



Regional Insights on Race

Foreword by Sandra Kerr CBE, Race Equality Director

The UK population is changing and with this change, comes many opportunities for businesses. Using Census data, evidence shows that every year since 1991, the UK's population is getting more diverse. This increased diversity creates opportunities for employers, but only if they know how to unlock them. Research shows that if employers can attract and unleash the talents that Black, Asian, Mixed Race and other ethnically diverse employees bring, the UK economy could grow by £24 billion per annum.¹ This boost indicates that there could be significant financial rewards for the UK just by employers simply doing the right thing.

Business in the Community (BITC) has analysed Census data to highlight what the changing population figures mean for employers, particularly as the ethnic diversity of the population grows. The Census 2021 data shows that the UK's working-age ethnic minority population has grown from 1 in 8 in 2011 to 1 in 5 in 2021 (19.3%)

In 2010 it was predicted² that the ethnic diversity of the population in England and Wales would increase to 18.2% in 2021, very much in line with the recently published census data of 18.3%. And given the accuracy of these predictions, I think it is fair to assume that by 2051, a third (29%) of the UK's working-age population will be from diverse ethnic backgrounds. If that's not enough to convince employers that they must do more to create a level playing field on issues like pay, inclusion and progression for Black, Asian, Mixed-Race and other ethnically diverse employees, then maybe the fact that in 2017 it was found that if ethnic diverse talent was fully utilised, the UK economy could see a £24bn boost³, but only if employers work together to create a more equal workforce for everyone.

We know that a person's ethnicity can impact pay and progression opportunities in the workplace, meaning that unless these disparities are addressed, a third of the UK's population could be experiencing inequalities because of their backgrounds, and also block a much-needed boost to the economy. But money shouldn't be the driving factor behind leaders stepping up to stamp out unequal workplace practices for Black, Asian, Mixed-Race and other ethnically diverse employees. It is no longer a nice-to-have for employers to take action tackling inequalities; it has become a necessity. Any employer that's serious about closing the inequalities gap and investing in the long-term future of the UK workforce needs to be taking the necessary steps now so that by 2051, the UK's workforce will be a much more inclusive one than it is today. The extra cash for the UK economy is just an added advantage of that action.

I understand that many employers may feel daunted when considering what they need to do to address the inequalities for diverse ethnic groups. It is sadly a long-standing issue in society that is deep-rooted in communities, but with every employer that takes action, the collective response grows bigger, and it brings us one step closer to a

¹ Race in the workplace: The McGregor-Smith review 2017

² Runnymede and Centre for Ageing 2010

³ Race in the workplace: The McGregor-Smith review



fairer, more equal society. To help support employers, BITC's launched the Race at Work Charter, consisting of seven actions employers can take to address inequalities for Black, Asian, Mixed Race and other ethnically diverse employees. Nearly 1,000 UK employers have signed up to the Charter which requires employers to take practical steps to reduce inequalities, such as capturing their ethnicity pay gap data and examining data on recruitment and progression. The Charter's seven steps are designed to create tangible change for the workforce of today and make much-needed preparations for the workforce of the future.

Employers must understand that investing in people is a long-term and strategic decision that will not only ensure that it can recruit and retain talent from all communities and backgrounds but will also ensure that employers are ready for the UK's working population of the future. That's why BITC has published 11 Regional insights on Race factsheets with the support of Deloitte, Enterprise-Rent-A-Car, Eversheds Sutherland and Sage, so employers have a one-stop-shop of what they need to know about the communities that they work in. Employers can take some simple steps now that will ensure their workforce is representative of the working-age population in their area, such as:

- Communicate a clear message on why you are setting targets to improve representation.
- Be transparent with the methodology about how they are being set. Involve your employees and resource groups where possible.
- Decide what benchmarking data you will use to set them – national and/or local demographics.
- Think about how progress against targets will be tracked. Who will be involved in doing this and how will progress be reported.
- Consider including targets for recruitment, retention and progression.
- Decide what action is taken if you fall behind the predicted milestones for progress.
- Plan how will you celebrate success as you achieve milestones.

Understanding the different ethnicities and the changing working-age population of the UK will only enable employers to be more equipped to become truly inclusive employers. From recruitment to pay, there is a long way to go, but with the right calls to action and commitment from employers to drive change, I'm confident that by 2051, the diverse ethnic working-age population will be part of a much more inclusive workforce than their predecessors.