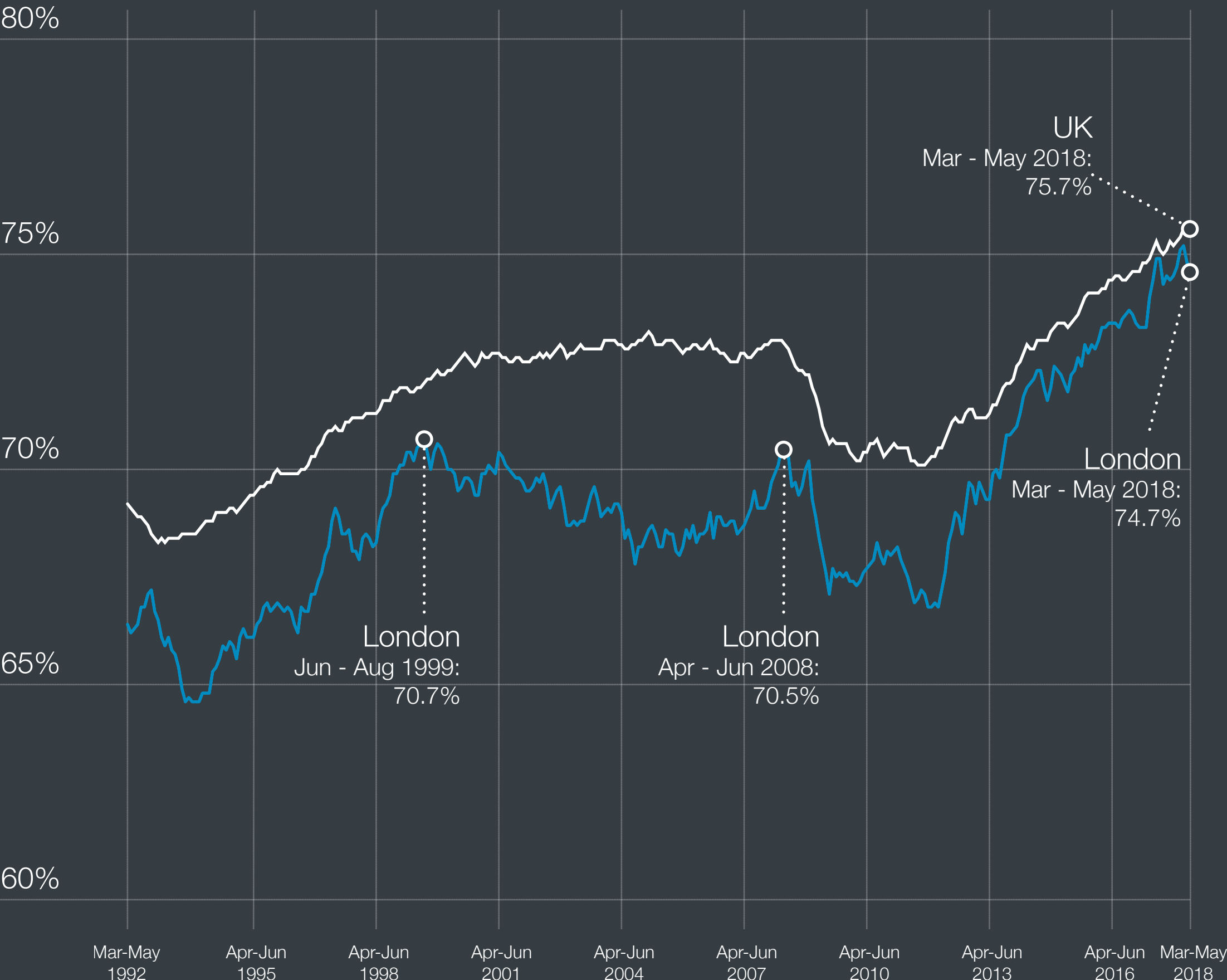
The employment rate in London stands near to a record high, having narrowed the gap with the UK.

London's employment rate is almost 4 percentage points higher than its previous peak and is now just below that of the UK as a whole (74.7% compared to 75.7%)

