

Understanding Hackney's economy – A focus on occupations and employers

This analysis forms part of Hackney's Local Economic Assessment (LEA), a collection of reports looking at how the local economy is performing and changing to help the Council and partners set strategic priorities and inform future strategy development.

This paper examines occupations in the borough using the latest official statistics as well as how this has changed in the decade between 2006 and 2016. This analysis focuses on resident employment as well as profiling employers in the borough. The paper uses comparisons with neighbouring local authorities, the London region and Great Britain to provide a fuller analysis of Hackney's performance.

Key Headlines:

- The sectors that Hackney residents work in matches that of London exactly – dominated by Professional occupations, Associate professionals and technical occupations and Managers, Directors and senior officials. In total these three sectors make up just under two-thirds (63%) of occupations in Hackney.
- Between 2006 and 2016 the proportion of Hackney residents working in more highly skilled sectors has increased. At the same time Hackney experienced a decline in lower skilled occupations such as Skilled trade occupations, Process, plant and machine operatives and people working in Elementary occupations.
- Between 2006 and 2016 Hackney has experienced a considerable increase in the proportion of residents with higher qualifications and a decrease in the proportion of residents with no qualifications.
- The fact that Hackney workers earn more than Hackney residents suggests that the local population do not have the necessary skills to access better paid jobs in the borough. Hackney residents earning even less than both London residents and London workers reinforces the idea that Hackney residents lack the skills to access better paid jobs, not only in Hackney, but across London.
- Between 2010 and 2015 there was an increase of 24,000 jobs (27%) in Hackney.
- Hackney is characterised by public service and knowledge based employment. All sectors experienced growth in the number of jobs except for Transport and storage, Financial and insurance and motor trades.

1. Occupations

1.1 Occupations by sector

Figure 1 below, shows that the occupations of Hackney residents are dominated by three sectors: Professional occupations (28%), Associate and technical professions (24%) and Management, directors and senior officials (11%). In total these three sectors make up just under two-thirds (63%) of all employment.

Elementary occupations and Caring, leisure and other service occupations each make up 9% of all resident occupations. The remaining sectors are relatively evenly distributed (5% to 7%) except for Process, plant and machine operatives which makes up just 2% of resident occupations.

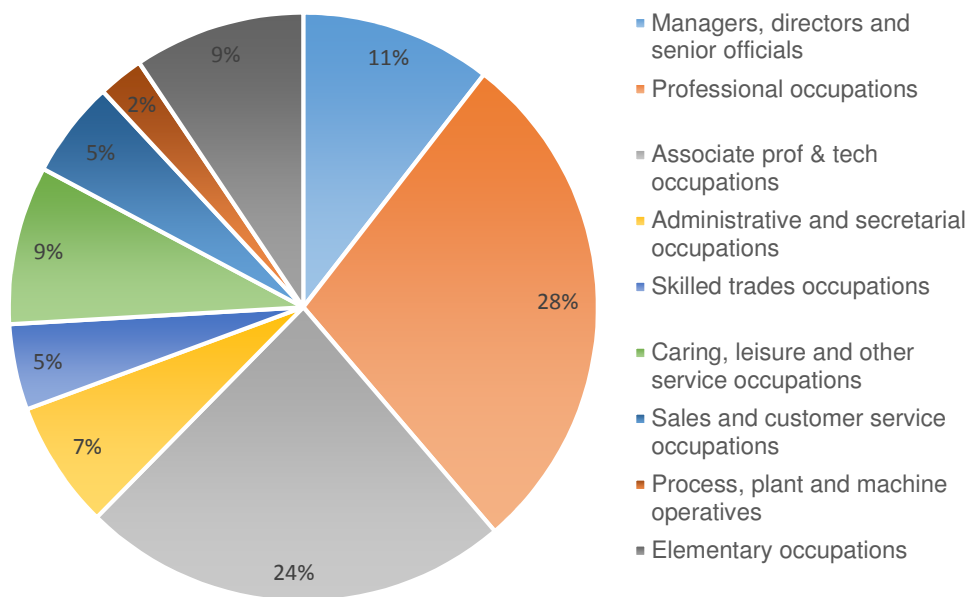


Figure 1 – Hackney; Resident occupations by sector 2016, Annual Population Survey

The sectoral profile of Hackney matches that of London exactly – dominated by Professional occupations, Associate professionals and technical occupations and Managers, Directors and senior officials. Hackney has a slightly higher rate of people employed in Professional occupations (28.2% vs 27.2%) and Associate professionals and technical occupations (23.6% vs 21.3%) but a slightly lower rate of people employed as Managers, directors and senior officials (10.5% vs 13.3%).

Hackney has a higher rate of people employed in Caring, leisure and other service occupations (8.7% vs 6.7%) and Elementary occupations (9.4% vs 8.3%) and a slightly lower rate of people employed in Sales and customer service occupations (5.3% vs 6.5%) and Process, plant and machine operatives (2.5% vs 3.4%).

