



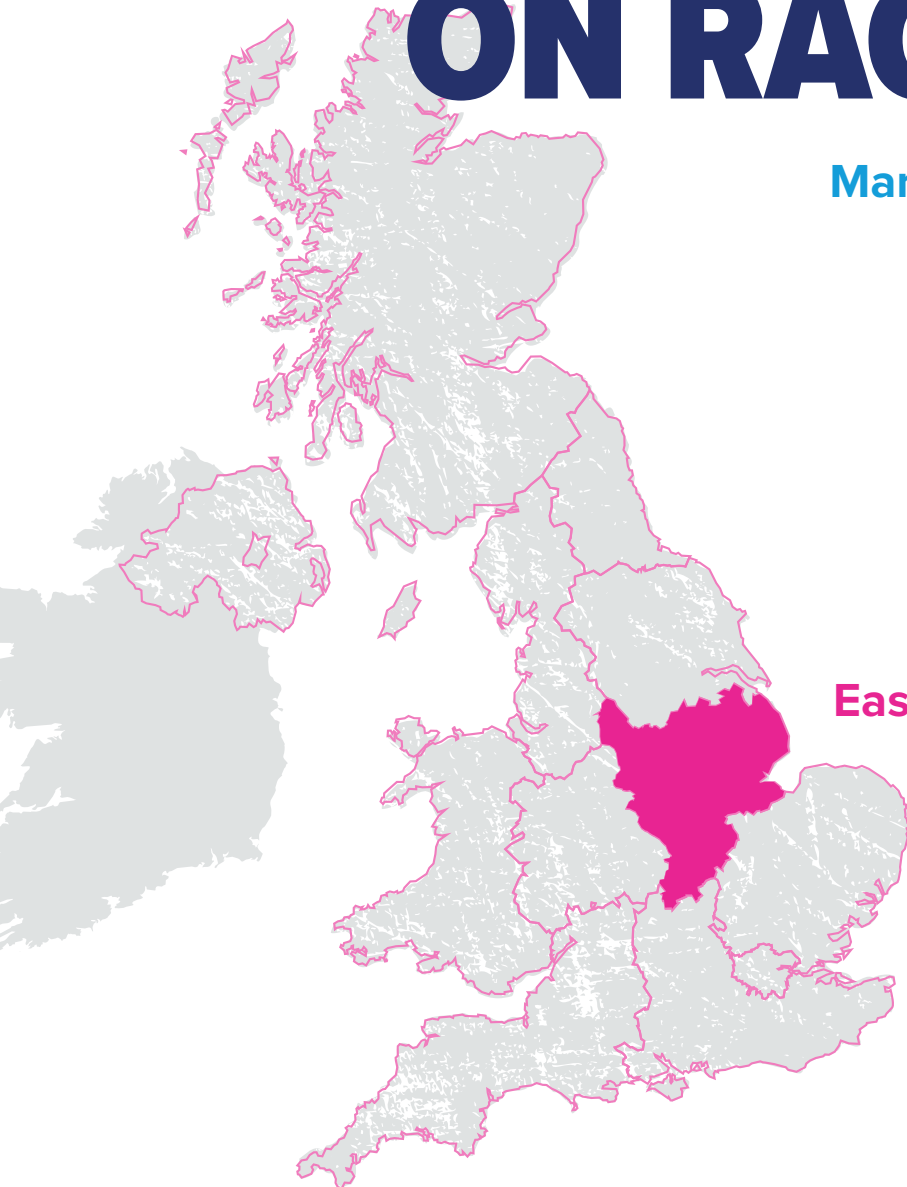
The Prince's
Responsible
Business Network

Factsheet

REGIONAL INSIGHTS ON RACE

March 2023

East Midlands



FACTSHEET

REGIONAL INSIGHTS ON RACE FACTSHEET: EAST MIDLANDS

		PAGE
1	AN OVERALL SNAPSHOT OF ENGLAND AND WALES	3
2	REGIONAL FOCUS: EAST MIDLANDS	5
3	RELIGION	6
4	EDUCATION	8
5	EMPLOYMENT	10
6	LEADERSHIP	12
8	SUPPLIERS AND SMALL BUSINESSES	13
7	APPENDIX: BITC RACE AT WORK CHARTER	14

The England and Wales Census 2021 provides a fresh opportunity to understand the representation of ethnically diverse communities. This factsheet will outline the changes in the population since 1991 across England and Wales and evidence why it is an imperative that employers ensure that UK workplaces are equal for everyone, regardless of background. Employers can then sense check the efforts that they have in place to ensure our workplaces are reflective of the communities in which we operate. Most importantly, in the midst of a world shortage of workers and the skills that are required for the future, it becomes crucial that our workplaces have curated an inclusive environment where people from all backgrounds can work and progress. We know that tackling race disparities in the UK across the labour market through improved participation and progression, has the potential to add £24 billion a year to the UK economy.¹ This factsheet aims to equip employers with knowledge and evidence to understand their communities, the how and where to source and retain talent, and put in place structures and procedures outlined in Business in the Community's (BITC's) [Race at Work Charter](#) to create the right environment to best attract talent and become inclusive employers.

