

MAYOR OF LONDON

London's Labour Market

National Career Guidance Show

8 March 2023

5 key messages on London's labour market

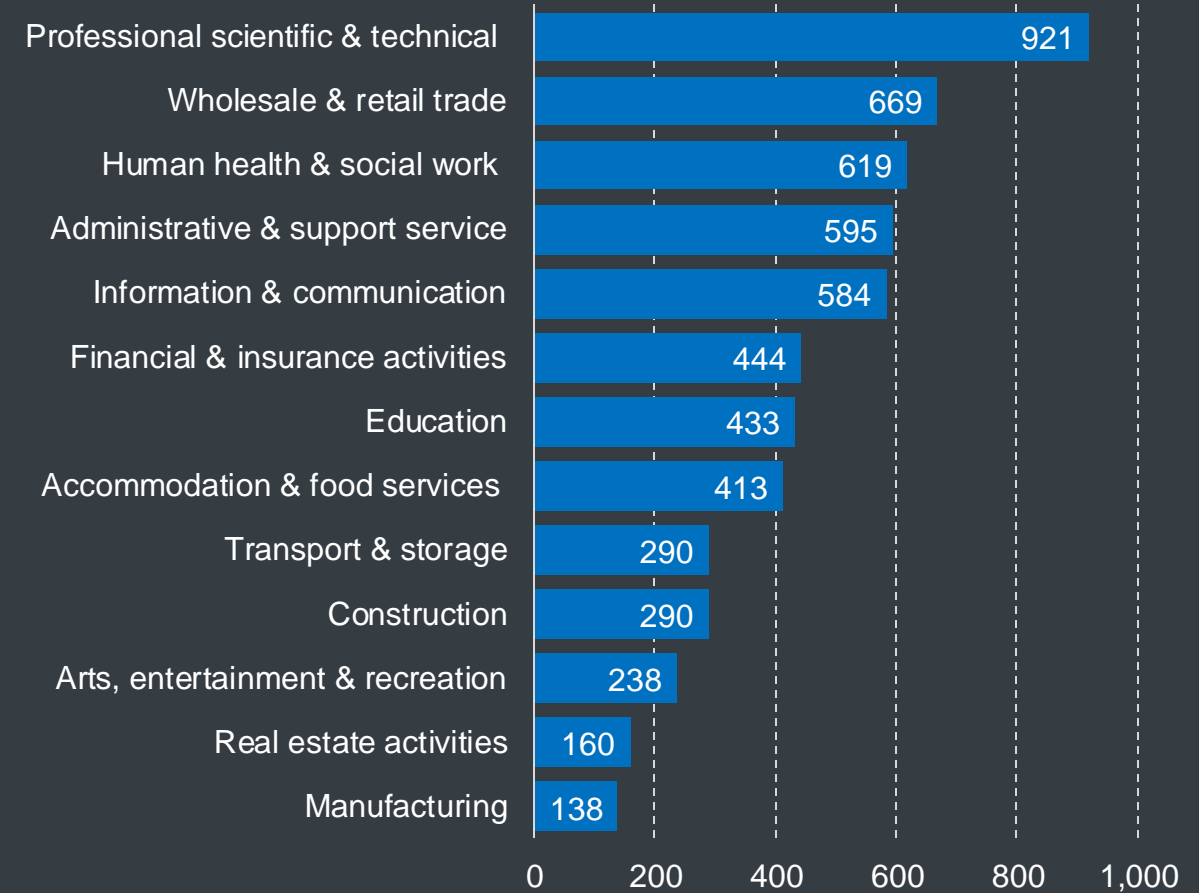
Message 1: London has many jobs across a range of sectors



6.1 million jobs across a range of sectors

Key point: London offers a range of employment opportunities to fit various interests and skills sets.

Number of workforce jobs in London by industry
September 2022, in thousands



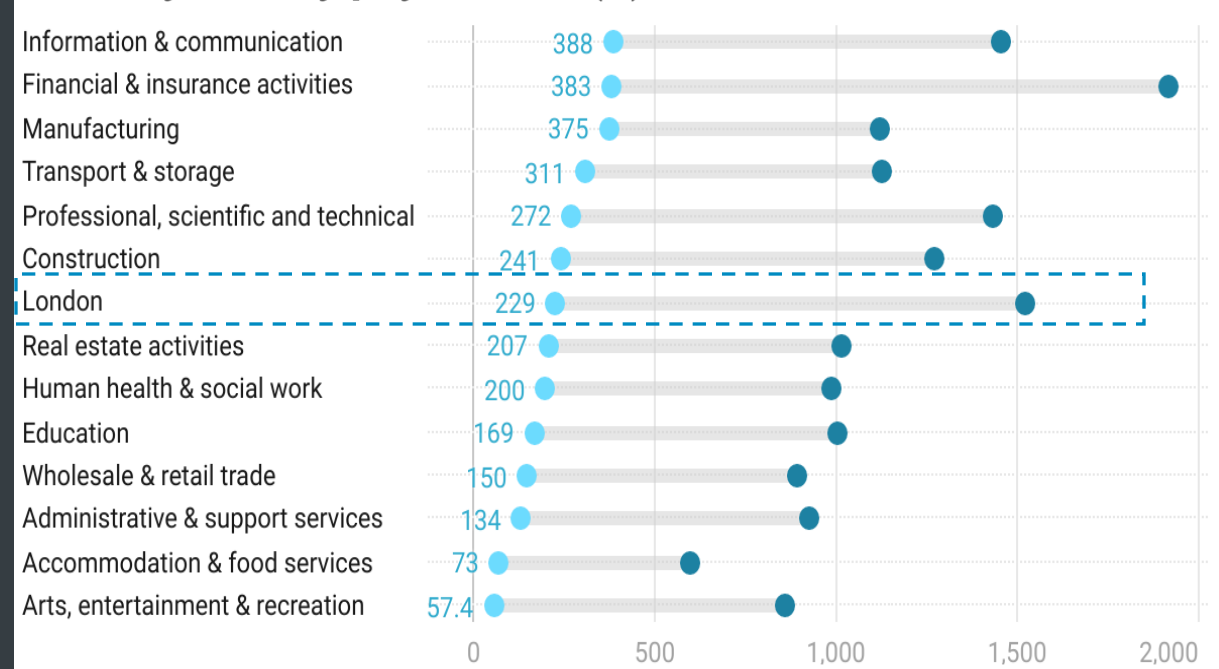
Source: ONS Workforce Jobs. Data for September 2022

