Design Council

Design Economy

People, Places and Economic Value

Executive summary

About the
Design Council

The Design Council has been the UK's national strategic advisor on design for over 75 years. We are an independent, not-for-profit organisation that champions design and its ability to make life better for all.

Our work encompasses thought leadership, tools and resources, showcasing excellence and research to evidence the value of design and influence policy. We uniquely work across all design sectors and deliver programmes with business, government, public bodies and the third sector. Our Design for Planet mission aims to accelerate the critical role design must play to address the climate crisis.
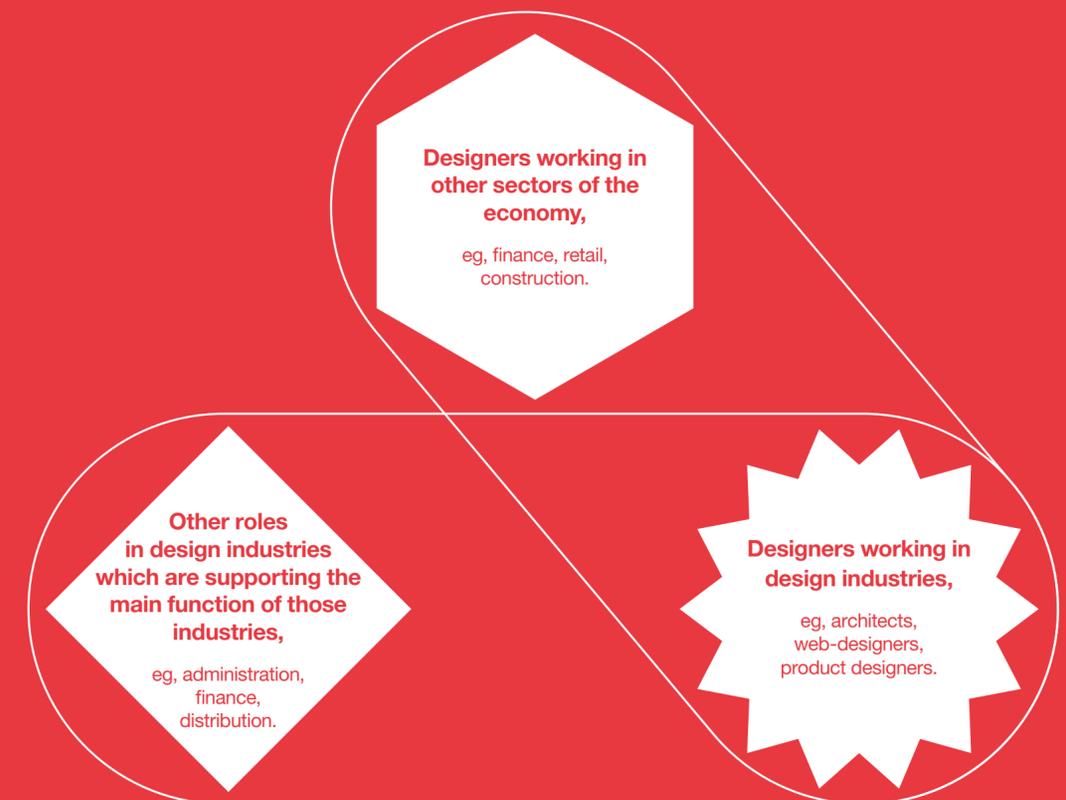
About the
research

Design economy is the most comprehensive assessment of the value of design to the UK. Building on our previous research from 2015 and 2018, for the first time ever it explores the social and environmental value of design, as well as its crucial role in creating economic prosperity around the country.

This is a summary of our report on the scale, demographics and economic value of design. It uses a wider definition of design by analysis data from the Office of National Statistics to understand its importance to the entire economy. Forthcoming reports will explore how businesses and public sector use and understand design, and its social and economic impact.
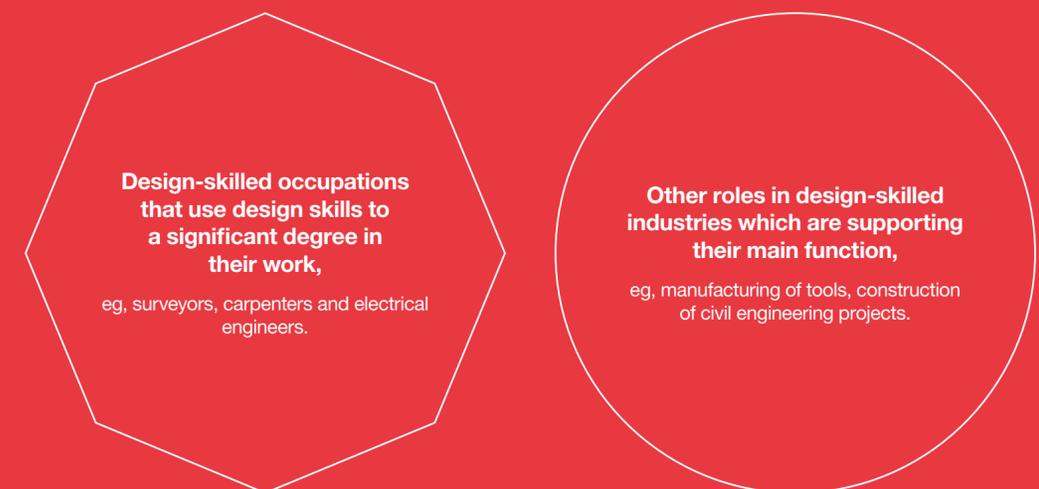
The research behind this report was undertaken by BOP Consulting and the Enterprise Research Centre. It builds on the methodology developed by University of Arts London Social Design Institute, BOP Consulting and the Design Council.

Find out more at: designcouncil.org.uk

The design economy includes:

Designers working in other sectors of the economy,

eg, finance, retail, construction.

Other roles in design industries which are supporting the main function of those industries,

eg, administration, finance, distribution.

Designers working in design industries,

eg, architects, web-designers, product designers.

In addition, design skills are important to:

Design-skilled occupations that use design skills to a significant degree in their work,

eg, surveyors, carpenters and electrical engineers.

Other roles in design-skilled industries which are supporting their main function,

eg, manufacturing of tools, construction of civil engineering projects.

Why *design?*

Design shapes the world: from the products and services we use each day, to the buildings and places that surround us, and the systems that underpin how we live. Faced with the climate and biodiversity emergencies, and high levels of social and regional inequality, the scale of what we need to design – and re-design – is enormous.

How might we decarbonise the homes, office blocks and public spaces which are responsible for 40% of the UK's total carbon emissions?[1] How might we design our healthcare systems to support the 3.1 million people who are predicted to be over 85 in 2040?[2] How might we improve physical and digital connectivity across the UK to improve living standards across urban and rural parts of the country? These are massive design challenges that require the skills of our entire design community.