London vs UK Employment Rate



Working age (16-64) employment rate % 1992-2018 Seasonally adjusted



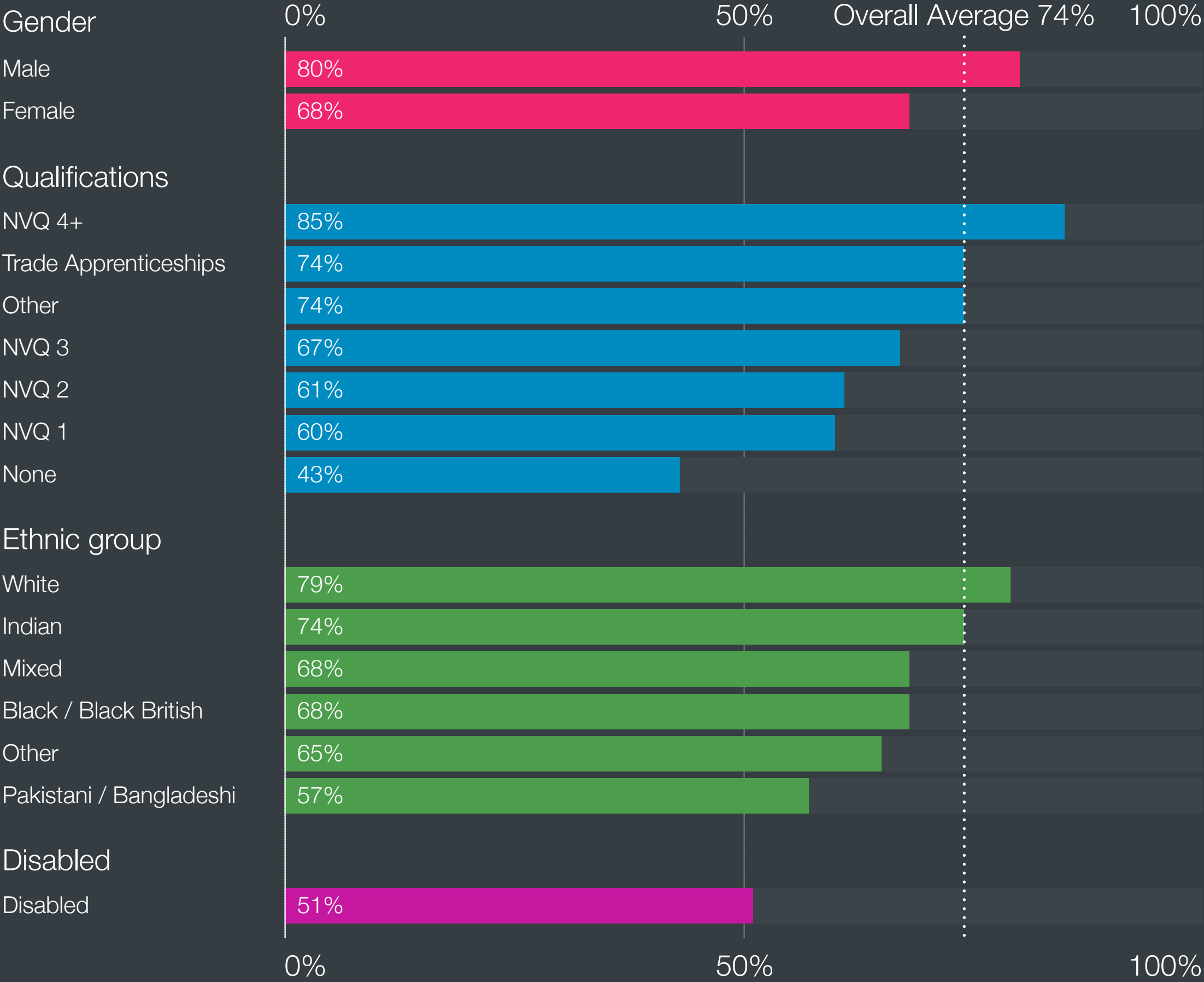
Economy | Labour Market

Headline employment measures conceal significant inequalities in labour market outcomes for different groups of Londoners.

For example:

- The employment rate for 16-64 year olds with no qualifications was 31 percentage points below the overall average.
- The employment rate for Londoners with disabilities was 23 percentage points below the overall average.