This factsheet will support organisations to set ethnicity targets using the latest demographic data in England and Wales and inform employers of the talent pools available to them across the nations and regions. This will enable different parts of the business to anticipate who should be responding to recruitment adverts, who should be progressing in the organisation, and where they may need to create targeted action plans for outreach to different communities and provide tailored and bespoke support.

AN OVERALL SNAPSHOT OF ENGLAND AND WALES

The Census 2021 shows that the population of England and Wales has grown to 59.6 million – the largest it has ever been, having increased from 56.1 million in 2011. White people account for the majority of the population with 81.7% (48.7 million) of residents being White and ‘non-white’ residentsⁱⁱ i.e., Black, Asian, Mixed Race and other ethnically diverse people accounting for the remaining 10.9 million (18.3%), marking a significant 4.3 percentage increase since the last census in 2011 (see *Figure 1*), and also in line with previous population predictions (see *Figure 2*).

The largest ethnic minority group in England and Wales remains as Asian, Asian British or Asian Welsh, accounting for **9.3%** (5.5 million) of all residents, up from 7.5% (4.2 million) in 2011. This group includes people from Bangladeshi, Chinese, Indian, Pakistani and any Other Asian background.

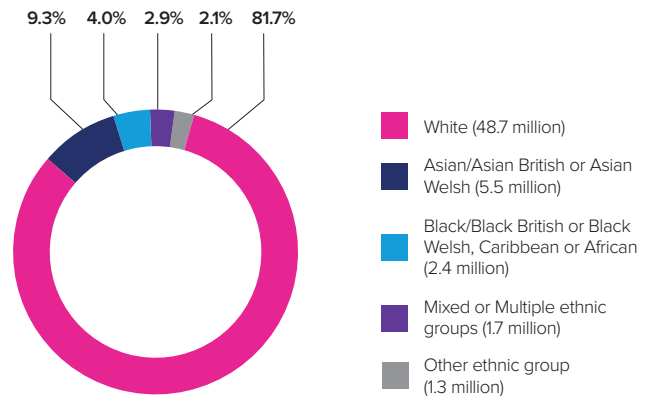
The second largest ethnic minority group is the Black, Black British, Black Welsh, Black Caribbean or Black African group which make up **4.0%** (2.4 million) of the overall population, an increase from 3.3% (1.9 million) in 2011.

The Mixed Race/Multiple ethnic minority group now make up **2.9%** (1.7 million) of the overall population up from 2.2% (1.2 million) in 2011. The ‘Other Ethnic’ group has seen the biggest increase doubling from just 1% (564,000) at Census 2011 to **2.1%** (1.3 million) at Census 2021.

The changing face of the population – England and Wales

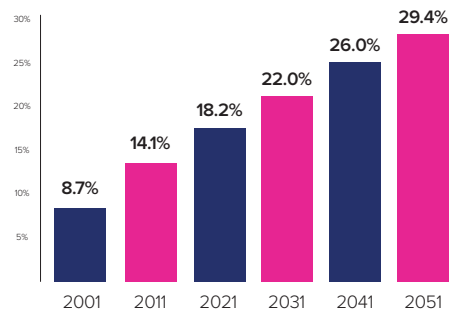
In 1991, ethnicity was recorded in the census ‘officially’ for the first time. Since then, the ethnic minority makeup of England and Wales has evolved significantly from just 5.9% in 1991ⁱⁱⁱ and tripled to its current level of 18.3%. When comparing the current level of 18.3% to the population predictions made in 2010^{iv}, (see *Figure 2*) it confirms the accuracy of the prediction that the ethnic minority population would reach 18.2% by 2021. On these grounds, it is most likely that almost one third of the population of England and Wales will be ethnically diverse by 2051.

