

# Datasheet: The tech industry workforce

## Introduction

This data sheet provides an overview of current and future employment patterns for tech industry workers (in tech or support roles) in the UK using the latest workforce estimates from the ONS Labour Force Survey together with internal forecasts developed in association with Experian.

## Key findings

- There were 1.75m people working in the tech sector in 2015, of which 1.1m were working in tech businesses.
- In total, more than nine in ten people (95%) working in tech businesses were working in service orientated companies – IT services in particular.
- Almost six in ten people (58%) working in tech businesses were employed in tech focussed roles.
- More than four in ten tech industry workers (44%) were working in London/the South East of England in 2015 compared with less than one in three workers as a whole (29%).
- Just under one quarter (23%) of the tech industry workforce were women compared with a figure of 47% for workers as a whole.
- On average, tech industry workers were of a similar age to others in the workforce though there tended to be slightly less within the younger (16-24) and older (55+ in particular) age bands.
- Tech industry workers tend to be much more highly educated than other workers and in 2015 just over six in ten (62%) were found to hold some form of HE level qualification.
- In 2015, the average gross weekly earnings for all full-time staff working in the tech industries was 37% higher than the all industry average.
- Overall employment growth for the tech industries between 2015-25 will be around 3.2% though much higher growth rates are predicted for industry sub-sectors notably tech sales/distribution and the games industries.

## About the Tech Partnership

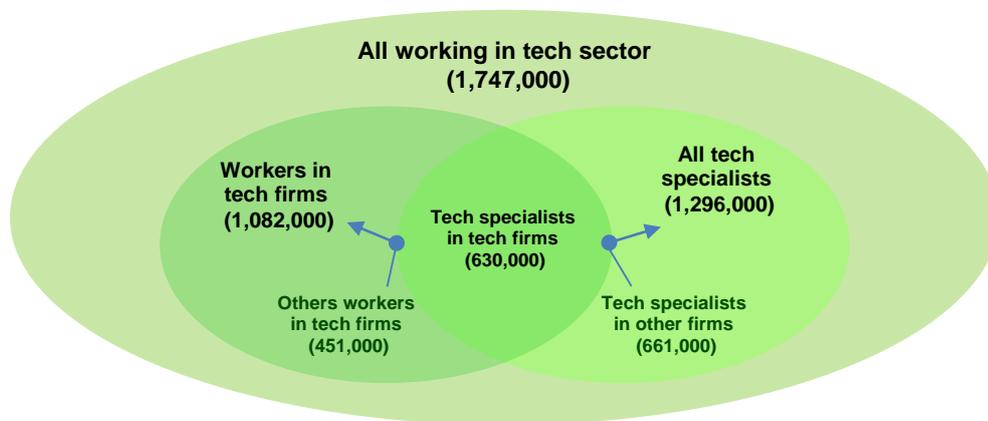
The Tech Partnership is a growing network of employers, collaborating to create the skills for the digital economy. It acts for the good of the sector by inspiring young people about technology, accelerating the flow of talented people of all backgrounds into technology careers, and helping companies to develop the technology skills they need for the future.

For further information please visit [www.thetechpartnership.com](http://www.thetechpartnership.com)

## 1. Tech industries, tech specialists and the tech sector

There were approximately 31m people working in the UK in 2015<sup>1</sup> of which 1.8m (6%) were working in the tech sector – 1.1m (62%) within tech businesses (in tech or support roles) and a further 0.7m (38%) working as tech specialists within other parts of the economy.

Figure 1: The tech sector workforce, 2015



Source: Analysis of data from the ONS Labour Force Survey undertaken by The Tech Partnership

## 2. Tech industry workers by industry sub-sector

As with the wider economy, the tech industries are primarily service based and of the 1.1m people working in tech businesses more than eight in ten were working in service orientated firms / nine in ten if including sales/distribution and those operating in the games sector. Overall then this was a slightly higher proportion of services employment than that recorded for the economy as a whole (where 90% were working in the service orientated businesses).

IT services (including software) in particular accounted for the single largest component of tech industry employment (63%) followed by telecoms services (18%) and then tech sales/distribution (11%). As illustrated in the table overleaf, games employers (development/ publishing) were found to employ just 2% of the total tech industry workforce.

## 3. Tech specialists vs support staff by industry sub-sector

Though accounting for only a small portion of tech industry employment, games businesses were associated with relatively high concentrations of tech specialist workers – particularly in comparison with tech manufacturing firms (comparison figures of 60% and 43% respectively). The highest concentrations of tech specialists however were observed within IT services organisations where almost three quarters (71%) of workers were employed in such roles.