Earning ranges in London

- Weekly earnings in London range from £229 per week to £1,500.
- **Key point:** Industries in London offer a range of earnings.

Lowest earnings (LHS) vs Highest earnings (RHS)

Industry Weekly pay - Gross (£), 2022



Source: ONS ASHE, 2022

Note: Weekly Gross pay for all employee jobs

Sample of roles from online job postings

- **Key point:** There is a range of occupations in demand across different industries in London.



Health & Social care

Support worker

Physio/
Occupational
Therapists

Staff nurses

Health care assistants



Construction

Quantity/
Building
surveyors

Architects

Infrastructure engineers

Carpenters and joiners



Digital

Java/
Python
developers

Software/
Data
engineers

Front end/
Full stack
Developers

Data
analysts/
scientists

Solutions
Architects

Source: Lightcast, 2022

GLAECONOMICS

Message 2: There are certain transferable skills that are in demand, from numeracy and literacy to digital skills



What skills are employers looking for?

- IT skills
- Problem solving
- Literacy and numeracy

Skills that will need developing in the workforce
London employers who anticipated a need for new skills, 2019



Source: Employer Skills Survey, 2019. Note: selected skills only. All establishments who anticipated a need for new skills in next 12 months when surveyed in 2019 (and could identify an occupation that would be most affected).

What skills are employers looking for? - IT Skills

Skills that will need developing in the workforce London employers who anticipated a need for new skills, 2019

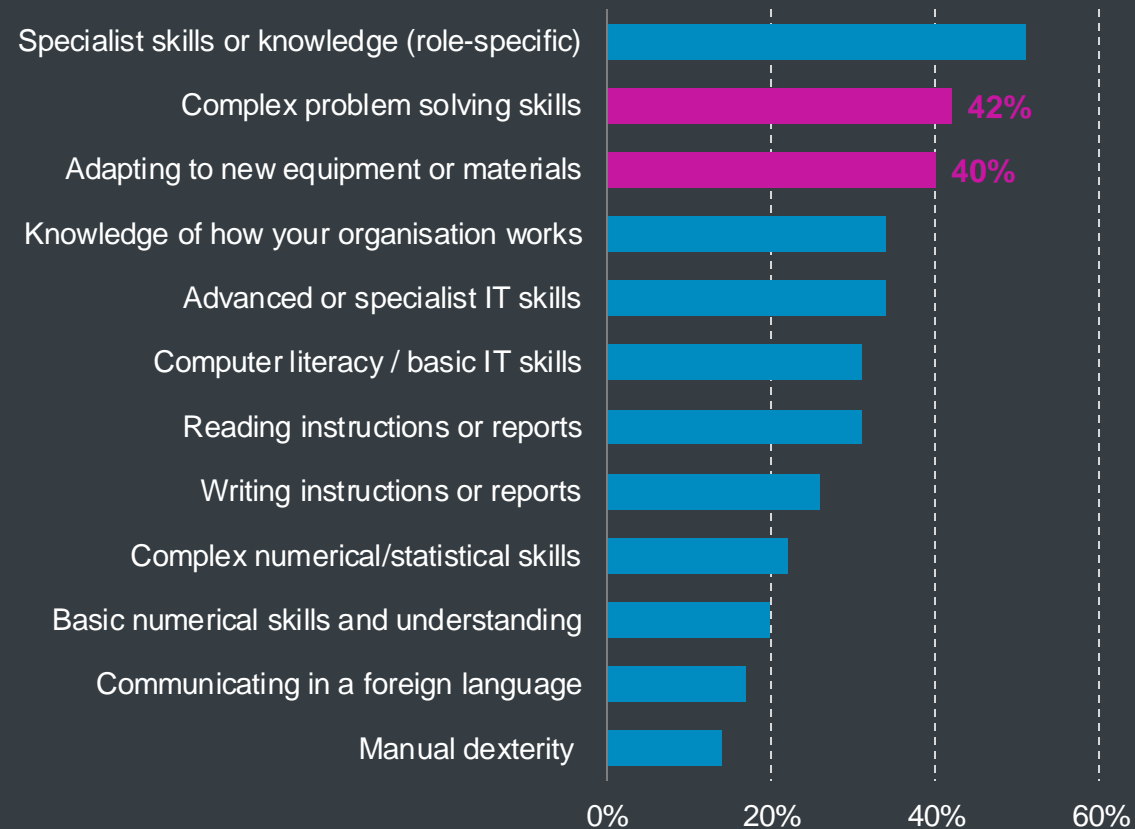


Source: Employer Skills Survey, 2019. Note: selected skills only. All establishments who anticipated a need for new skills in next 12 months when surveyed in 2019 (and could identify an occupation that would be most affected).