The **design economy** spans diverse sectors from architecture, product design and fashion, to digital design, craft and graphics. It includes all those working in **design industries** such as in architecture firms or graphic design businesses. It also includes everyone working in **design roles in other parts of the economy**, for instance digital designers working in the NHS or financial services. We also look at the value of **design skills** where these are used by non-designers in their work.

This summary shares key insights into the people, places and economic value of design across the United Kingdom. It shows the vital and often hidden role the design economy plays in creating economic prosperity, its ability to address regional inequalities and its potential to support the UK's drive to achieve net-zero by 2050. It also identifies key challenges facing the sector – from slowing design industry exports, to persistent inequalities within the design workforce.

[1] UK Green Building Council, Whole Life Carbon Roadmap, 2020, ukgbc.org
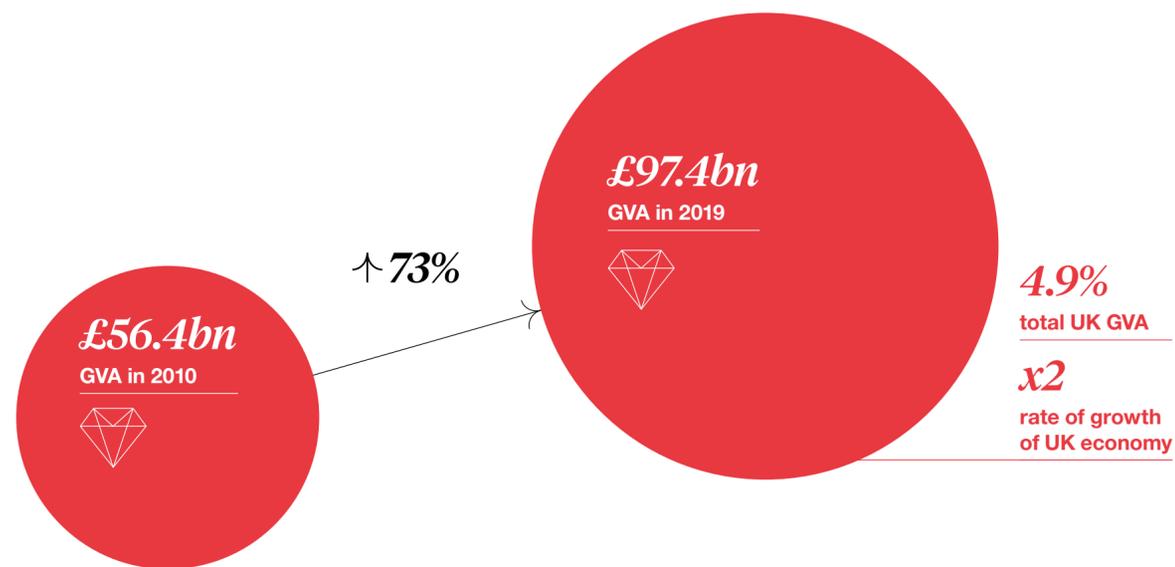[2] ONS, National population projections, 2020. ons.gov.uk

Design *growth*

The design economy is a major – and fast growing – contributor to UK economic growth.

It brings significant value to the wider economy in sectors from finance to retail, which must be harnessed for environmental and social benefit, as well as economic prosperity.
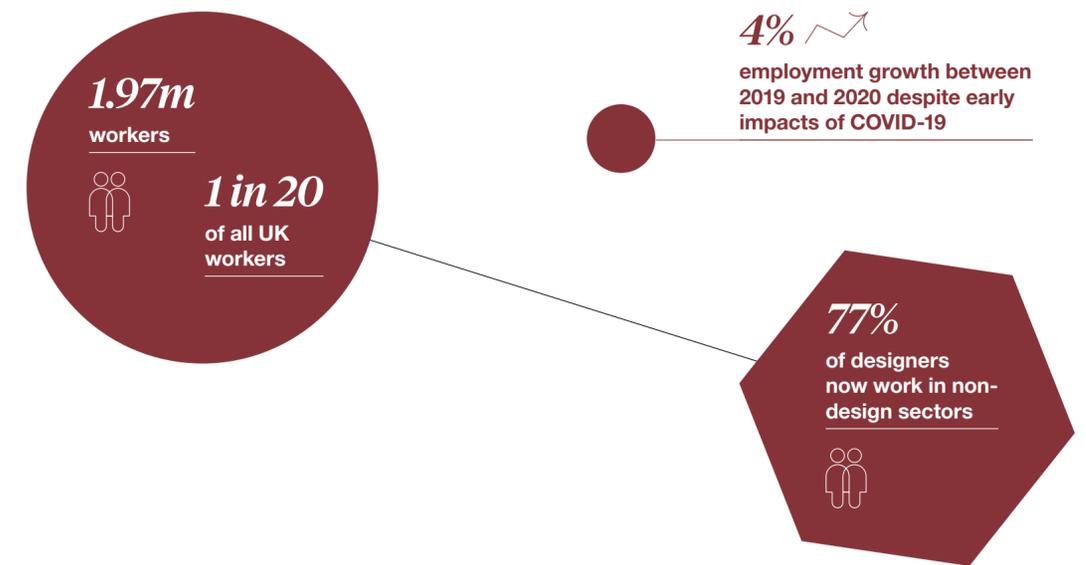
⊕ In 2019 the design economy contributed £97.4bn in GVA to the UK economy, 4.9% of total UK GVA. This almost matches the value of the hospitality and real-estate sectors combined.[3] It grew at twice the rate of the UK economy between 2010 and 2019.

⊕ The design economy is a major employer. In 2020 there were 1.97 million people working in the design economy – or one in twenty workers in the UK. Of these, 1.62 million were designers.

⊕ Design is also growing in importance across the economy: 77% of designers work in non-design sectors such as finance, retail and construction.

⊕ However, not all design sectors have benefited from high growth. Both craft and clothing have experienced contractions in their GVA contributions between 2010 and 2019: by 59% and 18% respectively.

