

Foreign workers add £210billion boost to the UK economy, according to Lloyds Bank

- The number of foreign workers in the UK has doubled from 7.3% of total employment in 1997 to 15.0% 2014
- Inward talent is a key driver of the London economy - over 40% of UK inpats are in London
- A large proportion of non-UK-born professionals are working in senior or technical roles
- Inpats are expected to contribute £210 billion to the economy - equivalent to 15% of total gross value added (GVA)

Inward talent is making an increasingly important contribution to the UK's professional workforce and helps the economy prosper according to new research by Lloyds Bank.

Inward talent or Inpats, are defined as foreign-born individuals in work in the UK. They are often highly skilled and enter the UK workforce at a senior or technical level. Over the past 10 years the total number of non-UK-born individuals in employment has increased from 2.6 million in 2004 to 4.6 million in 2014. At the same time non-UK-born employment as a share of total employment has increased from 9.1% to 15.0%. [see Figure 1]

Who are the inpats and where do they work?

Inpats that enter the UK and gain employment are more likely to work in senior or highly skilled positions such as managerial and technical roles than UK nationals are. For example, 31% of inpats from the United States employed within the UK are in a professional occupation, compared to 34% of Oceania and Canadian nationals and 29% of French nationals, whereas the share is only 17% for UK-born citizens.

As well as being employed in senior and technical roles, overseas talent that comes to the UK is typically qualified, with a large percentage of the adult population having a qualification level of four or above - equivalent to a year of undergraduate study.

Inward talent from the United States is the most qualified that enters the UK, with 57% of the US-born adult population living in the UK having a qualification at level four or above. In comparison, just 26% of UK-born individuals have level four qualifications or higher, which is lower than the share for inward talent from the EU and other countries.

The public administration, health and education sector employs the greatest amount of inward talent within England and Wales – employing 1.1 million inpats, which constitutes 14.1% of total employment in the industry.

The industry in which inward talent comprises the largest share of the workforce is transport and communication activities with financial and business services a close second. Within the finance and business services sector, data from the England and Wales 2011 Census show close to 300,000 inpats working that are born in Europe (excluding the UK and Ireland).

Financial benefit of Inpats

Furthermore, inward talent has been playing a key part in contributing towards a healthy British economy. Over two fifths (41%) of employed non-UK-born workers are working in London. The South East (excluding London) houses the second highest number of non-UK-born workers, accounting for 15% of the total. In general, inward talent tends to be based in the faster-growing regions of the country.

Inpats working within British industries contribute to the economic wellbeing and growth of the country as a whole. The result is the economic output generated, also known as gross value added (GVA). The largest amount of GVA is produced by inpats from Europe (excl. UK and Ireland), producing

nearly £75 billion in 2014, which accounts for 6% of total UK GVA. Overall, inpats are estimated to currently produce 15% or £210 billion of the GVA created in England and Wales.

In addition to this, inpats' largest contribution to GVA can be attributed to the financial and business services sector, where it is estimated that inpats will contribute £68 billion this year – 18% of GVA in the sector.

Jamsheed Poncha, Head of client services, UK wealth at Lloyds Bank comments: “The findings of the research clearly demonstrate the strength of the UK economy and its ability to attract a highly qualified professional workforce from around the world. The contribution inward talent can make to key industries is impressive as it ultimately helps the economy prosper even more.

“Lloyds Bank is looking to provide dedicated support and specialist advice on banking and financial matters to affluent professionals who arrive in the UK. The service has been specifically designed to meet the needs of Inpats starting a new chapter in the UK.”

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Notes to editors:

-The dataset used here is from the 2011 England and Wales Census and therefore does not directly cover the whole of the UK. However, as England and Wales accounts for the overwhelming majority of UK population and employment, we believe that the trends highlighted here are broadly in line with those seen for the UK as a whole.

- The countries selected are from ad-hoc 2011 Census data and therefore the top four are the top four countries that the Census has broken down to country specific level. The Census provides country