<sup>1</sup> All annual figures for 2015 in this publication are based on a three quarter average of Labour Force Survey data spanning the January-September period.

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Aside from tech specialists, the other most notable areas of employment within the tech industries (applying a best fit approach to the SOC classification system) were in sales/marketing (13%), business services (5%), finance (4%) and customer service (4%).

**Table 1: Tech industry workers, tech specialists and support staff, 2015**

	Tech specialists	Support staff	Tech specialists (%) of workforce	All industry workers	Proportion of tech industry workforce
<b>Tech industries</b>	<b>630,000</b>	<b>451,000</b>	<b>58%</b>	<b>1,082,000</b>	<b>100%</b>
<b>Tech manufacturing</b>	<b>27,000</b>	<b>36,000</b>	<b>43%</b>	<b>64,000</b>	<b>6%</b>
IT – manufacturing	24,000	22,000	52%	46,000	4%
Telecoms - manufacturing	4,000	14,000	21%	18,000	2%
<b>Tech services</b>	<b>562,000</b>	<b>313,000</b>	<b>64%</b>	<b>876,000</b>	<b>81%</b>
<b>IT software &amp; services</b>	<b>481,000</b>	<b>198,000</b>	<b>71%</b>	<b>680,000</b>	<b>63%</b>
IT – programming	210,000	78,000	73%	288,000	27%
IT – consultancy	225,000	89,000	72%	314,000	29%
IT – data	3,000	8,000	30%	11,000	1%
IT – other	44,000	23,000	66%	67,000	6%
<b>Telecoms services</b>	<b>81,000</b>	<b>115,000</b>	<b>41%</b>	<b>196,000</b>	<b>18%</b>
Telecoms – wired	30,000	27,000	52%	57,000	5%
Telecoms – wireless	39,000	51,000	43%	90,000	8%
Telecoms – other	12,000	37,000	24%	49,000	5%
<b>Tech sales/distribution</b>	<b>25,000</b>	<b>92,000</b>	<b>22%</b>	<b>117,000</b>	<b>11%</b>
IT - sales/distribution	18,000	40,000	32%	58,000	5%
Telecoms - sales/distribution	7,000	52,000	12%	59,000	5%
<b>Games</b>	<b>15,000</b>	<b>10,000</b>	<b>60%</b>	<b>25,000</b>	<b>2%</b>
<b>All industries</b>	<b>1,270,000</b>	<b>29,646,000</b>	<b>4%</b>	<b>31,035,000</b>	<b>-</b>

Source: Analysis of data from the ONS Labour Force Survey undertaken by The Tech Partnership

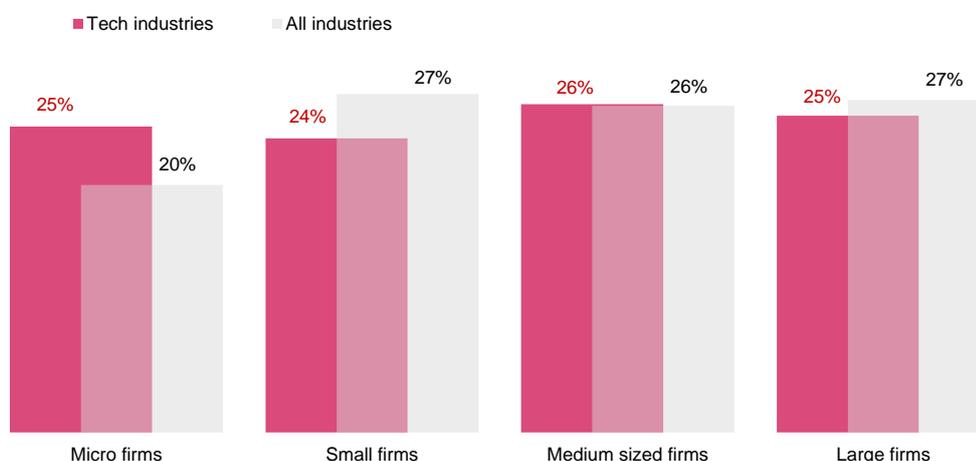
#### 4. Self-employment in the tech industries

Just over one in seven (14%) of those working in the tech industries in 2015 were self-employed – only slightly less than the proportion of self-employed workers as a whole (15% of the total workforce). The incidence of self-employment did vary significantly by tech industry sub-sector however ranging from less than one in ten of those working in tech manufacturing, tech sales/distribution and telecoms services firms - to one in six of those working in IT software and services (17%) and one in four of those in games businesses (25%).