Figure 1: Population of England and Wales by high-level categories: Census 2021



Source: Census 2021 Ethnic Group TS021

Figure 2: Growth and projection of England and Wales' non-white population

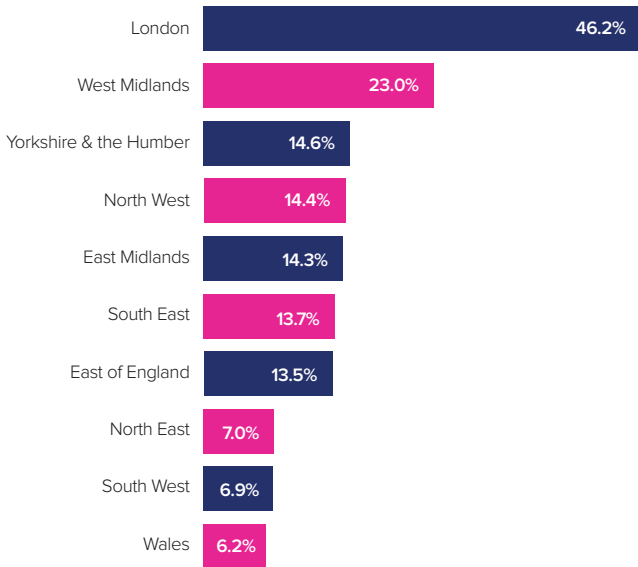


Source: Centre for Policy on Ageing (CPA)/Runnymede Trust 'Future Ageing of the Ethnic Minority Population of England and Wales'. 2010. 'Table A2: The ethnic minority population of England and Wales

“Capturing ethnicity data helps us to better understand the make-up of our firm so that we can focus our activities appropriately and build an inclusive workforce that’s reflective of society. It also enables transparent and meaningful reporting of our ethnicity pay gaps and progress against targets.”

Mitul Shah, Partner, Deloitte

Figure 3: The regional distribution of the ethnically diverse population of England and Wales



Source: Census 2021 Ethnic group TS021

The nations and regions with the largest populations of White residents are Wales, the South West and the North East, while the region with the largest population of ethnically diverse residents is London, representing 46.2% of the Capital’s population and is double that of the second highest ethnically diverse region which is the West Midlands where 23.0% of its population is ethnically diverse (see *Figure 3*).

For employers, the importance of capturing ethnicity data cannot be underestimated. Capturing ethnicity data is important to establishing a baseline and measuring progress. It is also a crucial step towards an organisation being able to report on ethnicity pay gaps.

Languages

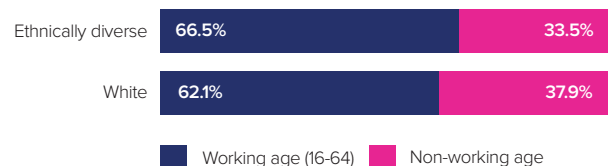
5.1 million residents in England and Wales do not have English as their main language^v and 160,600 cannot speak English at all.^{vi} Polish is the second language of England and Wales with over half a million (612,000) naming it as their main language. Third is Romanian at 472,000 which has grown dramatically since the Census 2011, when only 67,600 of those in England and Wales named it as their main language^{vii}, moving Panjabi to fourth (288,700) and Urdu to fifth (267,600).

Taking age into account

62.1% of the White population of England and Wales are of working age compared to 66.5% of the ethnically diverse population (see *Figure 4*).

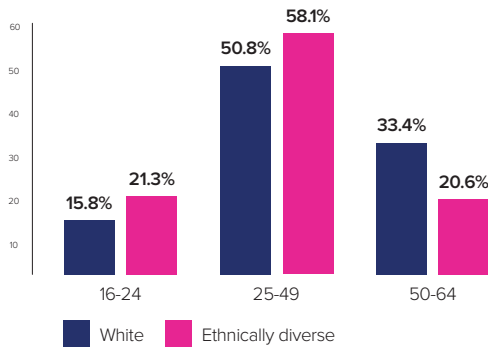
Of those aged between 25-49 years old the ethnically diverse working age population is much higher, at 58.1% compared to 50.8% of the White working age population. Younger people aged 16-24 make up more than a fifth, (21.3%), of the ethnically diverse working age population compared to 15.8% of the White working age population (see *Figure 5*). Research^{viii} shows that our workplaces are becoming increasingly multigenerational and there are things employers can do to ensure that workplaces work for people of all ages. See BITC’s [guide on how to analyse data on age](#) to help create a more inclusive workplace.