⊕ Whilst the impacts of COVID-19 are still unfolding, the design economy saw a 4% increase in employment from 2019 into 2020. Early data from The Department for Digital, Culture, Media and Sport (DCMS) suggests that key design industries have shown resilience through the pandemic, whilst others, such as multidisciplinary design, have not.[4]

⊕ Not all of this economic value will have been beneficial for people and the planet. Given its increasing scale, it is vital that the design economy is supported to drive green and equitable prosperity.
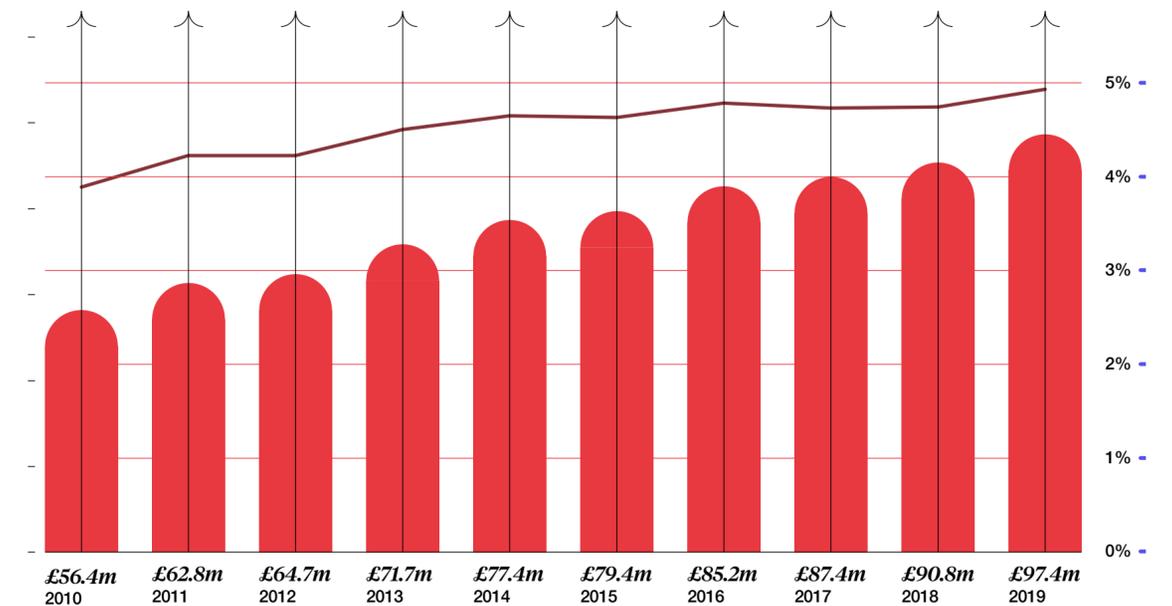
£56.4bn
GVA in 2010

↑ **73%**

£97.4bn
GVA in 2019

4.9%
total UK GVA

x2
rate of growth of UK economy

[3] ONS, Annual Business Survey, 2022, ons.gov.uk

[4] From DCMS, National Economic Estimates: 2011-2020, 2022. Between 2019-2020 multidisciplinary design industries experienced a 16.5% GVA contraction, twice the rate of the UK economy. Note this does not include the impact of COVID-19 on designers working in other parts of the economy.

1.97m
workers

1 in 20
of all UK workers

4% ⌁
employment growth between 2019 and 2020 despite early impacts of COVID-19

77%
of designers now work in non-design sectors

Source: Annual Business Survey/ Annual Population Survey, ONS

Figure 1: Total design economy aGVA, 2010 – 2019 (£bn), and as a percentage of total UK aGVA.

£56.4m 2010	£62.8m 2011	£64.7m 2012	£71.7m 2013	£77.4m 2014	£79.4m 2015	£85.2m 2016	£87.4m 2017	£90.8m 2018	£97.4m 2019

⬭ Design Economy aGVA　── Design Economy as % of total UK aGVA

Source: Annual Business Survey/ Annual Population Survey, ONS
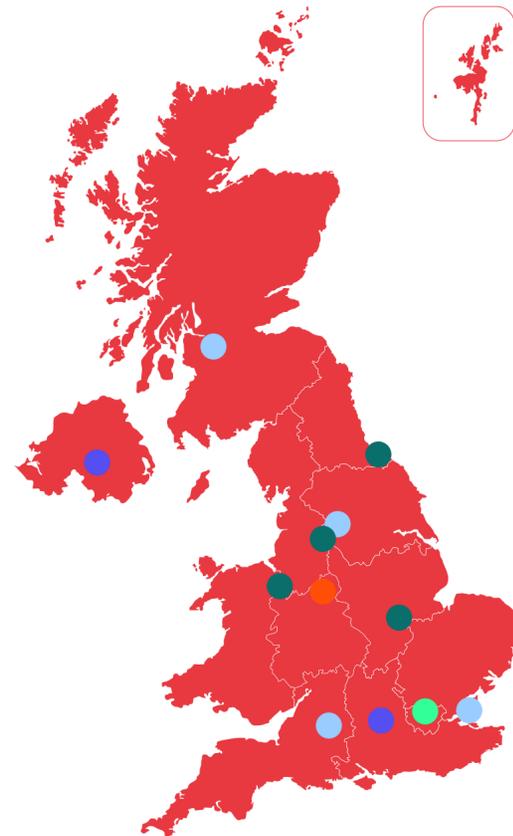
Design *places*

The design economy improves living standards and has experienced growth across almost the entire UK.

With further support it could play an even greater role in creating flourishing places across the country.

⊕ Between 2017 and 2019 almost all parts of the UK benefited from growth in the design economy, with each region generating at least £1.87bn in GVA annually. Scotland has seen the fastest growth: its design economy grew five times faster than the Scottish economy.

⊕ London continues to be a powerhouse for design. It is home to a third of all design businesses, the world's top-two art and design universities,[5] and generates 29.5% of all design economy GVA: £27.2bn in 2019. Part of its success lies in the fact that it has the highest concentration of designers of any regional economy.

⊕ However, not all parts of the UK have benefitted equally from the design economy. Yorkshire and the Humber has seen an 8% decline in its design GVA between 2017 and 2019. Both the North East and East Midlands have seen a 2% decrease in employment of design roles between 2017 and 2020.

⊕ Despite this, the UK is home to a rich tapestry of design clusters, from centres of excellence in craft in the Orkney Islands, to expertise in digital design in Northern Ireland, and product and industrial design in Wrexham. These reflect regional histories, expertise and specialisms that help create a sense of place and identity.

⊕ The presence of design clusters[6] in local authorities is also positively correlated with higher employment, business growth and wages for key design sectors. Investment in design clusters can unlock wider economic and social benefits for the places they are a part of.