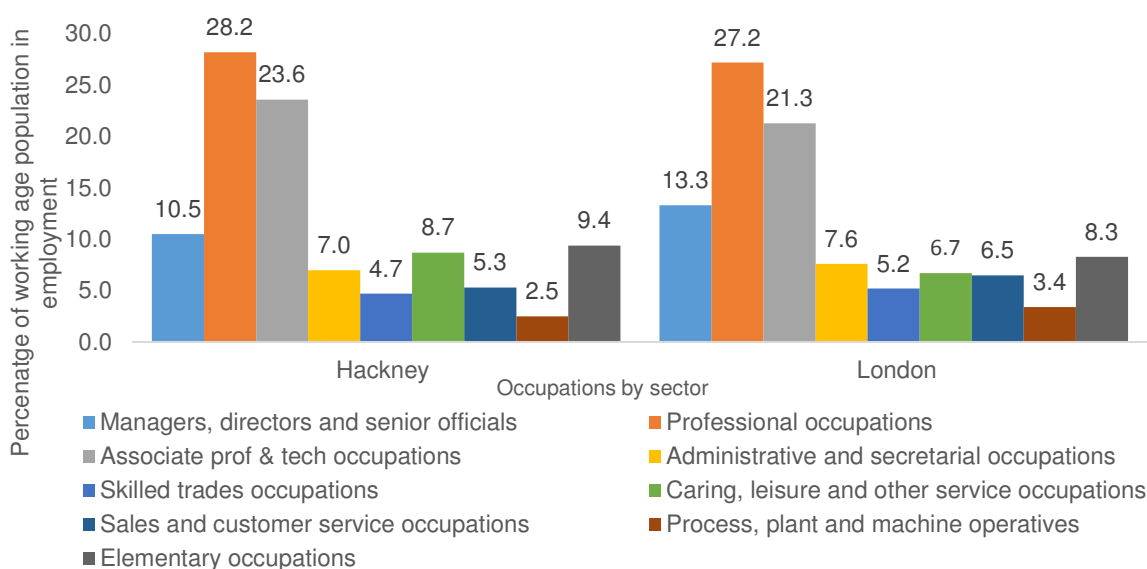
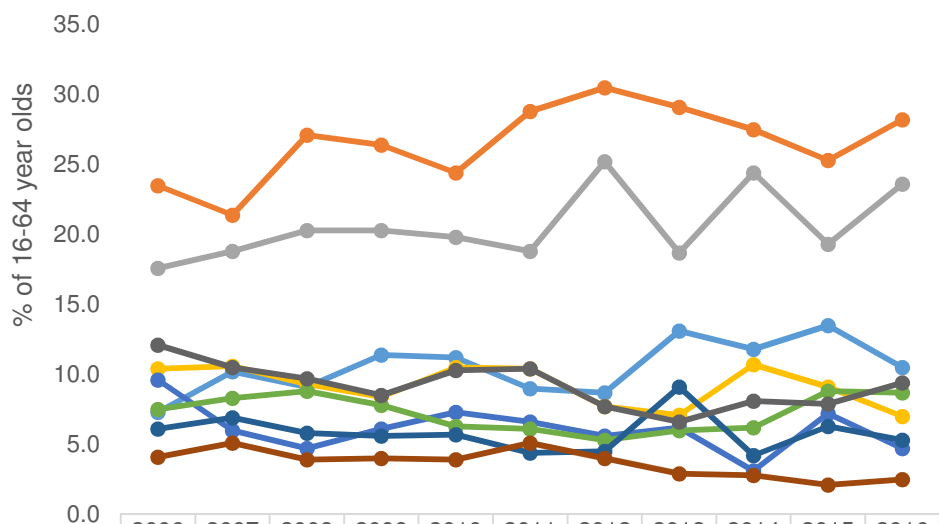


Figure 2 – Hackney and London: Resident occupations by sector 2016, Annual Population Survey

Figure 3 below, shows the occupation of residents between 2006 and 2016 by sector. The graph shows growth in the top two sectors - Professional occupations and Associate professionals and technical occupations - over the decade 2006 to 2016 but a significant degree of fluctuation over this period.

For example, the percentage of residents employed in Professional occupations experienced significant growth in the decade 2006 to 2016 – increasing from 23.5% in 2006 to 28.2% in 2016. However, this percentage fluctuated significantly over the decade with years of high growth (increasing by almost 6% between 2007 and 2008) and years of significant decline (decreasing by almost 5% between 2010 and 2011).



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Managers, directors and senior officials	7.3	10.2	9.1	11.4	11.2	9.0	8.7	13.1	11.8	13.5	10.5
Professional occupations	23.5	21.4	27.1	26.4	24.4	28.8	30.5	29.1	27.5	25.3	28.2
Associate prof & tech occupations	17.6	18.8	20.3	20.3	19.8	18.8	25.2	18.7	24.4	19.3	23.6
Administrative and secretarial occupations	10.4	10.6	9.3	8.4	10.5	10.4	7.7	7.1	10.7	9.1	7.0
Skilled trades occupations	9.6	6.0	4.7	6.1	7.3	6.6	5.6	6.2	3.1	7.2	4.7
Caring, leisure and other service occupations	7.5	8.3	8.8	7.8	6.3	6.1	5.3	6.0	6.2	8.8	8.7
Sales and customer service occupations	6.1	6.9	5.8	5.6	5.7	4.4	4.5	9.1	4.2	6.3	5.3
Process, plant and machine occupations	4.1	5.1	3.9	4.0	3.9	5.1	4.0	2.9	2.8	2.1	2.5
Elementary occupations	12.1	10.5	9.7	8.5	10.3	10.4	7.7	6.6	8.1	7.9	9.4

Figure 3 – Hackney; Resident occupations by sector 2006-2016, Annual Population Survey

The percentage of residents employed in Associate professions and technical occupations experienced modest year-on-year increases and decreases in the first five years of this period. After 2011 the percentage of residents employed in the sector began to experience extreme fluctuation—increasing by 6.4% between 2011 and 2012 before falling by almost the same amount the following year.

The percentage of residents employed as Managers, directors and senior officials increased from 7.3% in 2006 to 10.5% in 2016. However, the percentage of residents employed in this sector was higher in earlier years, reaching a high of 13.5% in 2015, and was only 0.3% higher in 2016 than it was in 2007.