Figure 4: Proportion of England and Wales population that are working age (%)



Source: Census 2021 Ethnic group by age

Figure 5: Proportion of England and Wales working age population in each age bracket (%), Ethnically diverse and White



Source: Census 2021 Ethnic group by age

REGIONAL FOCUS: EAST MIDLANDS

14.3% of the East Midlands population is ethnically diverse. Using the broader ethnic group categories, 8.0% of its population is Asian, 2.7% Black, 2.4% Mixed/Multiple ethnic and 1.3% Other Ethnic group.

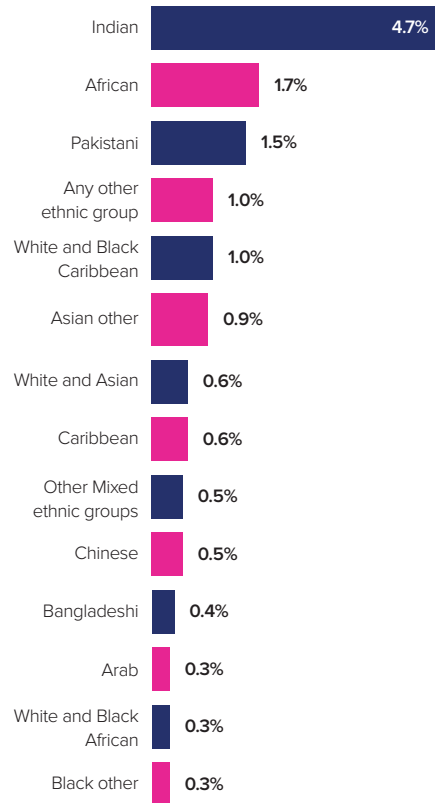
A more granular breakdown of the individual ethnic minority groups shows that people from the Indian (4.7%) ethnic minority group have the highest representation in the East Midlands (see *Figure 6*).

In 2021, the East Midlands local authorities with the highest proportions of ethnically diverse people were Leicester, Nottingham and Derby each local authority being more than a quarter ethnically diverse (see *Chart 1*). Leicester is the most diverse local authority in the East Midlands with almost six in ten residents from ethnically diverse backgrounds.

Chart 1: East Midlands local authorities with the highest proportions of ethnically diverse people

Leicester	59.1%
Nottingham	34.1%
Derby	26.2%

Figure 6: East Midlands: Breakdown of 'Non-white' resident population (% of overall population)



Source: Census 2021 Ethnic Group TS021

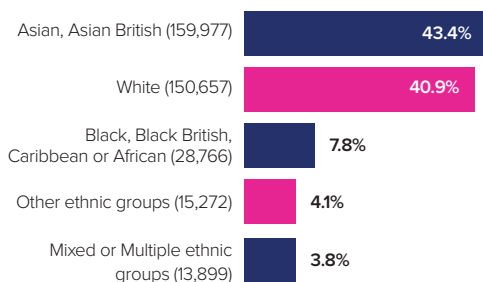
“Capturing ethnicity data is essential in helping us ensure that the diversity of our workforce reflects the local communities where we live and work. It guides our approach to creating a truly inclusive, diverse and equitable workplace where everyone has the opportunity to reach their full potential.”

Leigh Lafever-Ayer, Vice President of Human Resources for UK & Ireland, Enterprise Rent-A-Car

Focus on Leicester

Leicester’s ethnically diverse population has increased almost ten percentage points from 49.5% in 2011 to 59.1% at Census 2021. The majority (43.4%) of Leicester’s ethnically diverse population are Asian (see *Figure 7*).

Figure 7: Leicester resident population by ethnic group



Source: Census 2021 Ethnic group TS021

Age

Almost a quarter (24.1%) of Leicester’s ethnically diverse residents are aged 16-24 years old. The majority (54.4%) are aged between 25-49 and the over 50s make up 21.5%.

Language

In Leicester, three in 10 (30%) of its residents do not speak English as their main language, compared to 8.3% (392,000) of the East Midlands’s population. 24,500 Leicester residents cannot speak English very well, which represents 6.9% of the local authority’s population. A small number of residents (7,500) cannot speak English at all, representing 2.1% of the local authority’s population.