What skills are employers looking for? - Problem solving and adaptation

Skills that will need developing in the workforce

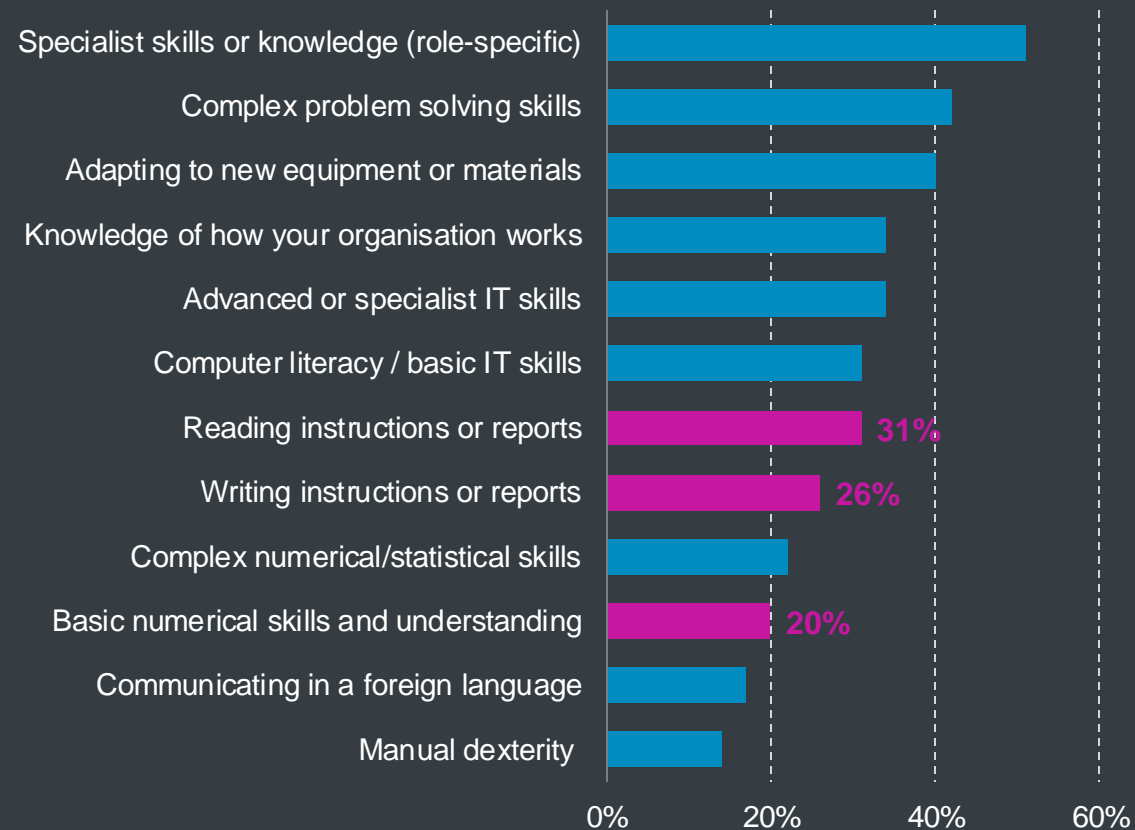
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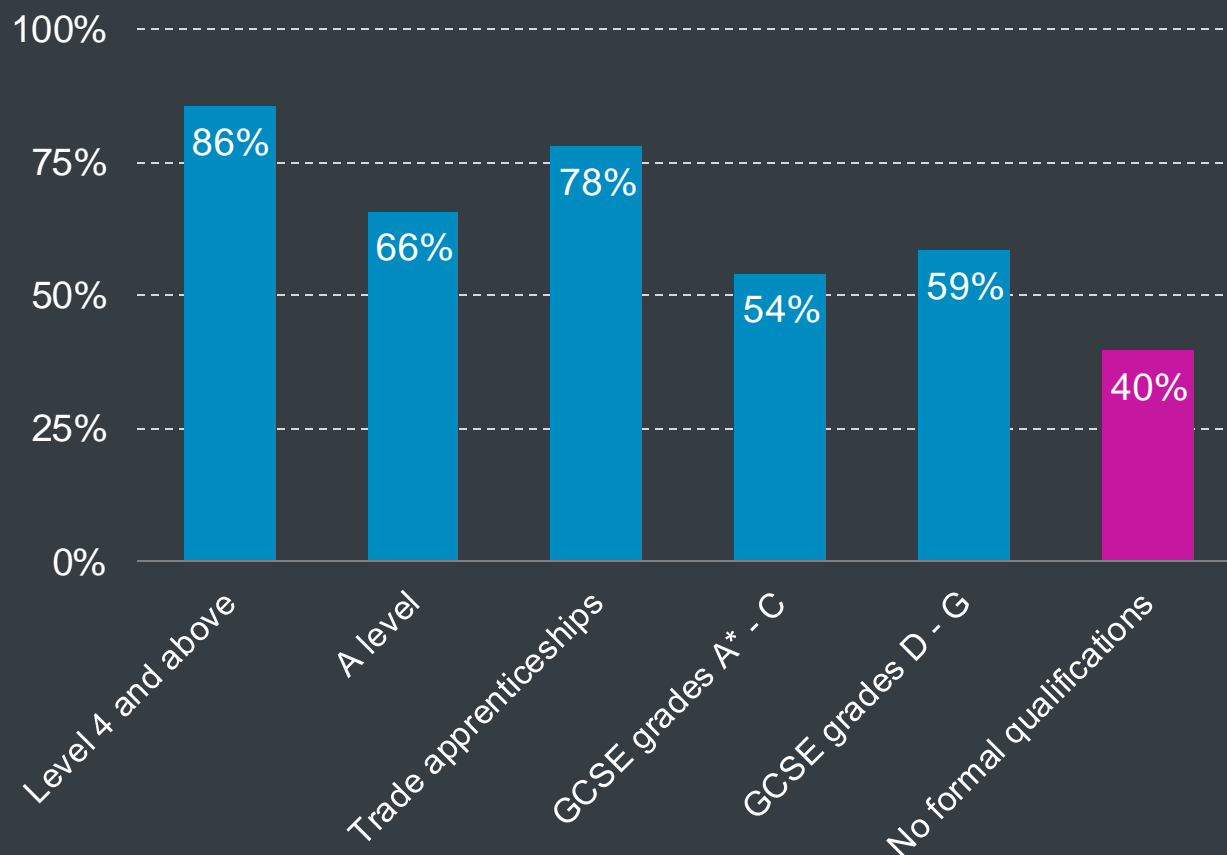
Message 3: Employers are looking for more people with higher level qualifications



Current demand for higher level skills

- In 2020, the employment rate for Londoners with **qualifications at level 4 and above** was around **2x higher** than for Londoners with **no formal qualifications**.
- **Key point:** Developing higher level qualifications is important for labour market outcomes.