Of the remaining sectors only the Caring, leisure and other service occupations sector experienced growth over this period – increasing from 7.5% in 2006 to 8.7% in 2016. All other sectors employed a lower percentage of residents in 2016 than 2006 with the Skilled trade occupations sector experiencing the greatest reduction over this period– decreasing by over a half from 9.6% in 2006 to 4.7% in 2016. The number of residents employed in Process, plant and machine occupations and Administrative and secretarial occupations fell by 39% and 32% between 2006 and 2016 respectively.

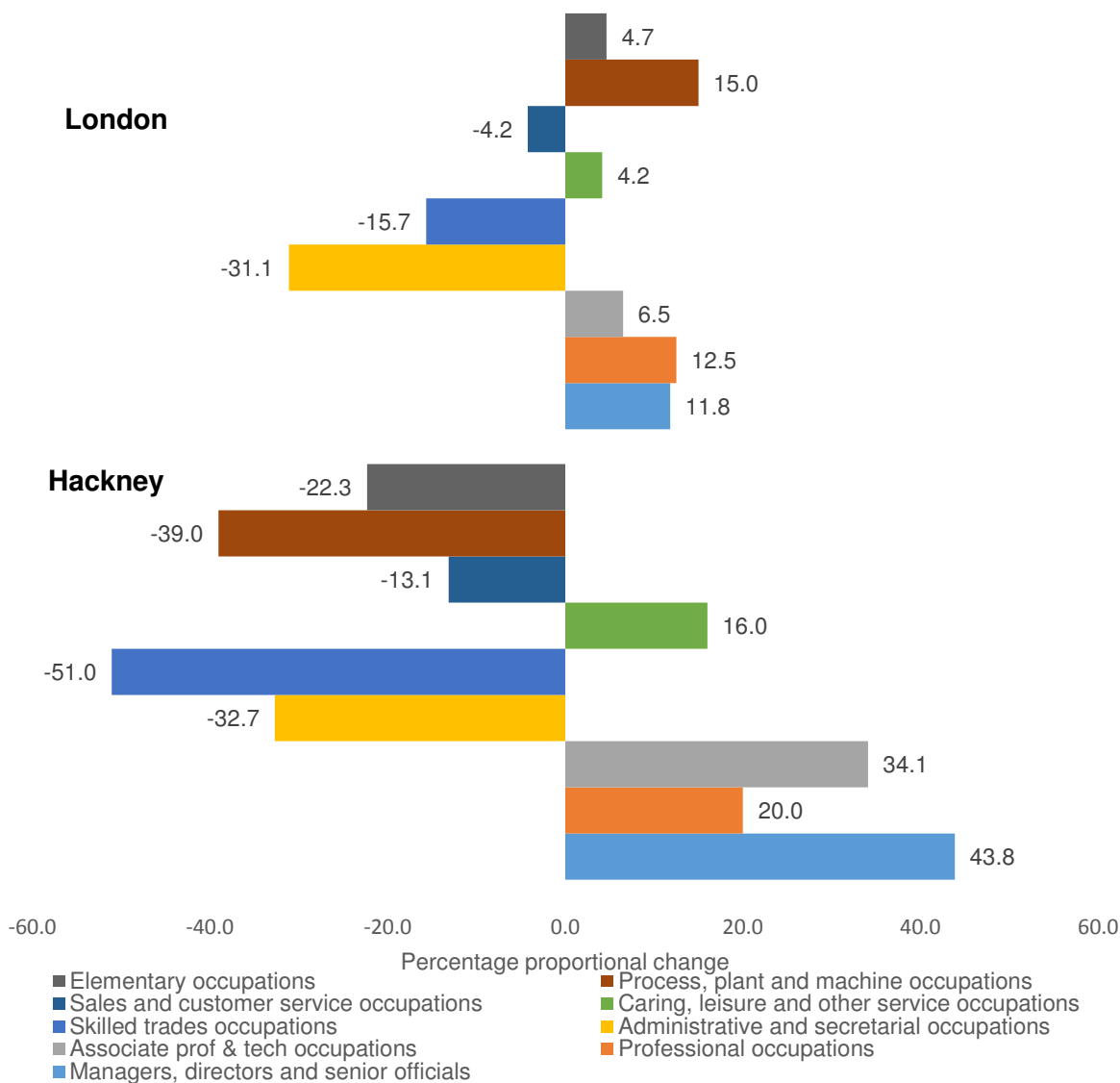


Figure 4 – Hackney and London; The proportional change in resident employment by sector 2006-2016, Annual Population Survey

Figure 4 shows that Hackney has followed the general trend in London for occupation change between 2006 and 2016. Hackney has, however, experienced a more extreme rate of change in these sectors. Hackney has generally experienced decline in the same sectors as London although this is not always the case.

Hackney has seen proportional growth of over 40% (43.8%) in the number of residents employed as Managers, Directors and senior officials compared to growth of 11.8% in this sector in London. Similarly, employment in Professional occupations has increased proportionally by 20% in Hackney compared to 12.5% in London. Employment in Associate and technical occupations has increased proportionally by over a third in Hackney (34.1%) compared to 6.5% in London. Hackney has seen higher proportional growth in employment in Caring, leisure and others service occupations (16%)

compared to London (4.2%). Growth in these sectors would suggest that Hackney residents are increasingly in higher skilled employment.

Both Hackney and London have seen a similar decline in the proportion of people employed in the Administrative and Secretariat sector (-32.7% Hackney, -31.1% London). Hackney has experienced a far pronounced decline in Skilled occupations (-51%) compared with London (-15.7%).