After English, the second main language spoken in Leicester is South Asian language: Gujarati with 12.6% having this as their main language. 41.1% of the people in Leicester were born in countries outside the UK, compared to East Midlands overall where 13.7% were born outside of the UK.^{ix}

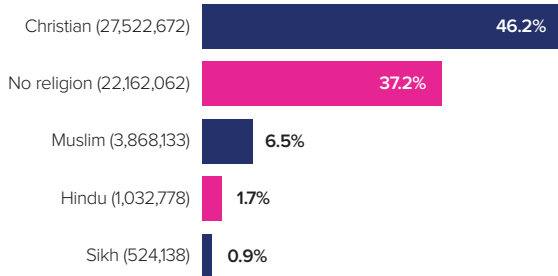
Poverty

Latest data from the Joseph Rowntree Foundation shows that 20.0% of the East Midlands are living in poverty.^x For ethnically diverse people the picture is worse, in 2020/21 across the UK, half of all people in Bangladeshi headed households were in poverty, increasing to over four in ten for people in Pakistani or Black headed households – more than twice the poverty rate of people in White headed households. Sadly, the child poverty levels in Leicester, the most ethnically diverse local authority in the East Midlands are significantly higher (35%) than the overall East Midlands region (24%).^{xi} We know that people living in poverty are being hit hardest by the rising cost-of-living crisis. We have published some [ethnicity and socio-economic papers](#) together with professors from University of Birmingham and Queen Mary to enable employer to understand the hidden disparities that employees within their workplaces may be grappling with. Employers can do much to support their local communities where high poverty levels exist by using BITC’s [Cost-of-Living Action Plan](#).

RELIGION

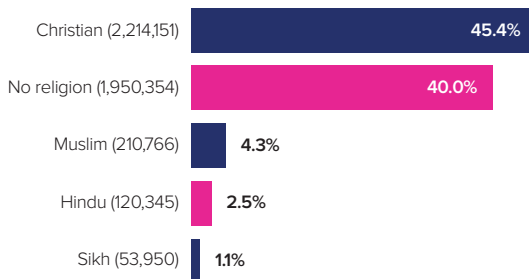
Many UK workplaces now recognise and celebrate all religious festivals as well as supporting employees by providing prayer/reflection rooms on-site. The Census 2021 revealed that Christianity is still the largest religion in England and Wales having 27.5 million followers (46.2%). Muslims are the second largest religious group with 3.9 million (6.5%) followers. Hinduism is the third largest religion with 1 million followers (1.7%) (see *Figure 8*).

Figure 8: Religion (top 5) – England and Wales (all usual residents) Census 2021



Source: Census 2021 Religion TS030

Figure 9: Religion (top 5) – East Midlands (all usual residents) Census 2021



Source: Census 2021 Religion TS030

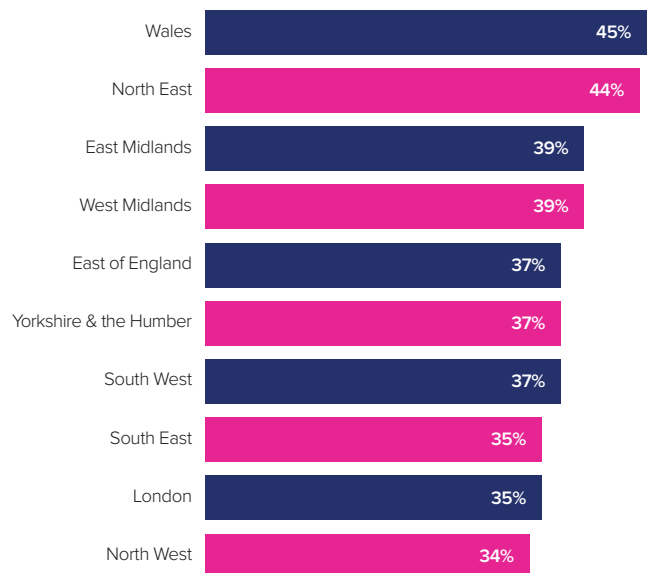
East Midlands reveals that there is minimal religious variation, the majority of residents are Christian (45.4%) or non-religious (40.0%). A small number are Muslim (4.3%) and even smaller number Hindu (2.5%) and Sikh (1.1%) (see *Figure 9*).

In Leicester, there is significantly more religious variation, 23.5% are Muslim – higher than the non-religious group (23.0%). 17.9% are Hindu and 4.5% Sikh.