## 5. Tech industry employment by firm size

Amongst those working as employees, three quarters (75%) were working within tech SMEs – a similar proportion as within the wider workforce (73%). This said, the proportion working in SMEs was much higher amongst certain industry sub-sectors - tech sales/distribution firms (86%) and tech manufacturing companies in particular (89%) while amongst tech services and games firms the proportion of the workforce accounted for by SMEs was slightly lower than the norm (73% in each case).

Figure 2: The tech sector workforce by employer size, 2015



Source: Analysis of data from the ONS Labour Force Survey undertaken by The Tech Partnership

## 6. Tech industry workers by contractual duration

Just over eight in ten (83%) of tech industry employees in 2015 were working under a permanent contract, a similar though slightly higher proportion than the all industry average (79%). Similarly, tech industry workers appear on average, to spend a similar amount of time with their employer with 53% for example having worked at the same organisation for up to 5 years (compared with 48% of the wider workforce). Perhaps reflecting the age of the industry itself though the proportion of tech industry workers still with the same employer after 20 or more years was notably below the overall average however with figures of 8% and 13% respectively.

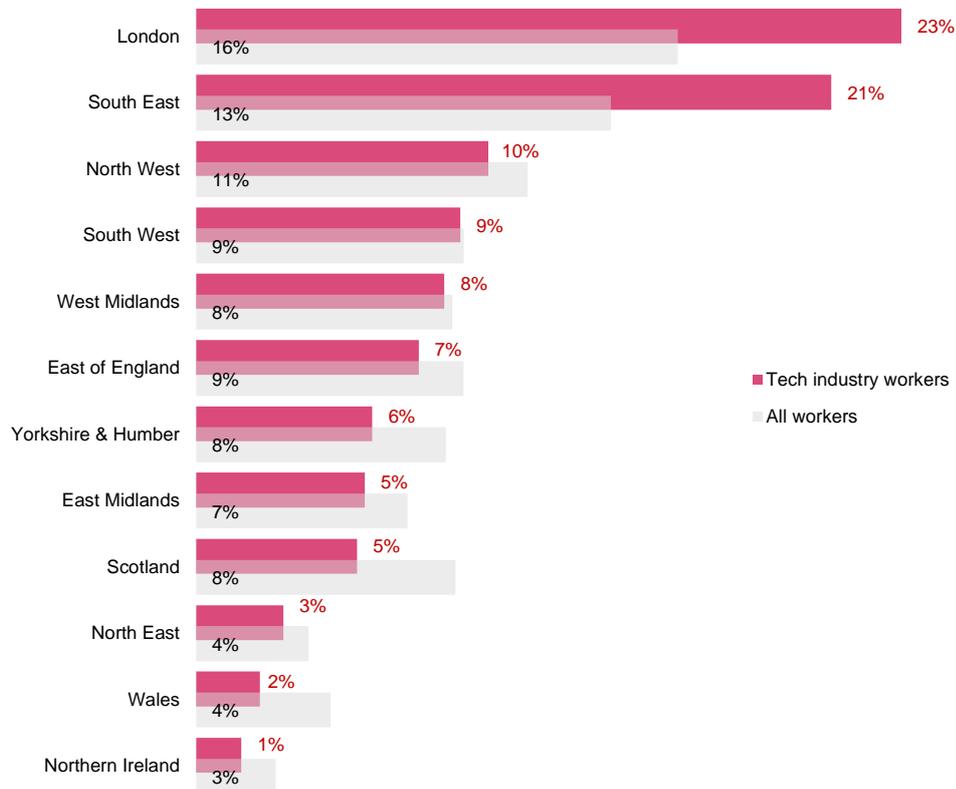
## 7. Tech industry workers by nation/region of work

The geographical distribution of tech industry workers reflects that of the population/workforce as a whole, with a significant proportion (44%) of tech industry workers employed in London and the South East of England. This concentration of tech industry employment was much more pronounced than within other parts of the economy however and just 29% of all workers were employed in these two regions.

Employment in the tech manufacturing sub-sector was slightly less concentrated in London/the South East though at 37% of employment, it was still much higher than the norm.