Hackney has experienced a larger proportional decline in employment in Sales and customer service occupations (-13.1%) compared to growth in London (4.2%). In Hackney Process, plant and machine occupations fell significantly (-39%) at the same time as London registered growth in this sector (15%). Similarly, Hackney experienced a pronounced decline in the number of people employed in elementary occupations (-22.3%) while London saw a small increase in this sector (4.7%). Decline in these sectors would suggest that Hackney residents are increasingly less likely to be in lower skilled employment.

1.2 Occupations by sub-occupation

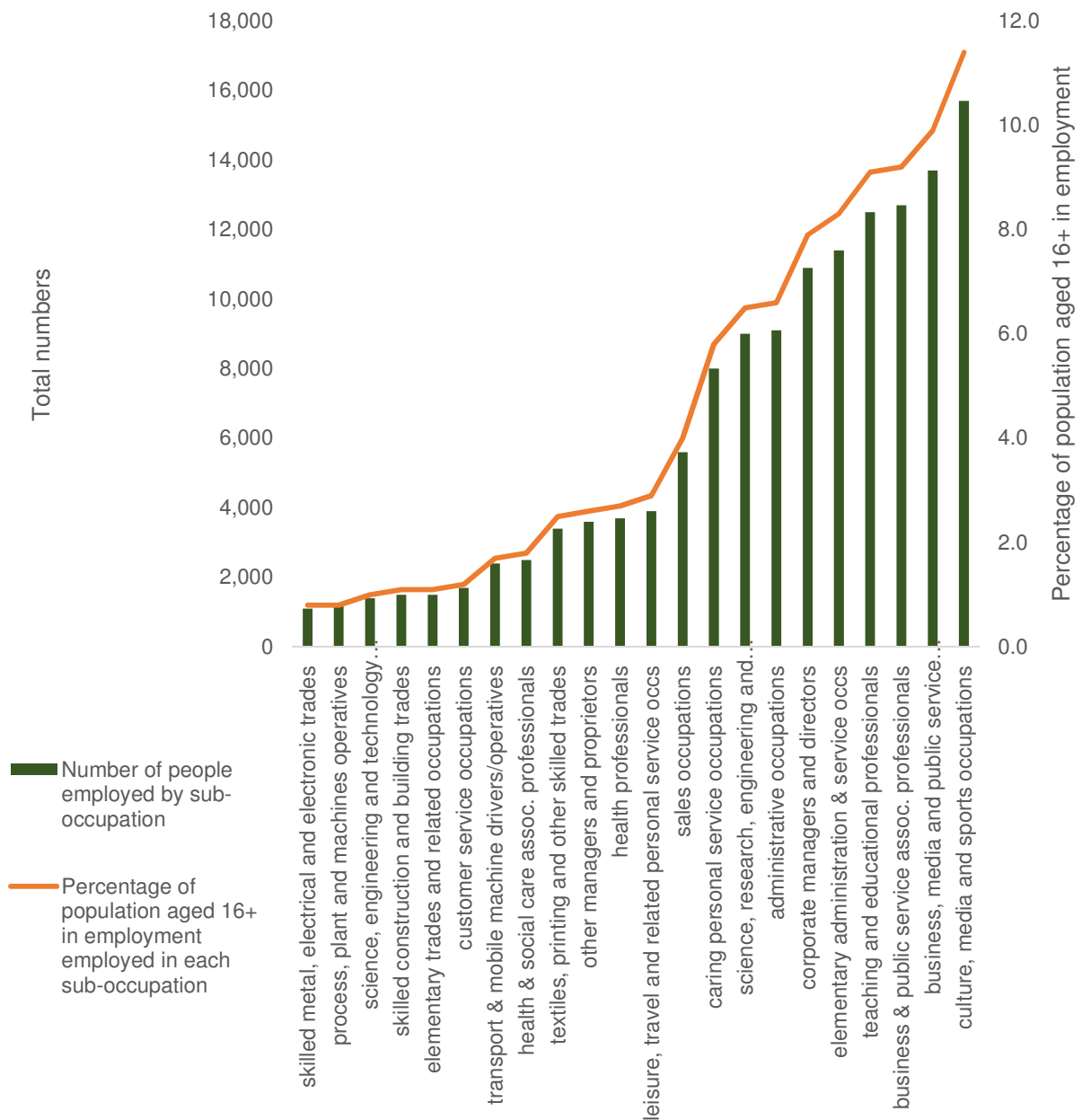


Figure 5 - Hackney; Residents (16 years old+) in employment by sub-occupation, Annual Population Survey

Hackney; Resident sub-occupation 2016	Number of people employed by sub-occupation	% of population aged 16+ in employment employed in each sub-occupation
Culture, media and sports occupations	15,700	11.4
Business, media and public service professionals	13,700	9.9
Business & public service assoc. professionals	12,700	9.2
Teaching and educational professionals	12,500	9.1
Elementary administration & service occupations	11,400	8.3
Corporate managers and directors	10,900	7.9
Administrative occupations	9,100	6.6
Science, research, engineering and technology profs	9,000	6.5
Caring personal service occupations	8,000	5.8
Sales occupations	5,600	4.0
Leisure, travel & related personal service occupations	3,900	2.9
Health professionals	3,700	2.7
Other managers and proprietors	3,600	2.6
Textiles, printing and other skilled trades	3,400	2.5
Health & social care assoc. professionals	2,500	1.8
Transport & mobile machine drivers/operatives	2,400	1.7
Customer service occupations	1,700	1.2
Skilled construction and building trades	1,500	1.1
Elementary trades and related occupations	1,500	1.1
Science, engineering and technology associate profs	1,400	1.0
Skilled metal, electrical and electronic trades	1,100	0.8
Process, plant and machines operatives	1,200	0.8

Table 1 - Hackney; Residents (16 years old+) in employment by sub-occupation, Annual Population Survey

Figure 5 and Table 1 show that the sub-occupation with the highest percentage of employees in Hackney in 2016 was Culture, media and sports occupations at 11.9%. The next largest sub-occupations were business, media and public service occupations at 9.9% and business and public service associate professionals at 9.2%.