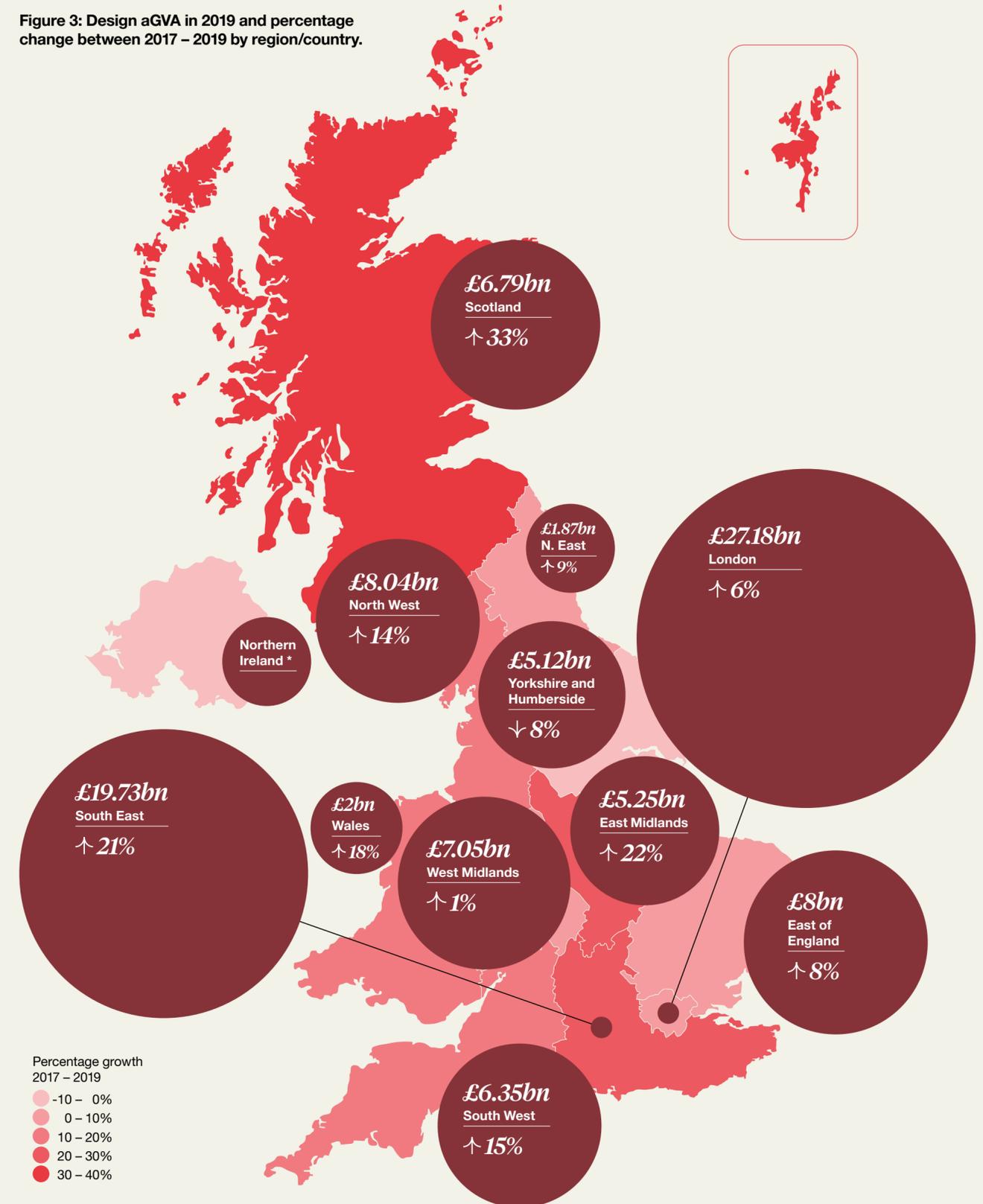**Figure 2: Strongest design employment cluster in each region/country of United Kingdom.**

- ● Product and industrial design
- ● Digital design
- ● Clothing design
- ● Craft
- ● Architecture and build environment

Source: Business Register and Employment Survey (BRES), ONS

[5] QS World University Rankings 2022, topuniversities.com
[6] Design clusters are areas with above average concentrations of design employment and/or design businesses.

Figure 3: Design aGVA in 2019 and percentage change between 2017 – 2019 by region/country.

£6.79bn
Scotland
↑ 33%

£1.87bn
N. East
↑ 9%

£27.18bn
London
↑ 6%

£8.04bn
North West
↑ 14%

Northern Ireland *

£5.12bn
Yorkshire and Humberside
↓ 8%

£19.73bn
South East
↑ 21%

£2bn
Wales
↑ 18%

£7.05bn
West Midlands
↑ 1%

£5.25bn
East Midlands
↑ 22%

£8bn
East of England
↑ 8%

£6.35bn
South West
↑ 15%

Percentage growth
2017 – 2019
- -10 – 0%
- 0 – 10%
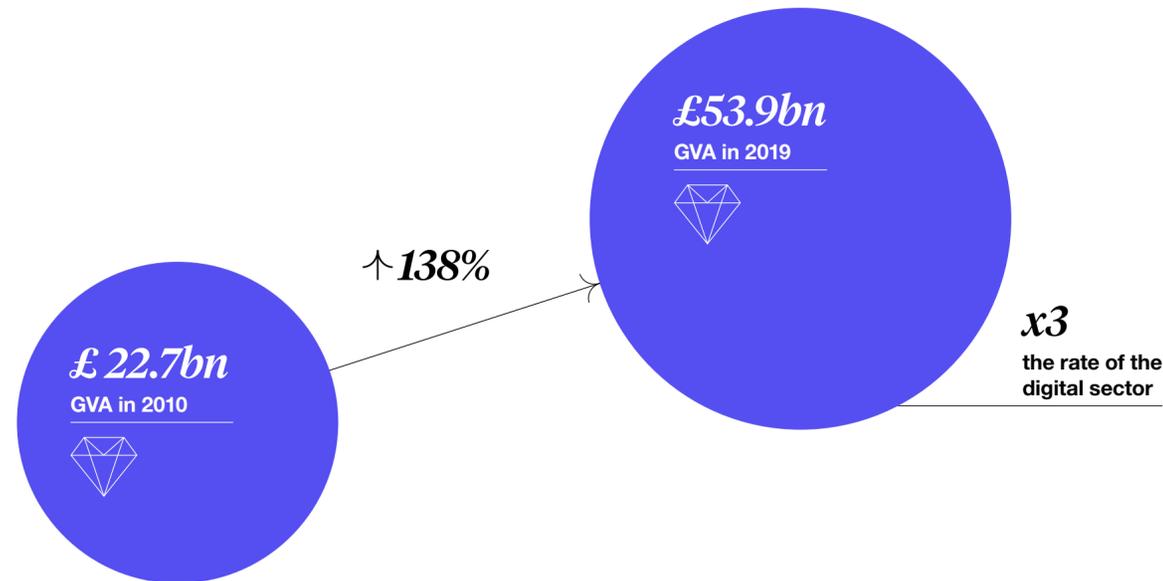- 10 – 20%
- 20 – 30%
- 30 – 40%