16-64 employment rate by highest qualification level
% aged 16-64, Jan-Dec 2020

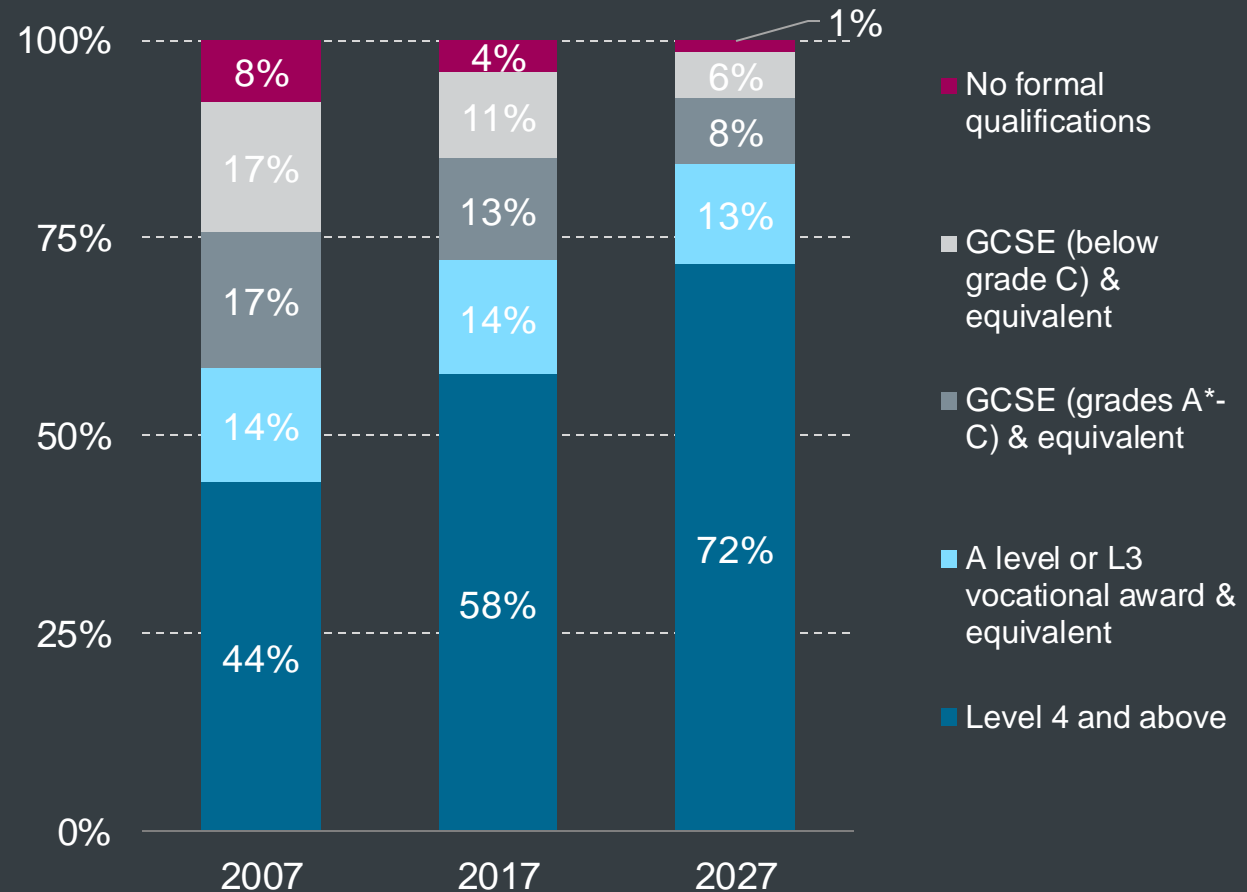


Source: ONS Annual Population Survey. Note: estimates presented for 2020 as 2021 is likely to reflect the impact of the COVID-19 pandemic.

Future demand for higher level skills

- By 2027, people with qualifications at level 4 and above will account for **72% of those employed in London**, up from 44% in 2007.
- Key point:** Developing higher level qualifications is important for labour market outcomes.