Table 2 below, shows both the change and proportional change for each sub-occupation between 2006 and 2016. The table shows that the leading sub-occupancy in 2016, Culture, media and sports occupations, rose from 7.6% in 2006 to 11.4% in 2016 – a proportional increase of exactly 50%. By far the largest proportional change between 2006 and 2016 was the rise in the number of residents employed in Leisure, travel and related personal service occupations increasing from 0.8% to 2.9% - a rise of over 260%. The greatest decrease in this period took place in the category Skilled construction and building trades falling from 3.1% to 1.1% - a fall of almost two-thirds (64.5%). Other notable categories include:

- Teaching and educational professionals which rose from 6.2% to 9.1% (a rise of 46.8%)
- Corporate managers and directors which rose from 5.0% to 7.9% (a rise of 58%)
- Health and social care associate professionals which rose from 1.2% to 1.8% (a rise of 50%)
- Process, plant and machine operatives which fell from 1.5% to 0.7% (a fall of 46.7%)
- Textiles, printing and other skilled trades which fell from 4% to 2.5% (a fall of 37.5%)
- Transport & mobile machine drivers/operatives which fell from 2.6% to 1.7% (a fall of 34.6%).
- Elementary administration & service occupations which fell from 11% (the sub-occupation with the most employees in 2006) to 8.3% (a fall of 24.5%)

Variable	Jan 2006-Dec 2006	Jan 2016-Dec 2016	Change between 2006 and 2016	Proportional change between 2006 and 2016
Culture, media and sports occupations	7.6	11.4	3.8	50.0
Business, media and public service professionals	9.5	9.9	0.4	4.2
Business & public service assoc. professionals	7.7	9.2	1.5	19.5
Teaching and educational professionals	6.2	9.1	2.9	46.8
Elementary administration & service occupations	11.0	8.3	-2.7	-24.5
Corporate managers and directors	5.0	7.9	2.9	58.0
Administrative occupations	6.8	6.6	-0.2	-2.9
Science, research, engineering and technology professionals	5.1	6.5	1.4	27.5
Caring personal service occupations	6.7	5.8	-0.9	-13.4
Sales occupations	4.5	4.0	-0.5	-11.1
Leisure, travel & related personal service occupations	0.8	2.9	2.1	262.5
Health professionals	2.6	2.7	0.1	3.8
Other managers and proprietors	2.3	2.6	0.3	13.0
Textiles, printing and other skilled trades	4.0	2.5	-1.5	-37.5
Health & social care assoc. professionals	1.2	1.8	0.6	50.0
Transport & mobile machine drivers/operatives	2.6	1.7	-0.9	-34.6
Customer service occupations	1.6	1.2	-0.4	-25.0
Elementary trades and related occupations	1.1	1.1	0.0	0.0
Skilled construction and building trades	3.1	1.1	-2.0	-64.5
Science, engineering and technology associate professionals	1.1	1.0	-0.1	-9.1
Skilled metal, electrical and electronic trades	1.2	0.8	-0.4	-33.3
Process, plant and machines operatives	1.5	0.8	-0.7	-46.7

Table 2 - Hackney; Proportional change in residents (16 years old+) in employment by sub-occupation, Annual Population Survey

Despite some years of falling gross weekly income Hackney residents averaged annual growth of 1.4% - similar to both London residents and workers (both 1.8%). However, Hackney workers averaged average year-on-year growth of just 0.6% between 2009 and 2016¹.

3. Employment in the borough

3.1 Employment by sector

In 2015 there were 112,000 jobs in Hackney. This is an increase of 24,000 jobs or 27% since 2010.

Industry	Employment (%)
Professional, scientific & technical	13.4
Health	13.4
Information & communication	10.7
Business administration & support services	9.8
Education	9.8
Accommodation & food services	8.0
Retail	7.1
Public administration & defence	5.4
Arts, entertainment, recreation & other services	5.4
Property	4.5
Manufacturing	3.1
Transport & storage	2.7
Financial & insurance	2.7
Construction	2.2
Wholesale	2.0
Mining, quarrying & utilities	0.4
Motor trades	0.3

Table 3 - Employment in Hackney by industry sector for 2015²

In Hackney the largest sectors for employment are the Health sector and Professional, scientific and technical sector (both account for 13.4% of employment each). These two leading sectors reflect Hackney's overall character as a borough characterised by public service and knowledge based employment.

For example, for public service employment taking Health, Education and Public Administration and defence together this accounts for just under 30% of total employment (28.6%).

For knowledge based employment Professional, scientific and technical, Information and communication and Business administrative and support services taken together is more than a third of total employment (33.9%).

The remaining sectors range from 5.4% to 0.3% of total employment. It should be noted that despite Hackney's proximity to the City of London and Canary Wharf (Tower Hamlets) only 2.7% of employment is in the Finance and insurance sector.