Employers seeking to be fully inclusive need to create a culture where everyone feels equally safe and comfortable to talk openly about religion and belief. Establishing a [Faith and Belief Network](#) can be one way of providing a safe space to have

these discussions. BITC’s [Race at Work Survey 2021](#) found that just 40% of White employees thought other workers in their organisation were comfortable talking openly about religion or belief in the working environment – this was much lower amongst Indian (27%), Bangladeshi (28%) and Black African (26%) workers. *Figure 10* shows by region, the comfort levels for talking openly about religion and belief:

Figure 10: Employees in your organisation are comfortable talking openly about religion or belief in the working environment



Source: BITC Race at Work Survey 2021

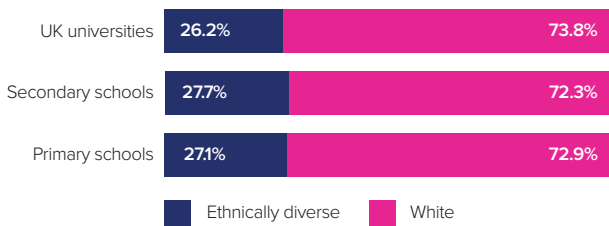
Wales and the North East are the nation and region with the lowest ethnically diverse population and they are also the nation and region with the least variety of religion. Wales is less religious than England with 46.5% having no religion and 43.6% Christian. Similarly, in the North East half of residents (50.8%) are Christian and 40.0% have no religion. This may be the reason why employees in these places are more comfortable discussing religion as there are minimal religious differences. The BITC [Let’s Talk About Race Guide](#) is a simple icebreaker guide to encourage employers and employees to get comfortable talking about race.

EDUCATION

In England alone, ethnically diverse people are over-represented in the education system accounting for:

- Over **1 in 4** (26.2%) of UK-domiciled students at UK universities.^{xii}
- Over **1 in 4** (27.7%) children at state-funded secondary schools.
- Over **1 in 4** (27.1%) children at state-funded primary schools.

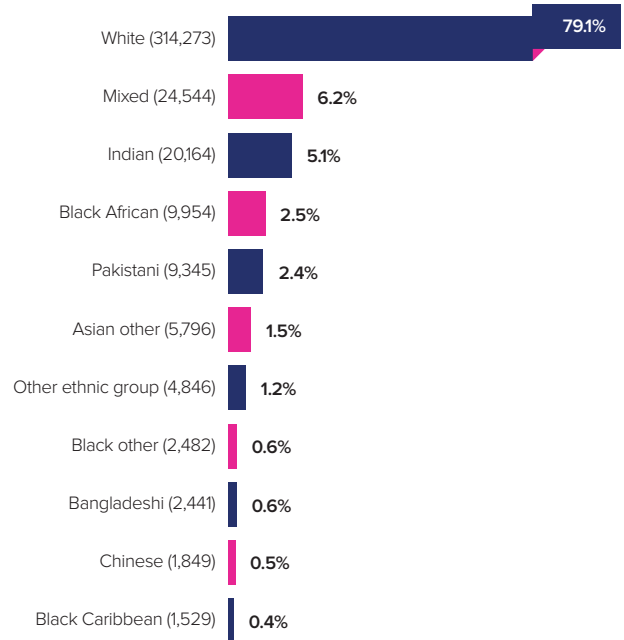
Figure 11: Proportion of students at UK universities and pupils at schools in England that are White and Ethnically diverse (%)



Source: Department for Education (DfE) 'Schools, Pupils, and their characteristics' Academic year 2021/22. HESA Student Records 2020/21.

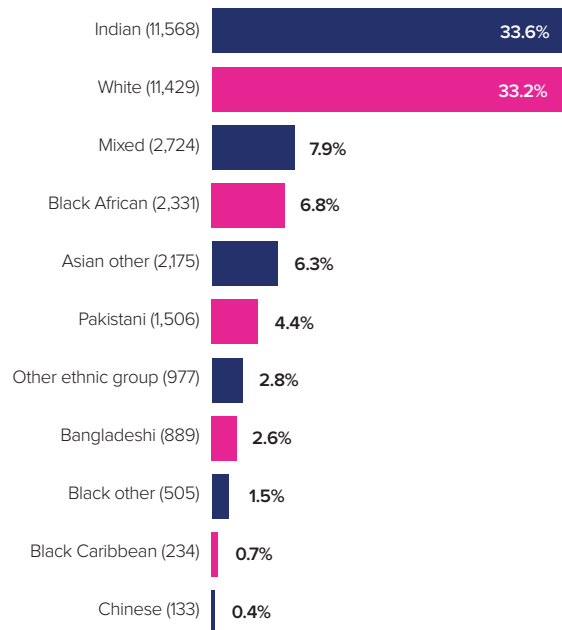
In 2021/22 there were 397,223 children at state-funded primary schools in the East Midlands of which 20.9% were ethnically diverse (see *Figure 12*), and at secondary schools in the East Midlands, ethnically diverse pupils made up 20.3% (303,642) of the school population.^{xiii} A report by Runnymede in 2020 found that not only is the education system racially unequal in the proportion of teachers from ethnically diverse backgrounds, but also that 'racism is deeply embedded in schooling'.^{xiv} The latest statistics^{xv} show that 4.0% of headteachers in England are ethnically diverse, and 96% are White. The pandemic has only exacerbated the challenges facing education and means that the role of businesses in addressing inequalities in this sphere has never been more important BITC's report *Time to Act* puts forward four calls to action