London employment by qualification level, 2007-2027

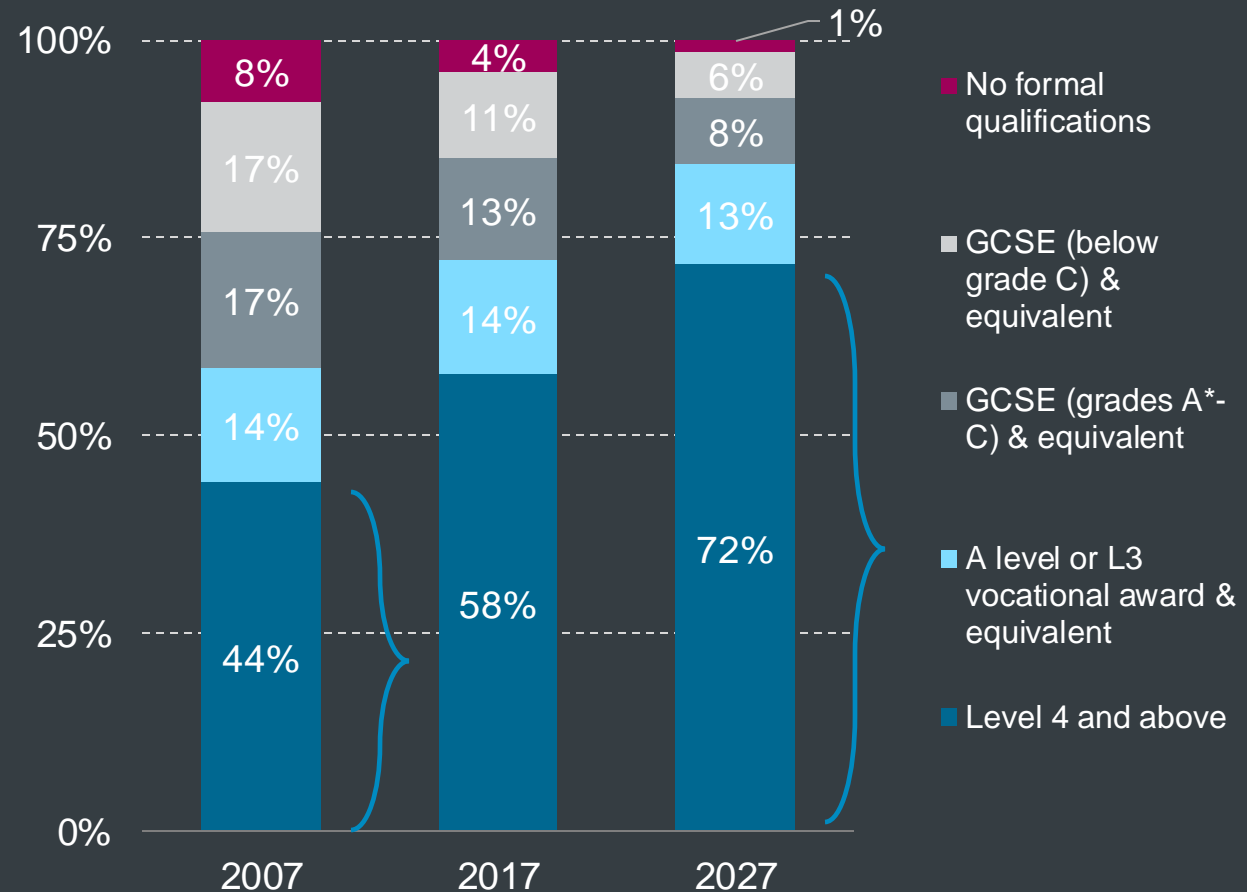


Source: DFE Working futures, 2017-2027

Future demand for higher level skills

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- **Key point:** Developing higher level qualifications is important for labour market outcomes.

London employment by qualification level, 2007-2027



Source: DFE Working futures, 2017-2027

Message 4: That doesn't necessarily mean going to university, there are lots of different careers pathways

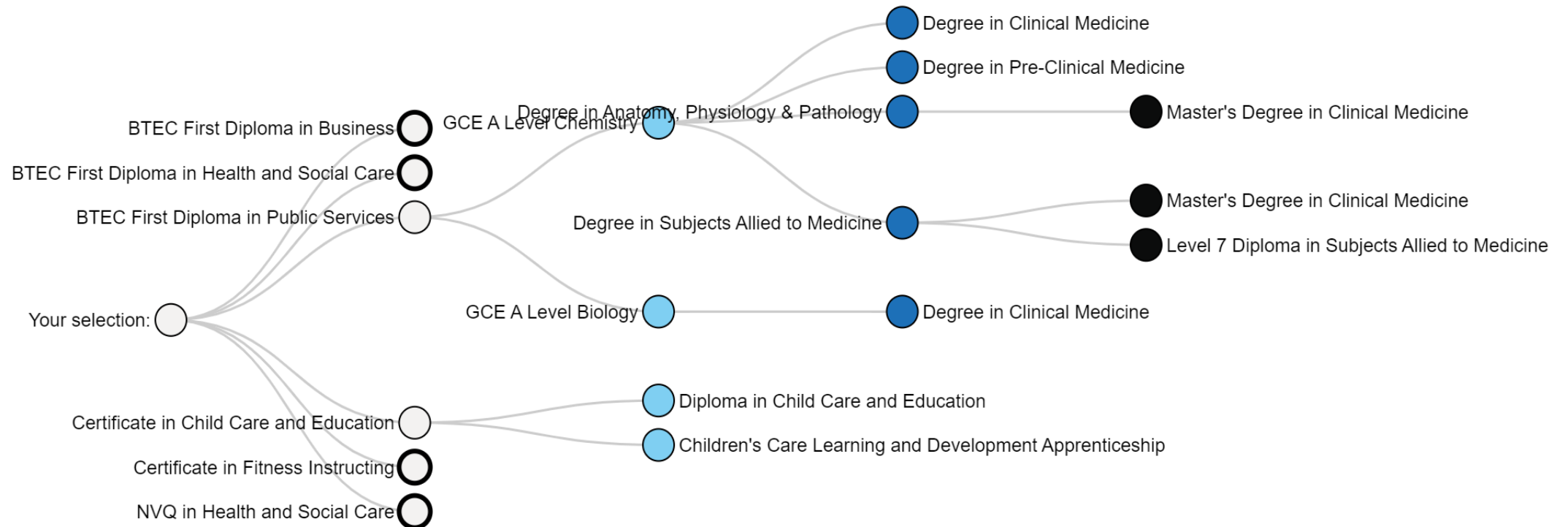


Different qualifications choices for employees working in construction

Qualification	Level	Average Earnings
First degree in Building	Level 6	£50,300
Electrotechnical apprenticeship	Level 3	£39,300
First degree in Civil engineering	Level 6	£38,100
Certificate in Electrotechnical Technology	Level 3	£37,000
Construction Skills Apprenticeship	Level 2	£32,400
First degree in Architecture	Level 6	£36,000