Figure 3: Tech industry workers by nation/region of work, 2015

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Source: Analysis of data from the ONS Labour Force Survey undertaken by The Tech Partnership

## 8. Tech industry workers by gender

Overall, just under one quarter (23%) of tech industry workers in 2015 were female compared with nearly half (47%) of all workers at that time. Interestingly, female representation was slightly higher within tech manufacturing businesses (27%) than in tech services firms (22%) though the most even balance between male/female workers was recorded for companies providing data services within which 51% of the workforce was female.

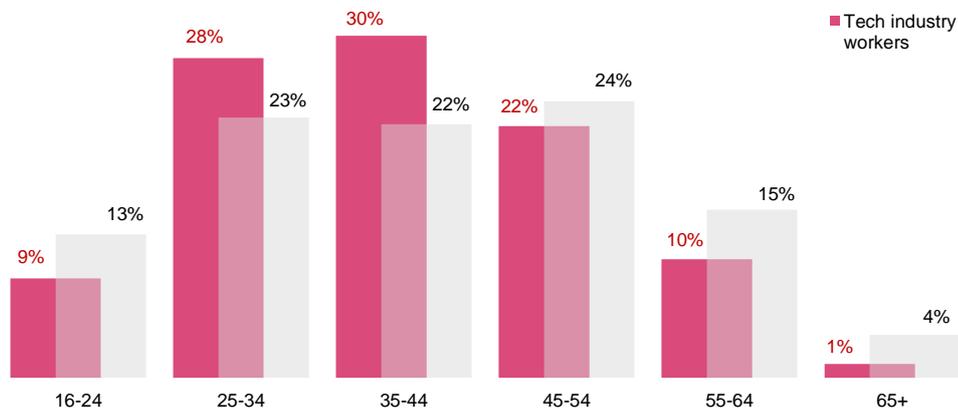
## 9. Tech industry workers by ethnicity

More than eight in ten people working in tech businesses (84%) were of white ethnic origin – a slightly lower proportion than that within the workforce as a whole. Amongst those from non-white groups Indian, Pakistani and Bangladeshi origins were noted as being more than twice as highly represented within the tech industries than within the wider workforce (with comparison figures of 9% and 4% respectively) while those from other ethnic groups accounted for 6% of the workforce in both instances.

## 10. Tech industry workers by age

The average age of tech industry workers in 2015 was 40 years – just one year less than the average among all workers at that time. There were however, marked differences in the age distribution of tech industry workers and others working in the UK – notably the below average proportion of tech industry workers in the 16-24 age band (9% of tech industry workers compared with 13% of the workforce as a whole) and the low proportion aged 65 and above (comparison figures of 1% and 4% respectively).

Figure 4: Tech industry workers by age, 2015



Source: Analysis of data from the ONS Labour Force Survey undertaken by The Tech Partnership

## 11. Tech industry workers by disabled status

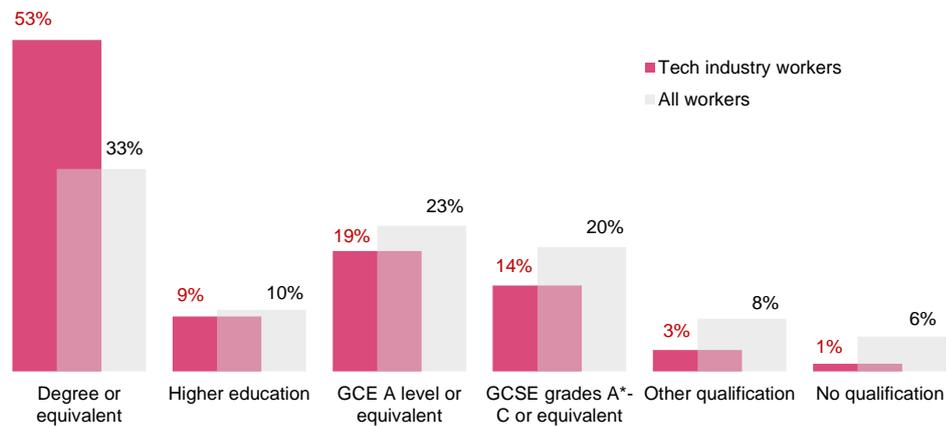
One in ten people (10%) working in the tech industries in 2015 were classed as having a work limiting disability and/or being disabled according to the disability discrimination act (i.e. 'a person who has a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities'). This was a slightly lower proportion than that amongst the workforce as a whole (i.e. 13%).