Figure 12: Primary school children in East Midlands by ethnic group (2021/22)



Source: Department for Education (DfE) 'Schools, Pupils, and their characteristics' Academic year 2021/22. Pupils whose ethnicity was 'unclassified' have been excluded from these numbers and numbers may not sum due to rounding to source.

Figure 13: Primary school children in Leicester, by ethnic group



Source: Department for Education (DfE) 'Schools, Pupils, and their characteristics' Academic year 2021/22. Pupils whose ethnicity was 'unclassified' have been excluded from these numbers and numbers may not sum due to rounding to source.

for businesses to drive meaningful and sustainable change, including one to ensure that education partnerships must reach those most disadvantaged through active inclusion strategies. A number of schools have signed the Race at Work Charter to demonstrate their commitment to action.

In Leicester, ethnically diverse children at primary schools make up 66.8% of the local authority's state-funded primary school population and 70.1% of the local authority's state-funded secondary schools.^{xvi} Indian children are the largest ethnically diverse group in both state-funded primary schools representing a third (33.6%) of primary children, outnumbering White pupils (see *Figure 13*) and over a third in state-funded secondary schools representing 35.4% of pupils.^{xvii}

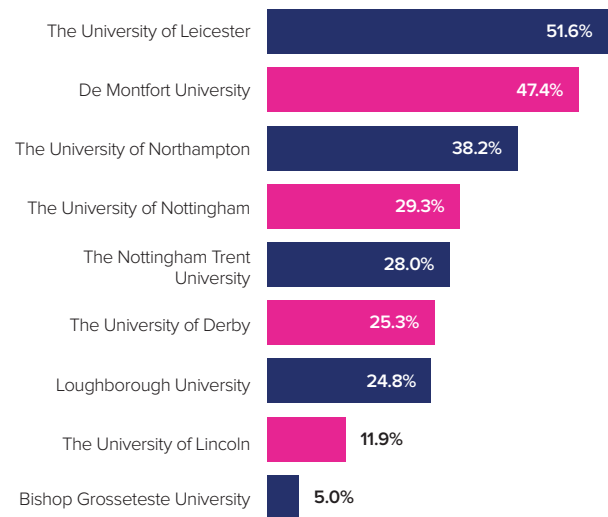
Race and higher education

Student records for the academic year 2020/21, show that UK domiciled ethnically diverse students made up more than one in four (26.2%) of all the higher education (HE) students.^{xviii}

In the East Midlands, The University of Leicester had the highest representation of ethnically diverse students making up 51.6% of the student population. *Figure 14* lists the nine higher education providers in the East Midlands with the highest proportion of UK-domiciled ethnically diverse students. This information is useful for employers wanting to target ethnically diverse talent for their organisation.

Data from AdvanceHE Equality in Higher Education report shows that in 2020/21 (after medical related subjects) the four most popular subjects for UK domiciled ethnically diverse students were Law (34.0%), Business (33.8%), Computing (30.5%) and Engineering and Technology (30.4%). Most of these are skills required for the future of work, whereby employment trends continue to become more data, computer, AI and business development driven.^{xix}

Figure 14: East Midlands higher education providers with the highest proportion of ethnically diverse students (% = ethnically diverse population)



Source: HESA Student Records 2021/22. *Students with 'not known' ethnicity have been excluded from the numbers. Only higher education providers with a minimum of 1,000 total students have been included.

“Capturing ethnicity data is essential to measuring Sage’s DEI progress: it helps us track our performance against inclusion targets; identify areas for improvement, such as pay gaps; and enables us to see how representative (or not!) we are of communities and geographical locations our offices are based in.”

Sage

EMPLOYMENT

The labour market

One in five of the working age population is ethnically diverse. *Chart 2* shows the UK labour market statistics of the working age population by ethnic group for the period October–December 2022.