Education pathways starting at level 2 for health and social work

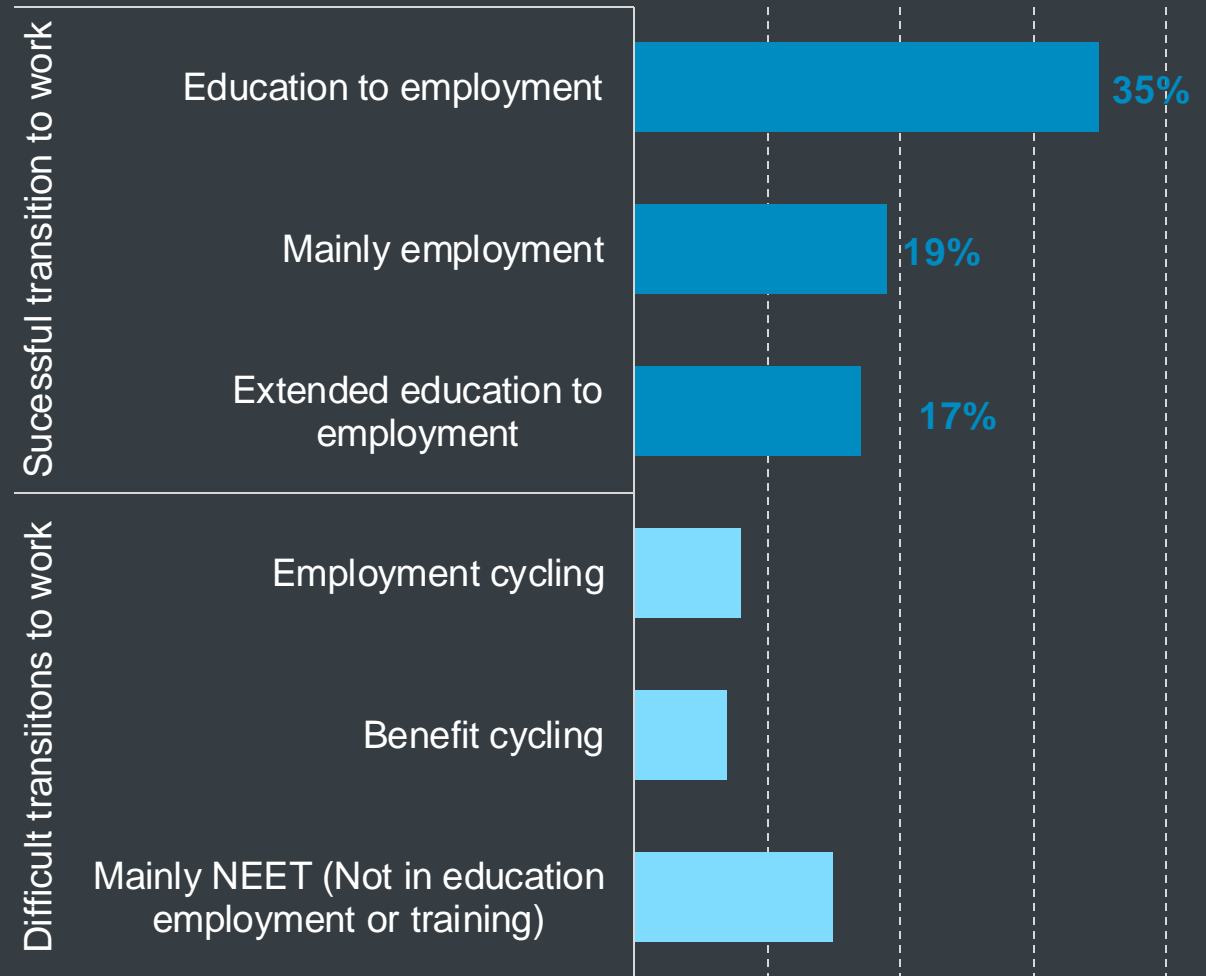
○ Level 2 ● Level 3 ● Level 4/5 ● Level 6 ● Level 7+



Pathways for level 3 and below

- While **35% of students** who leave post-16 education with level 3 or below **find employment**.
- **30%** experience a **difficult transition to work**.

Share of students who completed GCSEs in 2007 and left education at level 3 and below and their subsequent pathway

