

# The Design Economy

The value of design to the UK

Executive summary



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**Great design can change lives, communities and organisations for the better. It can create better places to live, bring communities together, and can transform business and public services. Design is a way of thinking that helps large organisations, small and medium-sized enterprises, social enterprises and charities change the way they work.**

**Design Council has championed the contribution and importance of design since 1944. Our research and evidence is a vital way we're able to assess the value of design. The Design Economy is the most comprehensive account ever of design's contribution to the UK economy.**

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'The design economy' represents the value created by those employed in design roles in a wide variety of industries – from design-intensive sectors, such as web design or animation, to designers and design-engineers in automotive or aerospace companies. This means for the first time our research includes sectors where design is used, but is not the prominent identity. This includes sectors such as architecture and built environment which also includes civil engineers and those involved in town planning, all of whom use design in different ways. This has had a noticeable impact on not only the value design contributes to the wider UK economy, but also on the make-up of the design economy.

Design Council commissioned Trends Business Research (TBR) to undertake detailed analysis of economic data related to design in the UK. BOP research were separately commissioned to provide international comparisons. Our research has assessed the contribution of design to the UK economy using a set of key measures, including gross value added, productivity, turnover, employment and exports of goods and services. This includes a summary of how design contributes to the financial performance of businesses, the regions and areas where design makes a substantial contribution to local economies, as well as design workforce demographics.

# Key findings

*The Design Economy* draws on in-depth analysis of data from the Office of National Statistics and international data, and contains useful learnings for central government and other public agencies such as local authorities and Local Enterprise Partnerships, in the contribution design makes to the UK, its potential and the challenges to be overcome. Key findings include:

## The design economy means business

Our research reveals for the first time the major contribution design makes to the UK:

- The design economy generated £71.7bn in gross value added (GVA), equivalent to 7.2% of total GVA.
- Furthermore, between 2009 -2013 the design economy GVA grew at a faster rate than the UK average.
- Workers with a design element to their work were 41% more productive than the average. Each delivers £47,400 in output (GVA per worker) compared with £33,600 across the rest of the economy.
- Our research also shows that for those who invest in and use design strategically (though don't necessarily have a large proportion of designers in their workforce), the average output per employee is greater.

This research highlights a dynamic movement which both means good news for the UK.

## Boosting productivity and rebalancing the economy through design

The wider lens used for our research shows the true value of design to the UK, and its use and value across sectors and across the country. However, more could be done to maximise the benefits and value of design. We have found:

- Some sectors of the UK economy have fully embraced the power of design. For example, by concentration, designers account for 21.7% of the workforce and 23.6% of the wage bill in the information and communication sector
- The design economy is concentrated in London and, to a lesser extent, the South East of England. More than one in five design workers, and one in four design-intensive firms (where 30% or more of the workforce were employed in design occupations), are found in London. This report highlights the benefits these regions experience as a result of design, particularly in terms of higher GVA, productivity and exports
- There are emerging clusters of design in a number of local authorities outside London, where the number of firms and employment in design is growing. Despite this movement however, design still remains relatively less important to these local economies than in other areas.

As the UK looks to boost productivity and rebalance the economy, this research suggests there is a major role for supporting the increased use of design across the country and across certain sectors.

### From world class to world leading

Our research looked at the contribution of design to the export of goods and services, rather than just the export of design services as measured in government data. It shows that while UK design is in demand, there is still room for improvement before it becomes world leading:

- In 2013, the total value of exports where design had made a key contribution was £34bn. This constituted 7.3% of total UK exports in 2013.
- Despite impressive exports, the total value of UK design exports ranks fifth behind Hong Kong, Switzerland, Italy and Germany.
- Although UK design registrations are considerable, the absolute number of design registrations decreased between 2002-2011. This highlights there is still room for improvement before it catches up with countries such as South Korea and Australia, which top the rankings in World Intellectual Property Organisation design registrations.

There is still some way to go before the UK design economy re-establishes itself as the best in the world. With further investment and support, it could move from being world class to the global lead.

### Making the design economy more diverse

More could be done to improve the diversity of the design economy and make the best use of available talent. Our research found:

- The design economy is mostly male – 78% of the designers are male (compared to 53% of the wider UK workforce).

- The design economy compares more favourably to the wider UK workforce in terms of designers from ethnic minority backgrounds (11.2%) and those who have a disability or work-limiting illness (11.7%).

For the design economy and the UK to continue to prosper, it is essential that we bring a more diverse range of people into design careers to capitalise on the wealth of talent that exists in the UK and beyond.

### What next?

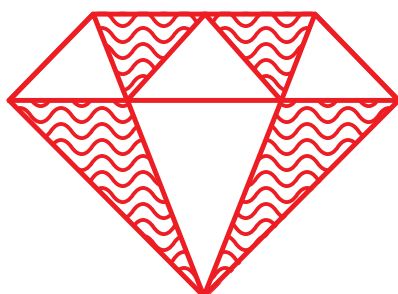
The Design Economy shows the breadth and depth of design's contribution to the UK. Design Council is committed to championing the role and importance of design, as we believe it can deliver growth, efficiencies, quality, sustainability, better quality of life and stronger communities. Much of this is evidenced in this research.

Going forward, we will be exploring the following questions with the government, our partners in business and civil society.

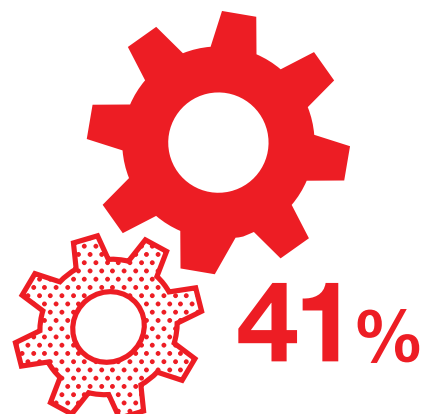
- How can the UK move from being world class, to being the world leader in design?
- How can we spread design skills more widely across sectors where design is underused?
- How can we spread design skills more widely across the country and encourage clusters?
- How do we improve the diversity of design to take more advantage of the talent in the wider workforce?

Design Council will examine the benefits of conducting this research on a more regular basis, including 'deep dives' into particular sectors and topics. We look forward to contributing further evidence on the value of design and promoting the benefits of design for everyone.

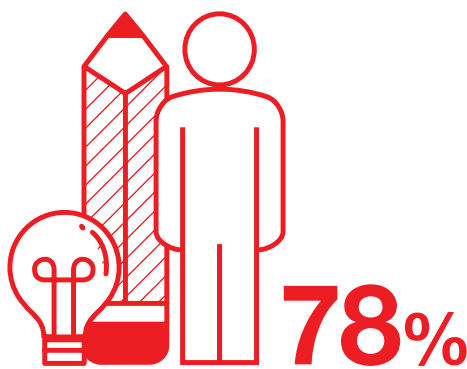
**£71.7bn**



**Design's contribution to the UK economy is £71.7bn in gross value added (GVA), equivalent to 7.2% of UK total GVA**



**Workers with a design element to their work were 41% more productive than the average**



**The design economy is mostly male (78% of designers) – compared to 53% of the wider UK workforce**



**In 2013, the total value of exports where design had made a key contribution was £34bn**

## About Design Council

**Design Council is an enterprising charity which improves people's lives through the use of design. Our work places design at the heart of stimulating business growth, helps to transform our public services and enhances places and cities to ensure a sustainable future for everyone. We advance new design thinking, encourage debate and inform government policy. Our vision is to create a better world by design.**

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