¹ For further analysis of earnings please refer to the Qualifications and Earning chapter of the Local Economic Assessment

² Business Register and Employment Survey, ONS, accessed June 2017

Industry	2010	2011	2012	2013	2014	2015	Proportional change between 2010 and 2015
Health	13.6	13.9	12.8	13.7	13.2	13.4	-1
Professional, scientific & technical	12.4	11.7	12.8	14.8	13.2	13.4	8
Business administration & support services	11.3	11.7	11.7	7.4	8.5	9.8	-13
Education	10.2	9.6	10.7	7.4	9.4	9.8	-4
Information & communication	7.9	7.5	7.5	9.5	9.4	10.7	35
Transport & storage	6.8	5.3	3.2	3.2	3.8	2.7	-60
Retail	5.7	6.4	6.4	7.4	7.5	7.1	25
Accommodation & food services	5.7	5.3	6.4	7.4	8.5	8	40
Public administration & defence	5.7	5.3	4.8	4.2	4.7	5.4	-5
Arts, entertainment, recreation & other services	5.7	6.4	6.4	5.3	5.7	5.4	-5
Financial & insurance	4	4.8	4.3	3.7	3.3	2.7	-33
Property	3.4	3.7	3.7	5.3	3.8	4.5	32
Manufacturing	2.8	2.1	2.7	2.6	2.8	3.1	11
Construction	2.8	2.1	2.7	2.4	2.4	2.2	-21
Wholesale	2.3	2.1	2.7	3.2	2.4	2	-13
Motor trades	0.5	0.4	0.3	0.3	0.3	0.3	-40
Mining, quarrying & utilities	0.4	0.3	0.3	0.4	0.4	0.4	0

Table 4 - Employment in Hackney by sector, 2010 – 2015 (% of total employment), ONS Business Register and Employment Survey

Table 4 shows the change in the distribution of employment by sector in Hackney between 2010 and 2015. The final column of the table shows the proportional change for each sector between 2010 and 2015.

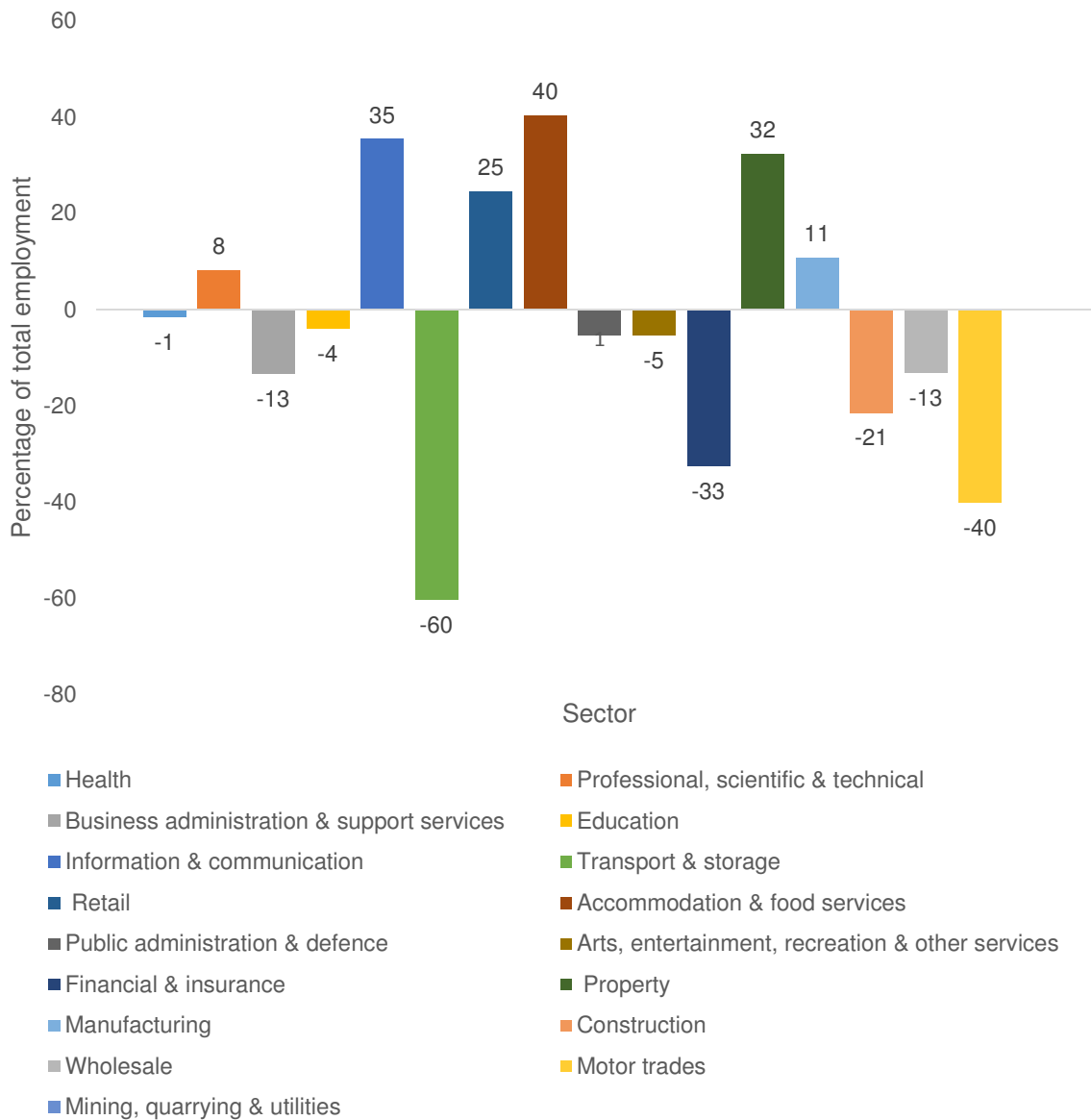


Figure 6 - Hackney: Proportional change in total employment by sector 2010 to 2015, ONS Business Register and Employment Survey

Table 4 and figure 6 show that the sectors which experienced most employment growth between 2010 and 2015 were Accommodation and food services (40%), Information and communication (35%), Property (30%) and Retail (25%).