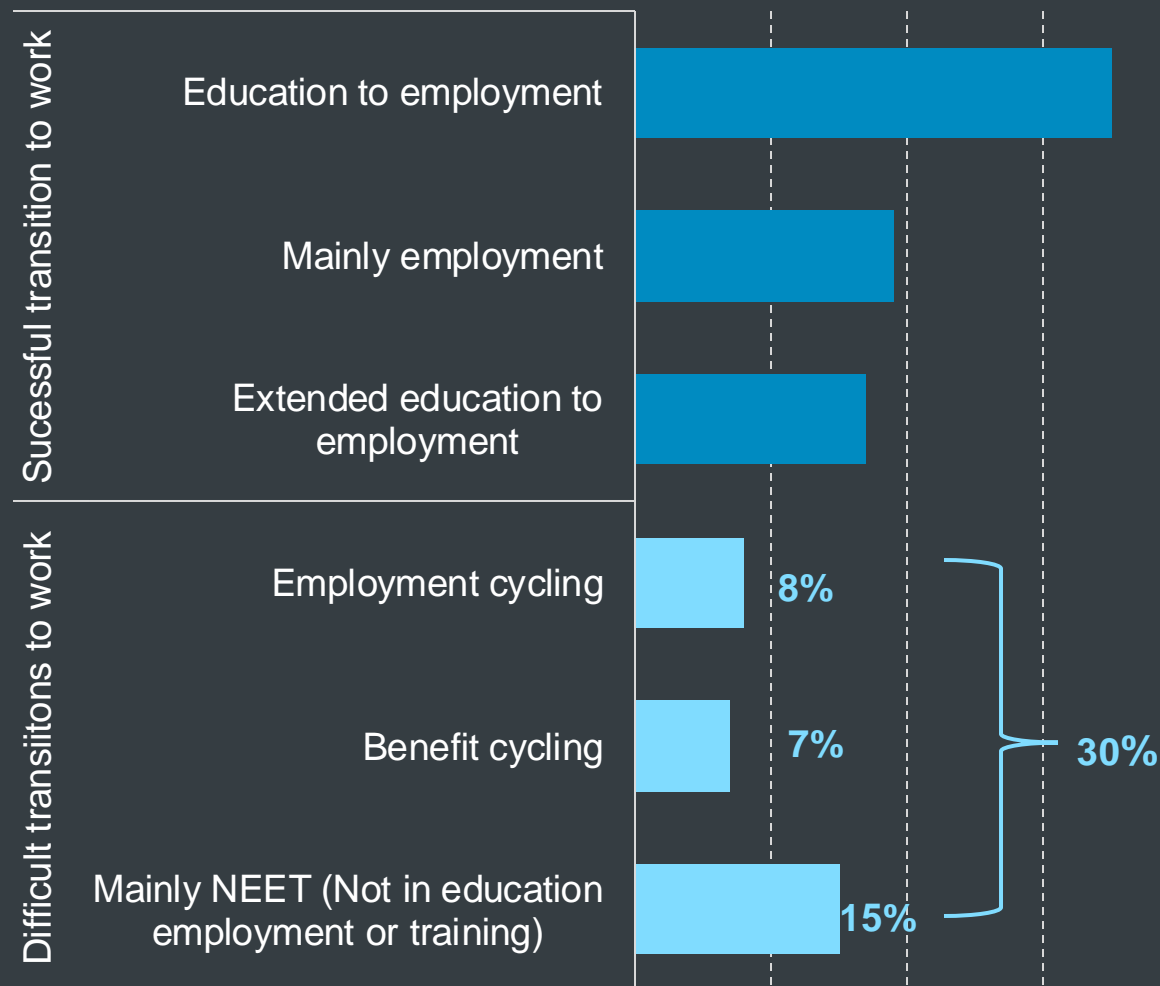


Source: DFE Post-16 pathways at level 3 and below
Experimental statistics on young people's transitions from
education to work in England

Pathways for level 3 and below

- While 35% of students who leave post-16 education with level 3 or below find employment.
- 30% experience a difficult transition to work.
- **Key point:** Can targeted careers education help students with this transition to employment?

Share of students who completed GCSEs in 2007 and left education at level 3 and below and their subsequent pathway

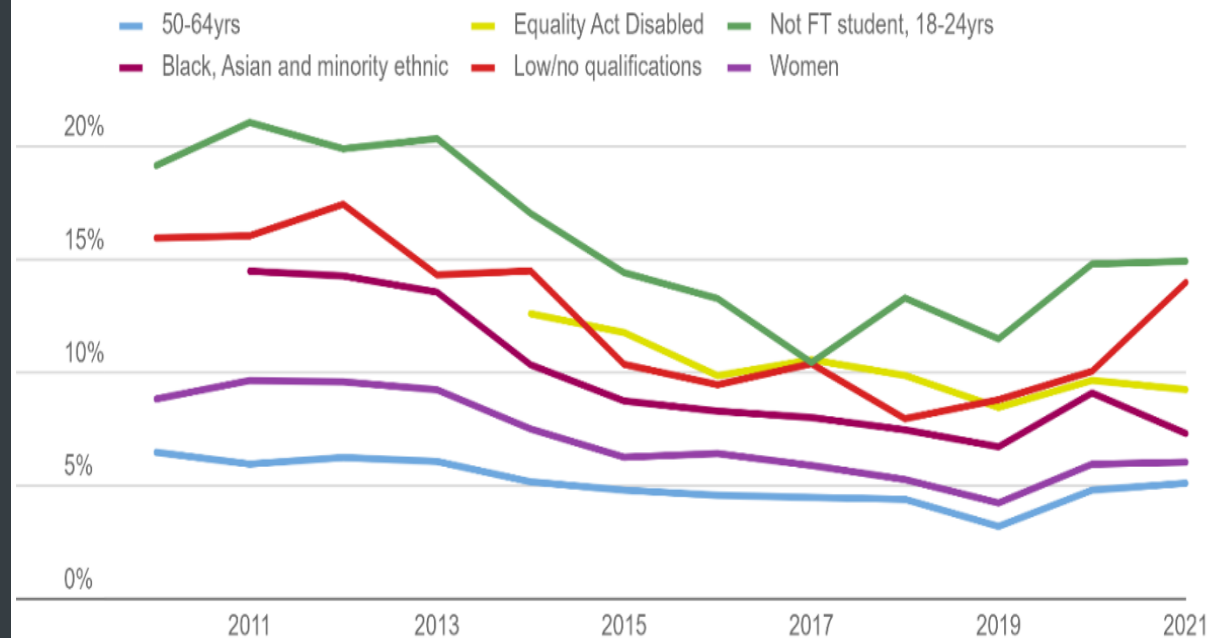


Source: DFE Post-16 pathways at level 3 and below
Experimental statistics on young people's transitions from
education to work in England

Certain groups of Londoners face challenges in the labour market

- **Key point:** How can careers programmes be targeted/adapted to better meet the needs for these groups of Londoners.