*data not available
Source: Annual Population Survey/Annual Business Survey, ONS

Digital *design*

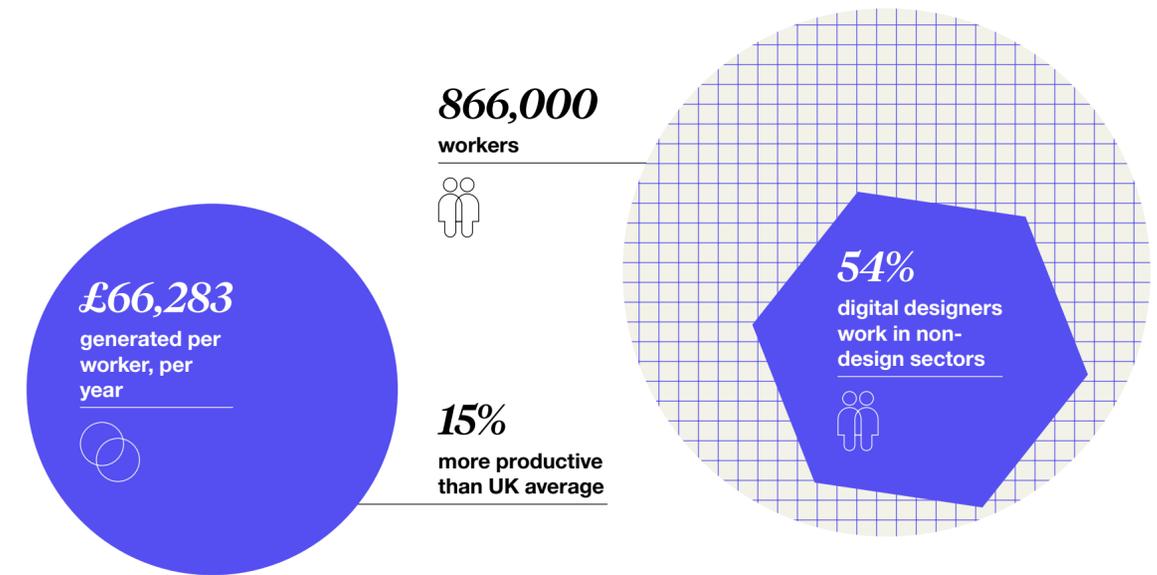**Digital design supercharges the digital economy. It is highly productive and one of our greatest exports.**

It must be at the heart of a future green economy.

○ Whilst digital tools and methods are used across the design economy, digital design refers to people working in roles such as user-experience design, website and app design, video-games design and other forms of digital production and publishing.

○ In 2019 digital design contributed £53.9bn in GVA, 2.7% of UK total GVA. The largest and fastest growing design sector, it grew by 138% between 2010 and 2019, three times the rate of the UK's digital sector.[7]

○ It accounts for 866,000 jobs. These jobs are highly productive, generating £66,823 each per annum – 15% more than the average UK worker. Over 460,000 are in non-design sectors, demonstrating the high demand for digital designers across the economy.
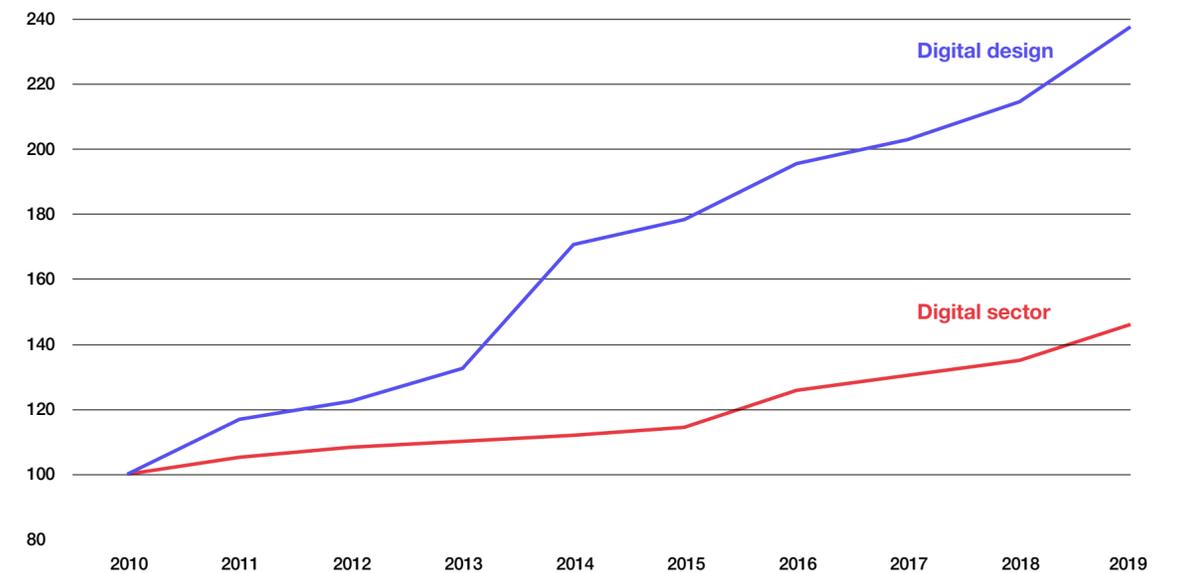
○ However, 85% of those working in digital design are male, which has implications for inclusive, safe, and representative design. This is especially important when considering the importance of digital technology in our transition to a green economy.

○ Digital design has a key role to play in driving regional prosperity across the UK. In the last five years we have seen rapid growth in digital design employment in the South West (110%), Scotland (88%) and Yorkshire and the Humber (55%). Of the 11,000 designers working in design industries in Northern Ireland, 8,000 of them work in digital design.

£66,283
generated per worker, per year

15%
more productive than UK average

866,000
workers

54%
digital designers work in non-design sectors

Source: Annual Business Survey/ Annual Population Survey, ONS

£53.9bn
GVA in 2019

↗ 138%

£ 22.7bn
GVA in 2010

x3
the rate of the digital sector

Source: Annual Business Survey/ Annual Population Survey, ONS

[7] Our definition of the Digital sector is taken from the DCMS Sector Economic Estimates Methodology, 2021, gov.uk