## 12. Tech industry workers by highest qualification

Individuals working in tech businesses tend to be more highly educated than other workers with just over six in ten (62%) holding an HE level qualification compared to around four in ten (42%) workers more generally. Notably also, by comparison with other workers a much lower proportion of individuals working within tech business in 2015 were thought to be without any qualifications at all at that time (with comparison figures of 1% and 6% respectively).

Figure 5: Tech industry workers by educational attainment, 2015

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Source: Analysis of data from the ONS Labour Force Survey undertaken by The Tech Partnership

### 13. Remuneration in the tech industries

Tech industry workers tend to be more highly paid than other workers and in 2015 the gross average weekly earnings for those working full-time within tech businesses was £830 per week – 37% more than the UK average at that time (i.e. £600 per week on average). By gender, males working full-time in the tech industries were found to be earning significantly more than their female counterparts (comparison figures of £860pw and £690 respectively) while across the UK nations/regions, workers in London were the most highly rewarded (with a gross weekly earnings averaging at £990 per week).

Figure 6: Gross weekly earnings for full-time tech industry workers industry workers/others, 2015



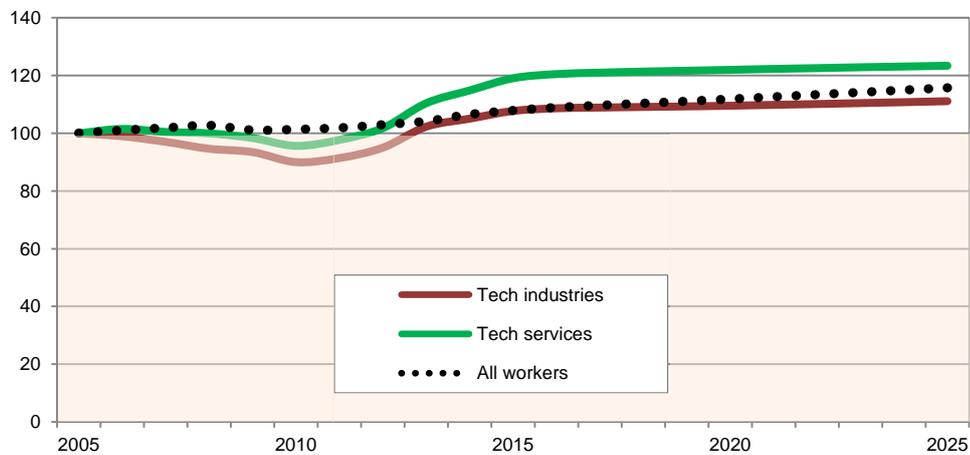
Source: Analysis of data from the ONS Labour Force Survey undertaken by The Tech Partnership

### 14. Employment trends, past and future

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Over the past decade (2005-15), the number of people working in the tech industries increased by approximately 7.7% or 0.8% per annum – virtually the same increase as that recorded for the workforce as a whole (7.9% or 0.8% pa). Amongst the tech sub-sectors a similar level of employment change was recorded for sales/distribution companies (up 7.1%) while much greater increases were observed for tech services businesses (up 19%) and games companies in particular (256%). By contrast, employment in tech manufacturing more than halved over the 2005-15 period (falling by 58%).

**Figure 7: Workforce trends (indexed), 2005-25**



Source: Experian/the Tech Partnership

Over the coming ten years, employment growth within the tech industries is forecast to slow to around 3.2% and by 2025 it is predicted that there will be approximately 1.11m people working within tech companies across the UK. By comparison, a growth rate of 7.3% is forecast for the workforce as a whole over the next decade.

## 15. Future growth in tech specialist employment by occupation

Over the coming years, the decline in tech manufacturing employment is expected to continue, albeit at a slower rate (falling by 40.0% over the ten year period) while employment growth continue within the tech services, sales/distribution and games industry sub-sectors will rise - up 3.6%, 10.7% and 58.6% respectively The largest increase in volume terms over the period is again expected to occur within tech services as a whole (an increase of 32,000 people).