In contrast, those sectors which experienced the most decline were Transport and storage (-60%), Motor trades (-40%) and Financial and insurance (-33%).

Industry	2010	2011	2012	2013	2014	2015	Proportional change between 2010 and 2015 (%)
Health	12,000	13,000	12,000	13,000	14,000	15,000	25
Professional, scientific & technical	11,000	11,000	12,000	14,000	14,000	15,000	36
Business administration & support services	10,000	11,000	11,000	7,000	9,000	11,000	10
Education	9,000	9,000	10,000	7,000	10,000	11,000	22
Information & communication	7,000	7,000	7,000	9,000	10,000	12,000	71
Transport & storage	6,000	5,000	3,000	3,000	4,000	3,000	-50
Retail	5,000	6,000	6,000	7,000	8,000	8,000	60
Accommodation & food services	5,000	5,000	6,000	7,000	9,000	9,000	80
Public administration & defence	5,000	5,000	4,500	4,000	5,000	6,000	20
Arts, entertainment, recreation & other services	5,000	6,000	6,000	5,000	6,000	6,000	20
Financial & insurance	3,500	4,500	4,000	3,500	3,500	3,000	-14
Property	3,000	3,500	3,500	5,000	4,000	5,000	67
Manufacturing	2,500	2,000	2,500	2,500	3,000	3,500	40
Construction	2,500	2,000	2,500	2,250	2,500	2,500	0
Wholesale	2,000	2,000	2,500	3,000	2,500	2,250	13
Motor trades	400	350	250	300	300	350	-13
Mining, quarrying & utilities	350	300	300	350	400	500	43
Column Total	88,000	94,000	94,000	95,000	106,000	112,000	27

Table 5 - Employment in Hackney by sector 2010 to 2015 (number of jobs) ONS Business Register and Employment Survey

Table 5 shows the change in the number of jobs by sector in Hackney between 2010 and 2015. The table shows that despite proportional decreases (as explained in the previous section) all sectors actually saw a rise in the number of jobs apart from three sectors - Transport and storage (-50%), Financial and insurance (-14%) and Motor trades (-13%).

Industry	Hackney	Inner London	London	Haringey	Newham	Tower Hamlets
Mining, quarrying & utilities	0.4	0.5	0.6	0.6	1.5	0.3
Manufacturing	3.1	1.2	2.3	5.8	4.5	1.6
Construction	2.2	2.1	2.9	2.9	4.5	1.8
Motor trades	0.3	0.3	0.8	1.0	0.9	0.3
Wholesale	2.0	2.1	3.0	5.0	2.5	2.2
Retail	7.1	7.2	8.7	14.4	17.0	3.6
Transport & storage	2.7	2.6	4.5	5.0	5.0	2.5
Accommodation & food services	8.0	8.2	7.5	8.6	9.0	5.0
Information & communication	10.7	9.2	7.7	3.6	2.5	8.7
Financial & insurance	2.7	10.3	7.2	1.0	1.0	26.0
Property	4.5	3.1	2.8	2.9	3.0	2.2
Professional, scientific & technical	13.4	17.7	14.1	6.5	4.5	14.4
Business administration & support services	9.8	10.8	10.9	7.2	11.0	12.6
Public administration & defence	5.4	4.6	4.3	4.3	6.0	3.2
Education	9.8	6.2	7.7	13.0	12.0	5.4
Health	13.4	8.6	10.1	10.1	11.0	7.6
Arts, entertainment, recreation & other services	5.4	5.2	5.0	7.2	4.5	2.5
Total	100.1	100.0	100.0	99.5	100.1	99.8

Table 6 - Employment in Hackney, Inner London, London, Haringey, Newham and Tower Hamlets by sector in 2015 (% of total employment) ONS Business Register and Employment Survey

Table 6 compares Hackney's distribution of total employment by sector with Inner London, London, Haringey, Newham and Tower Hamlets.

Hackney and Inner London

Hackney most closely resembles Inner London in terms of the distribution of total employment by sector. This similarity suggests that Hackney is generally a competitive borough within the wider Inner London economy.

Inner London does have a much higher proportion of employment in the Financial and Insurance sector (10.3%) compared to Hackney. It should be noted, however, that employment in this sector is concentrated nationally in Inner London and more specifically in Tower Hamlets and the City of London (26% of employment in Tower Hamlets is in this sector). Hackney does have a higher proportion of employment in the Education and Health sectors compared to Inner London – 9.8% versus 6.2% and 13.4% vs 8.6% respectively.

Hackney and London

Hackney broadly mirrors the distribution of employment across London as a whole London.

As may be expected, London has a higher proportion of employment in the Wholesale (3% vs 2%), Retail (8.7% vs 7.1%) and Transport and Storage sector (4.5% vs 2.7%).

Hackney has a higher proportion of employment in the Manufacturing (3.1% vs 2.1%), Information and communication (10.7% vs 7.7%), Property sectors (4.5% vs 2.8%).

As noted in the previous section comparing Hackney and Inner London, Hackney has a lower proportion of employment in the Financial and Insurance sector and a higher proportion of employment in Education and Health sector compared with the London region.

Hackney and comparable London boroughs

The comparison with other London boroughs in Table 6 shows some broad similarities in the distribution of employment by sector but also some very clear differences.

For example, Hackney has a far lower proportion of employment in the retail sector (7.1%) than Haringey (14.4%) and Newham (17%).