Figure 4: Real terms indexed growth for Digital design and DCMS digital sector

Digital design

Digital sector

Source: Annual Business Survey/ Annual Population Survey

Design *skills*

Design skills bring massive economic value to the UK and are relied on by one in seven UK workers.
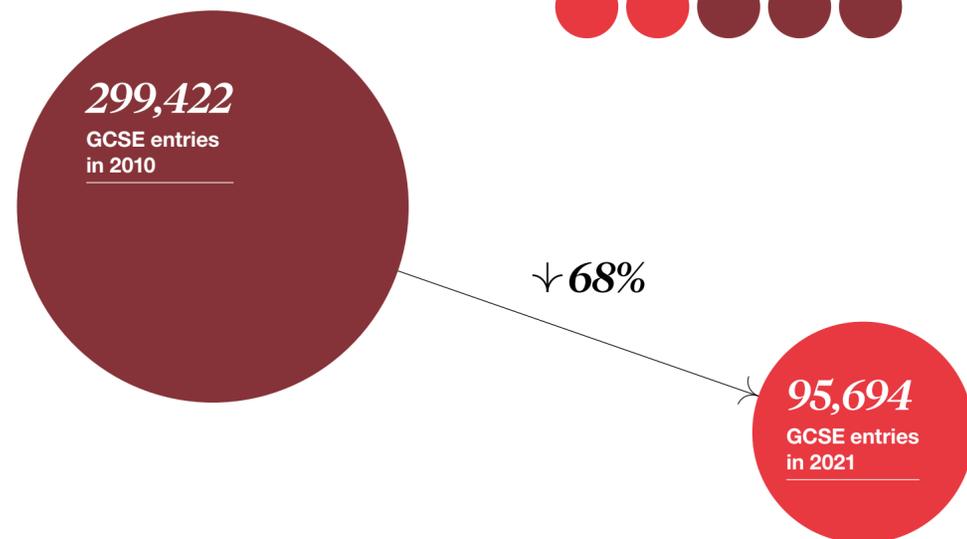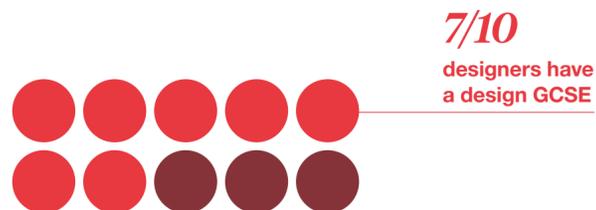
But without curriculum reform and diversifying career pathways into design, this value is at risk.

⊕ Design skills include abilities such as creative problem-solving, visualisation and the use of design methods. They are important skills in jobs ranging from civil engineering to electronics manufacturing, many of which are vital as we transition to a more equitable and sustainable economy.

⊕ In 2019, design skills contributed an additional £179bn in GVA to the UK economy and were important to a further 2.5 million jobs beyond the design economy. When we add the contribution of design skills to the value of the design economy, design is worth £276bn (14% UK GVA) and supports 4.47 million jobs (one in every seven UK jobs).
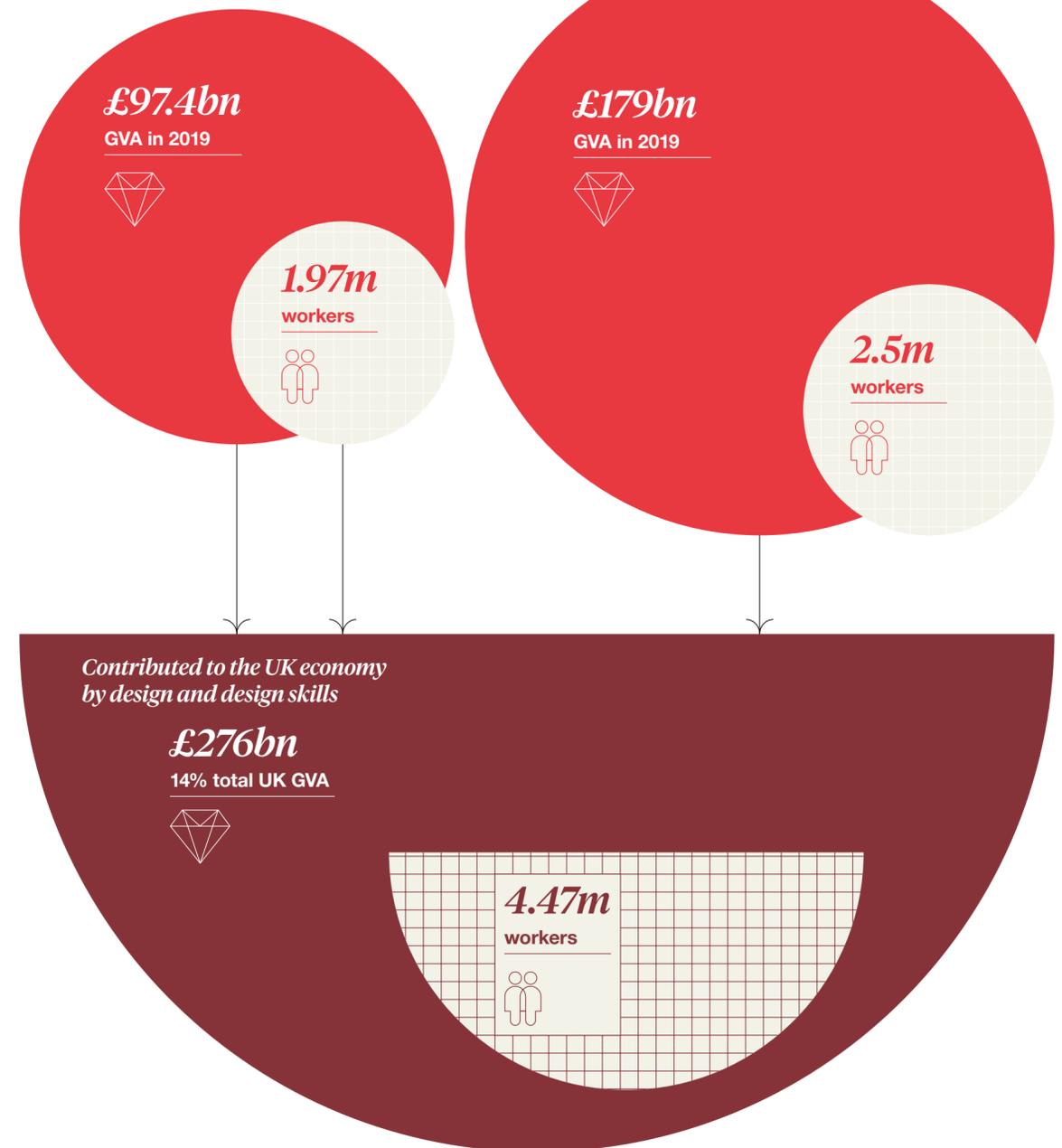
⊕ However, our design skills pipeline is at risk. Across the UK, entries to Design and Technology GCSE have fallen by 68%, a decline which has not been offset by increases in take-up of Art and Design GCSE. This is a crucial career pipeline for designers: seven in ten designers surveyed for this research had a design GCSE.

