

Overall executive summary

In autumn 2009 the Design Council conducted its second comprehensive survey of the UK design industry. The survey covered over 2,200 design businesses including in-house design teams, design consultancies and freelance designers working across communications, digital & multimedia, interior & exhibition, product & industrial, fashion and service design disciplines. Design businesses were asked about the profile and size of their businesses, their clients and the competition they face, their business practices and the education, training and skills of their employees. The key findings from the research can be found below and a series of individual factsheets provide more detail on research findings.

UK design industry has grown since 2005, despite the recession

There are 232,000¹ designers, 29% more than in 2005 and earnings have increased by £3.4bn. The combined budget of in-house teams and fee income of freelancers and consultancies is £15bn.

Growth supported by an increase in numbers of freelancers

There are now 65,900 freelancers, 39% more than in 2005. Overall freelance designer fee incomes have climbed by 22%.

More designers in fewer consultancies

There are 82,500 designers working in design consultancies, 35% more than in 2005. However, this growth in employment has occurred whilst the total number of consultancies has declined to an estimated 10,800. Our results suggest that the proportion of larger consultancies has fallen therefore employment growth must be attributed to growth amongst the smaller consultancies.

In-house teams retained despite budget cuts

The number of in-house teams has increased by 10% - and 8% more designers are employed by them (83,600 in total) - despite their overall combined budget reducing by 34% compared to 2005. This is a positive indication that employers are holding on to creative employees despite downward pressure on budgets.

Industry concentrated in London and South East

The capital accounts for almost a quarter (23%) of design businesses. The South East region is home to one in six design businesses.

Most design businesses work in communication design and digital and multimedia design

There is a trend towards a combined offer in these disciplines.

Industry composed mainly of small, young businesses with incomes to match

- Well over half (60%) of design consultancies employ fewer than five people and over a further quarter (27%) have less than ten staff. In-house teams tend to be larger than consultancies, over a third (37%) of in-house teams comprise five or more designers.
- Many of these businesses are relatively young: well over a quarter, at least 29%, in every region or country of the UK have been in business for three years or less. 55% of design consultancies have an annual fee income of between £100,000 and £500,000, 58% of freelancers have an annual fee income of less than £50,000.

Industry lacks diversity

The average UK designer is male, white and 38 years old.

Increasing demand for services

The broadly positive picture for the design industry despite the recession is reinforced by the reported demand for design services. 61% of digital and multimedia design firms reported increased demand since 2005, followed by 41% of communications design businesses saying demand has increased.

Main competition is UK based

The main competition for most (92%) design businesses comes from within the UK and in many instances is local to the business. More than two-thirds of design businesses think competition has increased over the past three years. Overseas competition is more prevalent amongst in-house teams.

Design supply chains

Designers collaborate both with other design businesses and non design businesses. Lots of work is won by designers, some of which is then passed on to subcontractors. Around half of design businesses said they collaborate with other design firms - usually on short-term projects.

Qualifications

Just over half (51%²) of designers have a degree or equivalent qualification. This is an increase of 10% since 2003. Interestingly, 37% of design consultancies and in-house teams require a degree whilst 32% of the same grouping do not require a base level design qualification.

Low levels of recruitment

But overall fewer businesses are recruiting. Over two thirds haven't recruited designers in the past year - and 6% of consultancies have made redundancies over the past year; this was also true in 9% of in-house teams.

Business Practices

Business practices remain similar to results from 2005. Most design businesses work on a fixed fee or day rate basis, in comparison only 4% work on a client retainer. 66% of designers do not take any action to protect their IP and almost 60% of designers feel either very or quite well equipped to advise their clients on sustainable design however only 18% of designers consider it as an important factor in winning business

Membership

Most designers are not members of national design bodies. Designers rarely join networks, but are most likely to be members of business organisations like the Federation of Small Businesses (14%) and the British Chamber of Commerce (12%). Beyond this, they are also more likely to have joined a regional design network or forum (9%) than a national design body.