Unemployment rate by selected group



Source: ONS APS

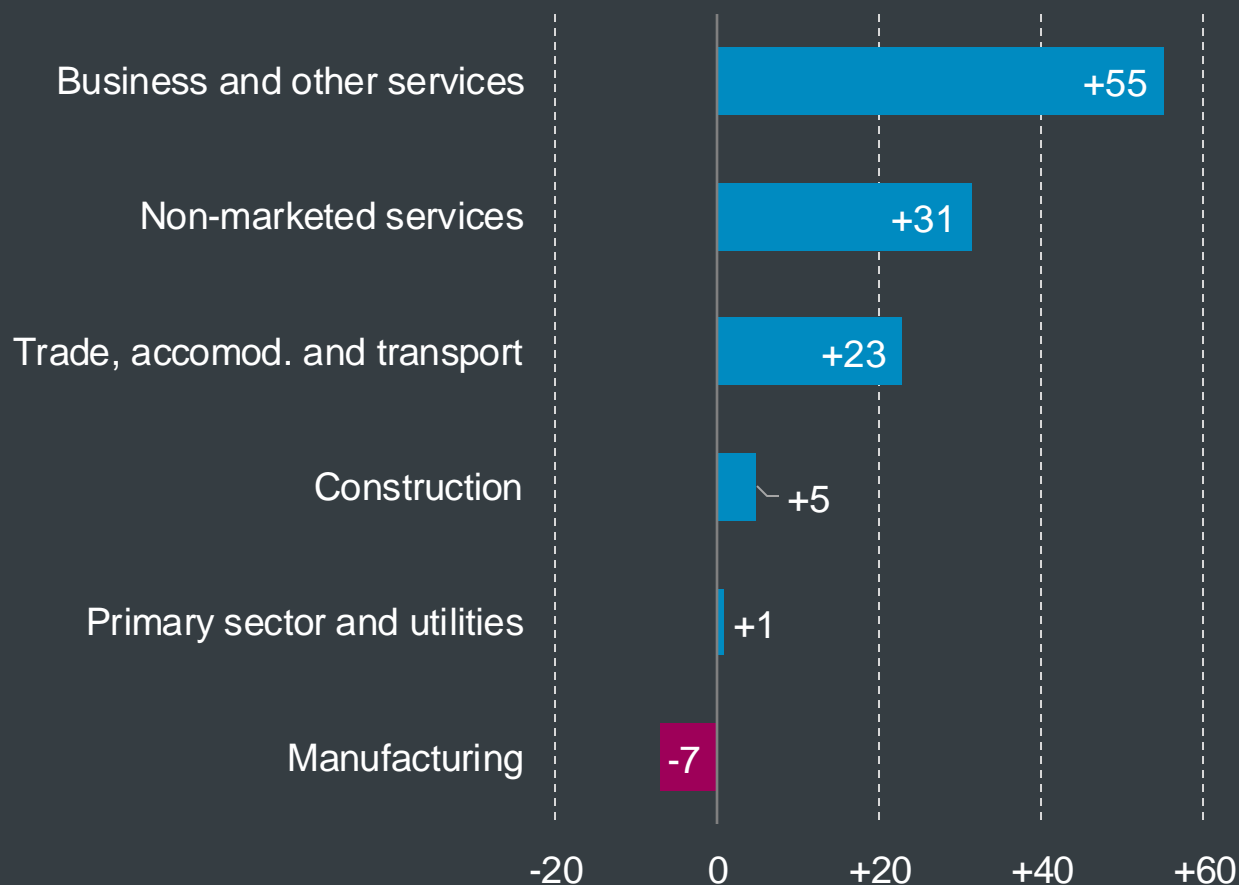
Message 5: Some sectors are growing faster than others, but there will be job openings across all sectors



Projected job growth in a wide range of sectors

- Longer term, a lot of jobs growth is expected in private sector services, like computing services
- Public (non-marketed) services –like health & social work – are also significant growth areas
- **Key point:** Follow GLA labour market information (via careers hubs and on [London.gov.uk](https://www.london.gov.uk))

Projected employment change in London by sector
2022-2027, in thousands



Source: Working Futures, 2017-2027. Please note these forecasts were produced prior to COVID-19.

As well as jobs in new areas such as **green sectors**

- **Key point:** Follow GLA labour market information (via careers hubs and on London.gov.uk)

- Forecast for increase in **green jobs** from 234,000 in 2020 to 505,000 in 2030
- Most '**green**' jobs growth is expected to come from:
 - Homes & Buildings
 - Power
 - Low Carbon Transport
 - Green finance (mainly in central London)

Sources: WPI Economics / Institute for Employment Studies (2021)
[Green Jobs and Skills in London: cross-London report](#)

Summary of our 5 key messages

1. London has **many jobs across a range of sectors**
2. There are certain **transferable skills** that are in demand, from numeracy and literacy to digital skills
3. Employers are looking for more people with **higher level qualifications**
4. That doesn't necessarily mean going to university, there are lots of **different careers pathways**
5. Some sectors are **growing faster** than others, but there will be job openings across all sectors

Data sources

Key sources used:

ONS [Workforce Jobs](#) and [Annual Population Survey](#) (via [NOMIS](#))

[Lightcast](#) online job postings data

DFE [Employer Skills Survey](#) 2019

Unit for Future Skills – [Career pathways](#)

For more information, see:

GLA Economics – London labour market updates (link [here](#))

GLA Economics – online job postings analyses (link [here](#))

Local Skills Report evidence base (link [here](#))

Out of work trends in London (link [here](#))