⊕ At the same time, the design economy is becoming increasingly professionalised: 62% of designers now hold a degree, compared to 58% in 2016.[8] Whilst this demonstrates that the design economy is a high-skilled workforce, there is an urgent need to diversify pathways into the design workforce so it can benefit all.

7/10
designers have a design GCSE

299,422
GCSE entries in 2010

↓ **68%**

95,694
GCSE entries in 2021

From the design economy

Additional value from design skills in other sectors

£97.4bn
GVA in 2019

1.97m
workers

£179bn
GVA in 2019

2.5m
workers

Contributed to the UK economy by design and design skills
£276bn
14% total UK GVA

4.47m
workers

[8] Design Council, Design Economy 2018, designcouncil.org.uk

Source: Annual Population Survey/Annual Survey of Hours and Earnings, ONS

Design *diversity*

The lack of diversity in the design economy workforce is holding it back.

We need urgent action to change this.

⊕ The design workforce needs to reflect the diversity of the world it designs for. If it does not, the design of products, places, and services can overlook the aspirations, assets and needs of many people, excluding them and reinforcing existing inequalities and forms of marginalisation.

⊕ The design economy is still disproportionately male: 77% of designers identified as male in 2020, with hardly any change since 2015.[9] Designers who are female, from an ethnic minority (excluding white minorities) or have a disability are also under-represented at senior and managerial levels.

⊕ This is skewed by the three largest sectors in the design economy. Only 19% of workers in architecture and the built environment, 12% of product and industrial design and 15% of digital design workers identify as female.

⊕ There is significant variation in the representation of identities and communities across design sectors. For example, 24% of workers in craft and clothing are disabled or have a long-term work limiting illness, compared to only 10% in advertising.[10] We need more design-wide and sector specific interventions to learn from each other and tackle the diversity crisis within the design economy.

Figure 5: Employment of male and female-identifying designers by sector (2020).
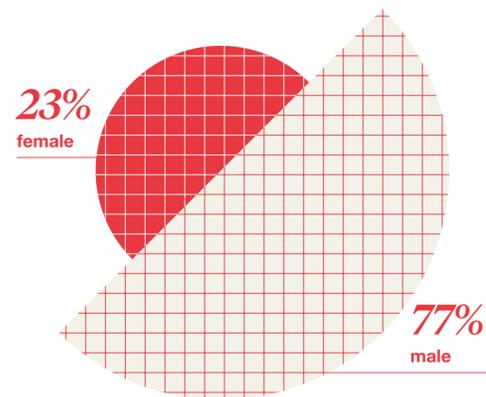
23%
female

77%
male

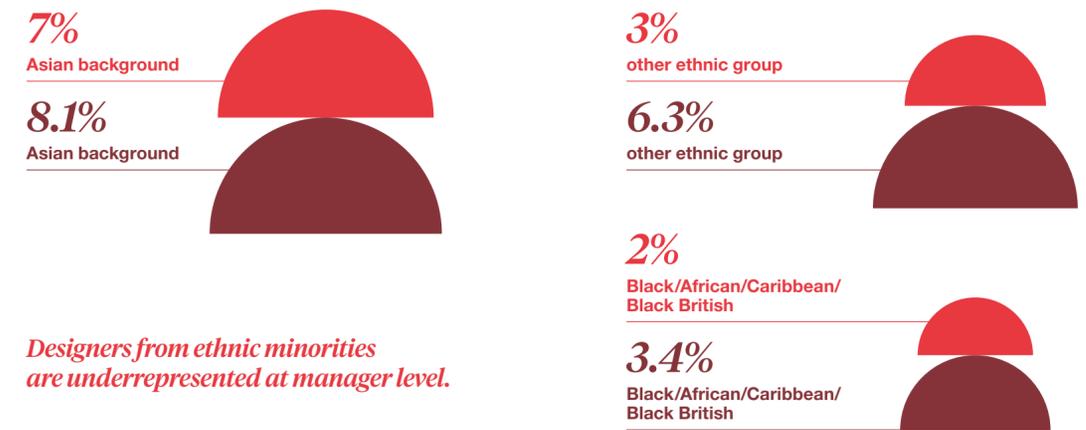**Figure 6: Disability status of designers by sector compared to UK working population (2020).**

24%
designers in the craft and clothing design sectors

19%
of the UK working population

10%
designers in advertising

Source: Annual Population Survey, UK Census 2011

[9] Design Council, Design Economy 2015, designcouncil.org.uk
[10] This is compared to a national average of 16% (ONS, Population Census, 2011).

Figure 7: Managers in the design economy by ethnicity compared to UK working-age population.

7%
Asian background

8.1%
Asian background

3%
other ethnic group

6.3%
other ethnic group

2%
Black/African/Caribbean/
Black British

3.4%
Black/African/Caribbean/
Black British

Designers from ethnic minorities are underrepresented at manager level.

88%
white

85.6%
white

⬤ Design economy managers   ⬤ UK Economy (Census 2011)