Hackney has a higher proportion of employment in the Information and communication sector (10.7%) compared with Haringey (3.6%) and Newham (2.5%) but a relatively similar proportion compared with Tower Hamlets (8.7%). This can also be seen in the Professional, scientific and technical sector with Hackney having a similar proportion of employment in this sector (13.4%) with Tower Hamlets (14.4%) but a much higher proportion compared with Haringey and Newham (6.5% and 4.5% respectively).

As discussed in the preceding sections, Hackney has a much lower proportion of employment in the Financial and insurance sector compared with other London boroughs such as Tower Hamlets (2.7% vs 26%). However, Hackney also has double the proportion of employment in this sector compared with Haringey and Newham (both 1%) reinforcing the geographic concentration of employment in this sector.

Similarly, Hackney should not be seen as being unusual in its higher concentration of employment in Education (9.8%) and Health (13.4%) with both Haringey (13% Education, 10% Health) and Newham (12% Education, 11% Health) recording similar levels of employment in these sectors.

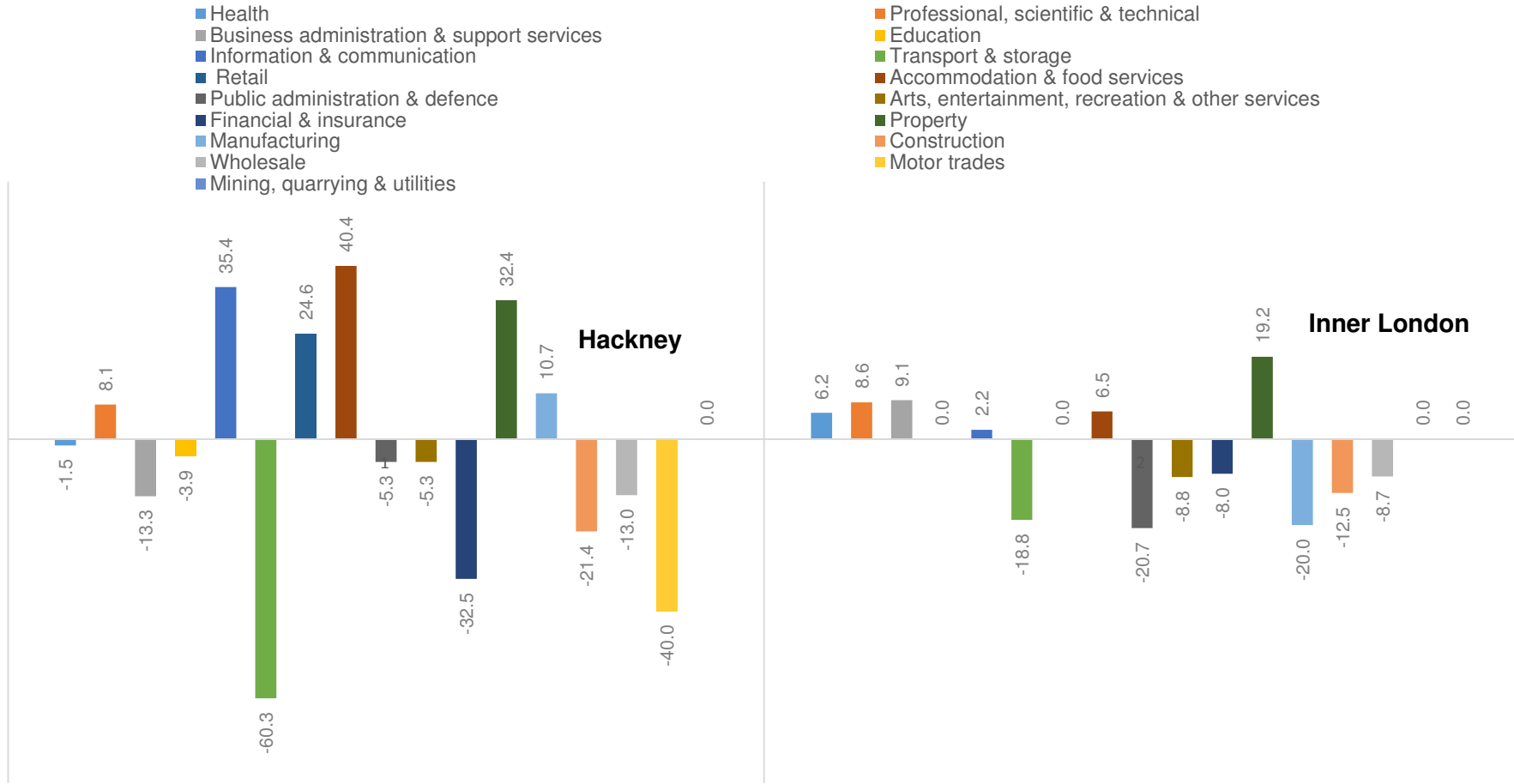


Figure 7 – Hackney and Inner London; Proportional change in employment by sector 2010 to 2015 ONS Business Register and Employment Survey

Figure 7 compares the proportional change between 2010 and 2015 in the distribution of employment in Hackney and Inner London.

There are some similarities between Hackney and Inner London– for example, both Hackney and Inner London saw growth in the proportion of employment in the Information and communication, Retail, Accommodation and food and Property sectors.

They both experienced declines in the proportion of employment in Transport and storage, Public administration and defence, Arts and entertainment and Financial and insurance, Construction, Wholesale and Motor trades.

Despite these similarities Hackney experienced a far more extreme pace of change with sectors experiencing proportional growth of up to 40% and decline of 60%. In contrast, Inner London experienced maximum growth of 19.2% and a maximum decline of 20.7%.

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