16-64 employment rate for select groups in London

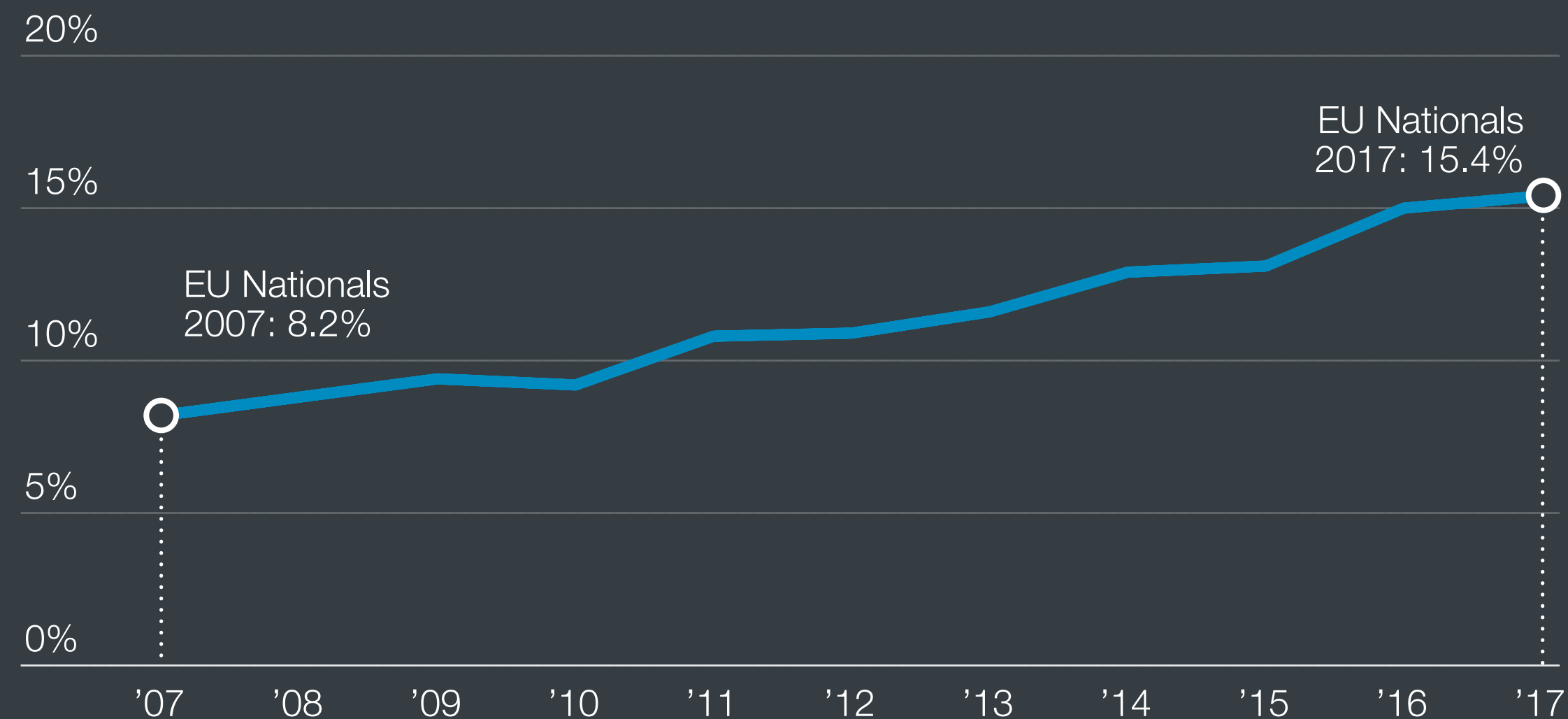


Economy | Labour Market

EU nationals make a significant and growing contribution to London's labour market.

There are approximately 800,000 EU nationals working in London, this accounts for 15% of London's workforce. By way of comparison, 7% of the total UK workforce are EU nationals.

Percent of people working in London who are EU nationals 2007 - 2017



The industry in London with the largest reliance on EU nationals is **construction**, with around a third of those employed in this sector from the EU (over half of these being from Poland and Romania).

London's professional, financial & real estate sector employs the most EU nationals - over 200,000 in 2017. This accounts for 14% per cent of all people working in the sector.

Industry of Employment	Total	EU	% EU
Agriculture, Energy and Water	50,000	9,000	18.5%
Manufacturing	187,000	44,000	23.7%
Construction	365,000	123,000	33.7%
Retail, Hotels and Restaurants	763,000	169,000	22.2%
Transport and Communication	681,000	88,000	12.9%
Professional, Financial & Real Estate	1,454,000	207,000	14.2%
Public Admin, Education and Health	1,347,000	117,000	8.7%
Other services	359,000	42,000	11.8%
Total	5,206,000	801,000	15.4%

Economy | Labour Market

After housing costs, the median London household has a lower income than the UK average.

The median household disposable income in London was £536 per week in the three years 2014/15 to 2016/17 (10.3% above the UK average), before considering housing costs.

Once deducting housing costs, then median household disposable income falls to £414 per week (0.7% below the UK average).

Housing affordability in London has significantly worsened over the last decade.

In 2017, London's average house prices (as measured by Nationwide) were 2.2 times higher than the UK average, up from 1.6 times in 2007.

According to the ONS, seven out of the 10 least affordable local authorities in England and Wales are found in London.

Median weekly household income Before and after housing costs: 2014/15 to 2016/17



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Get In Touch

Contact us at: intelligence@london.gov.uk

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<https://data.london.gov.uk/>