Source: Annual Population Survey, 2011 Census.
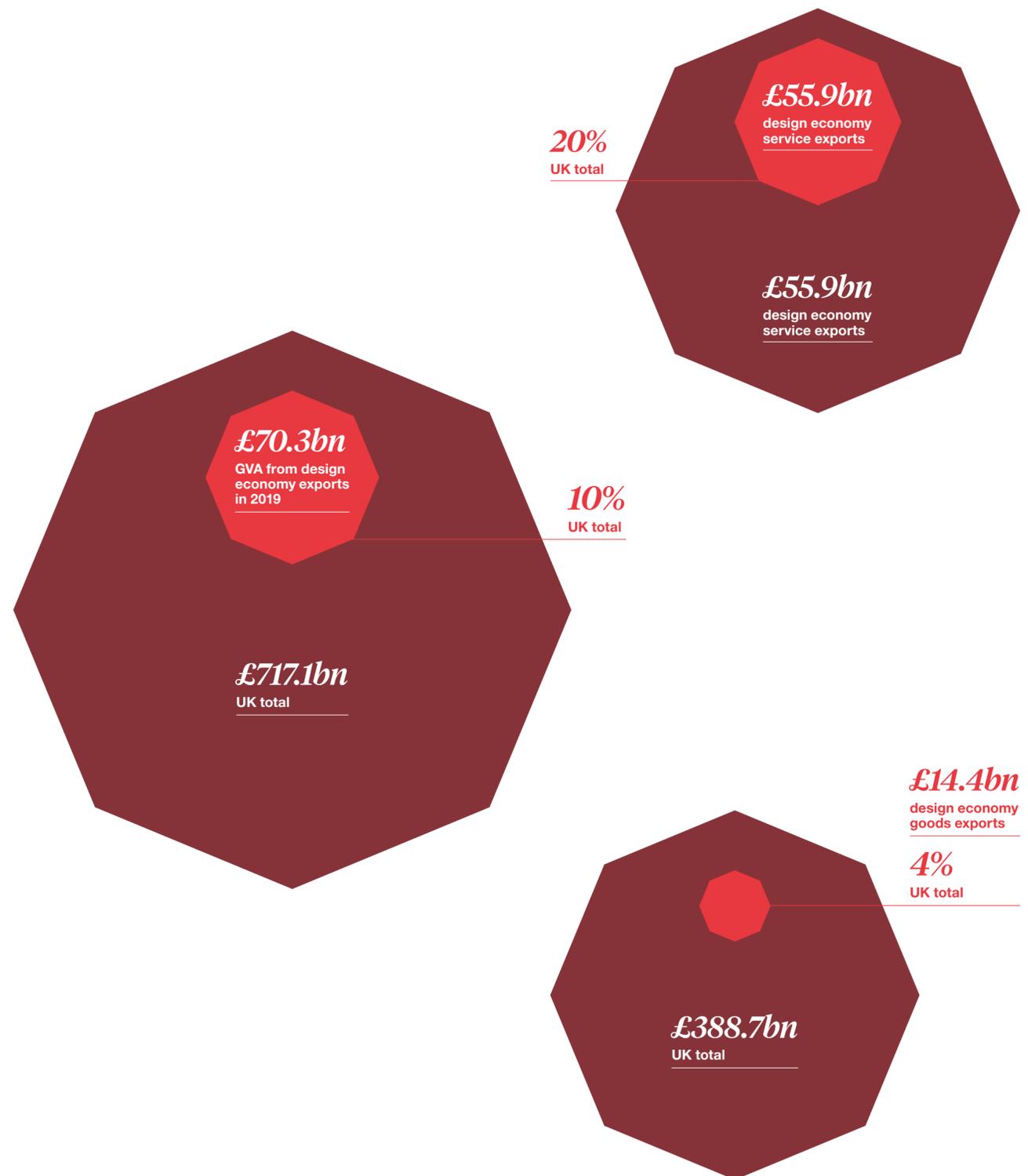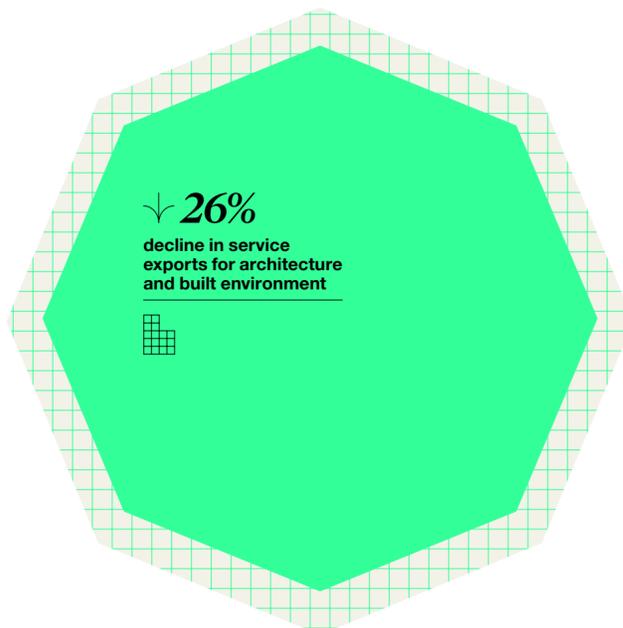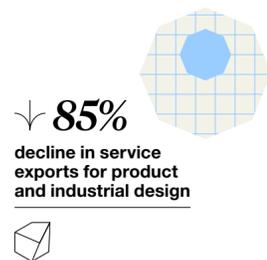
Design *exports*

The UK design economy has a world-class reputation for good design and is a major driver of exports.

However, our global design strengths are now at risk without the right trade agreements, intellectual property frameworks and immigration routes in place.

→ Design is one of the UK's greatest exports and plays a key role in driving quality across all our export sectors. In 2019 it accounted for over **£70bn** in exports – **one in every ten pounds** from all UK exports.

→ The design economy is a vital service export for the UK, worth £55.9bn GVA in 2019 and responsible for **18% of all UK service exports.** This includes activity such as an architect being commissioned to design a building by an international firm, or a product designer designing a new piece of furniture for an overseas company.

→ Service exports from designers working in non-design sectors have grown 27% between 2017 and 2019, twice the rate of UK service exports as a whole. This demonstrates the important role design plays in driving value across the UK's export sectors.

→ Whilst exports have grown in the design economy as a whole between 2017 and 2019, especially when we look at designers working in the wider economy, design industries have seen their exports slow significantly following the UK's exit from the European Union. For example, key service exports within design industries such as product and industrial design (-85%) and architecture and the built environment (-26%) have seen severe contractions.

→ Whilst design continues to bring increasing value to UK exports across the economy, our world-leading exports from design industries and firms are at risk without supportive international trade agreements, intellectual property frameworks and immigration routes in place.

Between 2017 and 2019 service exports declined for some design industries:

↓ **85%**
decline in service exports for product and industrial design

↓ **26%**
decline in service exports for architecture and built environment

£55.9bn
design economy service exports

20%
UK total

£55.9bn
design economy service exports

£70.3bn
GVA from design economy exports in 2019

10%
UK total

£717.1bn
UK total

£14.4bn
design economy goods exports

4%
UK total

£388.7bn
UK total

What's *next?*

The design economy has a central role to play in the coming decade as we address the climate crisis, tackle inequalities at home and foster a new global Britain. Whilst one in twenty people working in the UK are in the design economy, even more rely on design skills as a part of their work. It is a vital asset and capability for the country as it aims to address today's complex challenges.

But the design economy must also overcome significant difficulties if it is to maximise its full potential to create a more just, regenerative and prosperous UK. Ensuring that growth is at the service of social and environmental justice, that design economies outside of London and the South East are better supported, addressing the significant lack of diversity in the sector and a declining skills pipeline are just some of the issues that need to be tackled in order to unlock its potential. Whilst early data suggests that the design economy has shown resilience through COVID-19, with signs of recovery in some sectors, we also do not yet know the long-term impacts of the pandemic on the sector.

This report provides the evidence base for the scale and value of design. In Autumn 2022, Design Council will publish Part 2: a policy briefing paper outlining the policy and industry-led action needed to maximise the value of design to the UK. Further reports will explore the wider social and environmental value of design; and the use of design in business, the public sector, and communities.

Our *ambassadors*

Design Economy is supported by a group of ambassadors who have contributed to this research and who help to drive systemic change to maximize the value of design.

Leonie Bell
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CIVIC SQUARE

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