**Table 2: Tech industry employment in 2025 - growth and employment estimates by sub-sector**

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	Employment 2025	Change 2015-25 n	%
<b>Tech manufacturing</b>	<b>38,000</b>	<b>-25,000</b>	<b>-40.0%</b>
IT - manufacturing	18,000	-23,000	-55.6%
Telecoms - manufacturing	20,000	-3,000	-11.5%
<b>Tech services</b>	<b>908,000</b>	<b>32,000</b>	<b>3.6%</b>
<b>IT software &amp; services</b>	<b>705,000</b>	<b>33,000</b>	<b>5.0%</b>
IT - programming	267,000	-1,000	-0.5%
IT - consultancy	336,000	17,000	5.3%
IT - data	22,000	5,000	30.2%
IT - other	79,000	13,000	18.7%
<b>Telecoms services</b>	<b>203,000</b>	<b>-2,000</b>	<b>-0.8%</b>
Telecoms - wired	59,000	1,000	0.9%
Telecoms - wireless	102,000	1,000	1.0%
Telecoms - other	42,000	-3,000	-7.2%
<b>Tech sales/distribution</b>	<b>128,000</b>	<b>12,000</b>	<b>10.7%</b>
IT - sales/distribution	69,000	6,000	10.3%
Telecoms - sales/distribution	60,000	6,000	11.3%
<b>Games</b>	<b>41,000</b>	<b>15,000</b>	<b>58.6%</b>
<b>The tech industries</b>	<b>1,116,000</b>	<b>34,000</b>	<b>3.2%</b>

Source: Experian/the Tech Partnership

Over the next ten years workforce growth amongst the tech industries will be highest in London (7.9%) and in Yorkshire/the Humber (5.6%) while a decline in employment is forecast to occur in the West Midlands (down 3.0%) and Scotland (down 2.0%).

**Table 3: Tech industry employment in 2025 - growth and employment estimates by nation/region**

	Employment 2025	Change 2015-25 n	%
North East	32,000	1,000	2.6%
North West	107,000	2,000	2.0%
Yorkshire and The Humber	71,000	4,000	5.6%
East Midlands	63,000	1,000	0.9%
West Midlands	74,000	-3,000	-3.0%
East of England	106,000	4,000	3.9%
Greater London	214,000	16,000	7.9%
South East	253,000	7,000	2.9%
South West	91,000	2,000	2.6%
Wales	28,000	1,000	2.8%
Scotland	59,000	-1,000	-2.0%
Northern Ireland	17,000	1,000	3.1%
<b>Tech industries</b>	<b>1,116,000</b>	<b>34,000</b>	<b>3.2%</b>

Source: Experian/the Tech Partnership

## Notes on data presentation

# Datasheet: The tech industry workforce

1. All figures presented in this datasheet have been rounded to the nearest 1,000 unless otherwise stated.
2. With the exception of 2015 figures the annual workforce estimates presented in this release are averages produced by combining the outputs from the four relevant quarterly Labour Force Survey datasets. For 2015 data a three quarter average has been used as Q4.15 data was unavailable at the time of publishing.
3. The terms businesses/firms/companies have been used interchangeably throughout the report.
4. 'Tech specialists' is the collective term given to occupations listed under the following ONS Standard Occupational Classification (SOC2010) codes:

**Tech Directors**

1136 - Information Technology and Telecommunications Directors

**Tech Professionals**

2133 - IT Specialist Managers

2134 - IT Project & Programme Managers

2135 - IT Business Analysts, Architects and Systems Designers

2136 - Programmers & Software Development professionals

2137 - Web Design & Development professionals

2139 - Information Technology & Telecommunications professionals n.e.c.

**Tech Technicians**

3131 - IT Operations Technicians

3132 - IT User Support Technicians

**Tech Engineers**

5242 - Telecommunications Engineers

5245 - IT Engineers.

5. 'Tech industries'/businesses/firms is the collective term given to industries listed under the following ONS Standard Industrial Classification (SIC2007) codes:

**Tech manufacturing**

IT	18.203	-	Reproduction of computer media
	26.2	-	Manufacture of computers & peripheral equipment

Telecoms	26.3	-	Manufacture of communication equipment
	27.31	-	Manufacture of fibre optic cables

**Tech sales/distribution**

IT	46.51	-	Wholesale of computers, computer peripheral equipment & software
	47.41	-	Retail sale of computers, peripheral units & software in specialised stores
	58.2	-	Software publishing

Telecoms	46.52	-	Wholesale of electronic & telecommunications equipment and parts
	47.42	-	Retail sale of telecommunications equipment in specialised stores

**Tech services**

IT	62.0	-	Computer programming, consultancy and related activities
	63.1	-	Data processing, hosting and related activities; web portals
	95.11	-	Repair of computers and peripheral equipment

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Telecoms	61	- Telecommunications activities
	95.12	- Repair of communication equipment

6. Slight discrepancies in the data totals may occur as a result of the rounding/forecasting/estimation process.

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