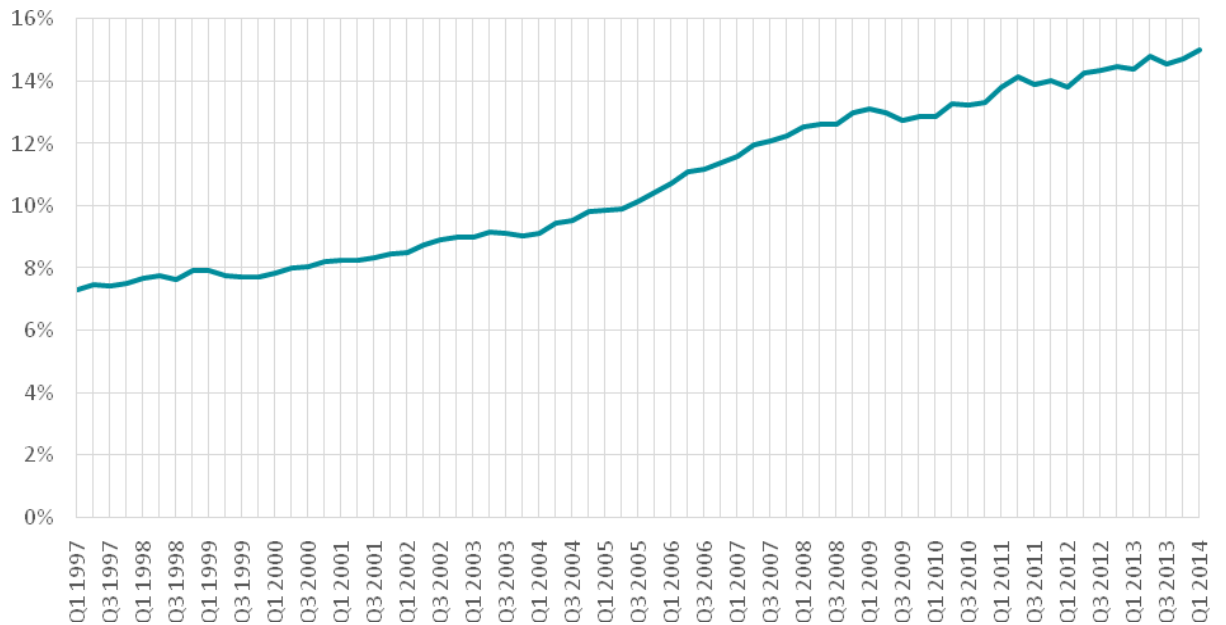
specific data for some of the larger countries in the region; therefore, it is possible that in-pats born in countries not listed here may be more qualified.

Finance and business services are defined as the following sections of the economy: finance and insurance services; real estate activities; professional, scientific and technical activities; administrative and support service activities.

London and the South East are a hub for financial and business services within England and Wales, as 44% of all workers in this industry in England and Wales are located in these regions.

-Gross value added is a measure of the value of goods and services produced in an area, industry or sector of the economy

Figure 1



Source: ONS Labour Force Survey, Cebr analysis

Figure 2: Percent of employed cohort working in managerial, professional or technical occupations by region of birth in 2011 – country selection by data provided from ad-hoc Census data

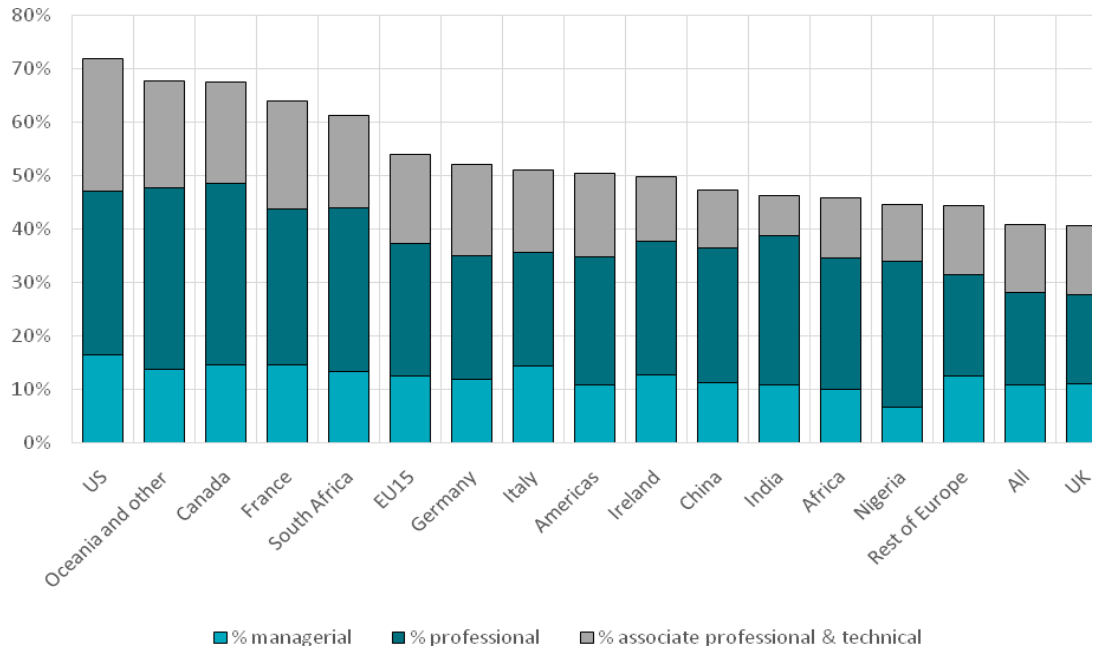


Figure 3: Share of non-UK-born workers by region (2011) and real GVA growth by region (2014) of England and Wales