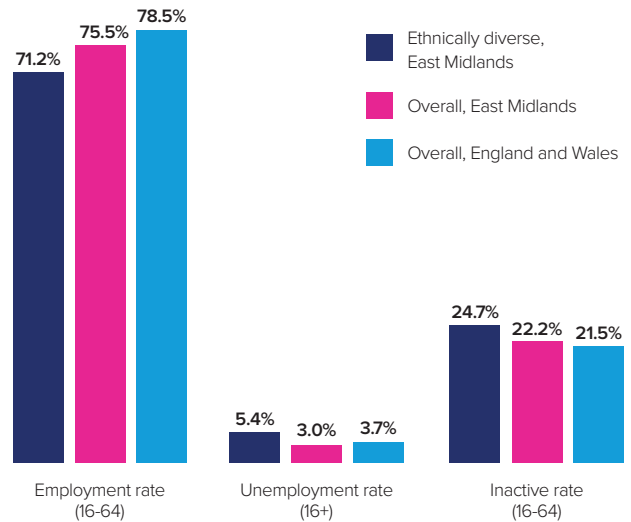
If the ethnically diverse population of England and Wales grows to one third of the population by 2051 (see *Figure 2*), employers will need to check their employer brand to become the employer of choice if they are to attract, recruit, and retain ethnically diverse top talent.

Chart 2: Labour Force Survey (LFS) UK employment, unemployment and inactivity aged 16-64 October–December 2022

Ethnic Group (actual number)	Employed (%)	Unemployed (%)	Economically Inactive (%)
White (34,826,000)	77.1%	3.1%	20.3%
Mixed/Multiple ethnic (770,000)	66.7%	11.3%	24.7%
Black (1,525,000)	68.9%	8.5%	24.7%
Indian (1,367,000)	77.4%	5.9%	17.7%
Pakistani (860,000)	58.0%	8.7%	36.4%
Bangladeshi (360,000)	60.9%	7.3%	34.2%
Chinese (329,000)	66.2%	7.8%	28.1%
Other (1,486,000)	71.3%	5.4%	24.5%
Ethnically diverse – (6,698,000)	69.0%	7.5%	25.4%
Total – (41,566,000)	75.8%	3.8%	21.2%

Source: LFS A09: Labour market status by ethnic group UK (not seasonally adjusted). Numbers rounded to the nearest 1000; Numbers may not sum due to rounding. Notes: Unemployment Rate percentages are based on 16+ due to data provided in A09. Figures underneath each ethnic group refer to A09 figures for employed, unemployed and inactive people added together.

Figure 15: Employment rates, October 2021–September 2022



Source: Annual Population Survey, Nomis

The East Midlands Labour Force Statistics taken from the Annual Population Survey (APS) October 21–September 2022 show that:

- The **employment rate** for ethnically diverse people aged 16-64 was 71.2%, compared to 75.5% for the overall East Midlands population.
- The **unemployment rate** for ethnically diverse people aged 16+ was 5.4%, compared to 3.0% for the overall East Midlands population.
- The **economic inactivity rate** for ethnically diverse people aged 16-64 was 24.7%, compared to 22.2% for the overall East Midlands population.

The same disparities exist for England and Wales overall, and we note the economic inactivity rate is a little higher for ethnically diverse people in East Midlands compared to England and Wales overall (see *Figure 15*).

Access to jobs

Responsible businesses want to build a diverse workforce and fill vacancies, yet some longstanding and widespread recruitment practices create barriers for ethnically diverse people.

Having a diverse workforce will lead to rich perspectives and informed decisions that will enable employers to tap into 18% of the UK's population. The cumulative spending power of ethnically diverse people in the UK is estimated to reach £3.06 trillion by 2031 and £16.7 trillion by 2061.^{xx} Consumer-facing employers will miss the opportunity to cater to this market if they don't improve their hiring practices to include more diverse voices. Employers can do this by understanding some of the common barriers faced by ethnically diverse candidates and redesigning their hiring processes. For example, BITC's [Opening Doors campaign](#) calls on employers to change how they recruit by taking specific actions to unlock their jobs to untapped talent. Mixed race people are experiencing the highest unemployment (see *Chart 2*) and young Black men are more likely to experience unemployment. BITC's [Improving](#)

Employment Outcomes for Young Black Men

factsheet outlines the vital role employers can play in addressing these disparities.

Industry of employment

Ethnically diverse workers are better represented in some industries than others.

In the East Midlands, ethnically diverse workers have a presence in most industries. However, there are minimum to no presence for some ethnically diverse groups in industries such as agriculture and fishing and energy and water (see *Chart 3*).

Ethnically diverse people have the highest representation in transport and communication (14.2%), and public admin, education and health (14.0%). Followed by distribution, hotels and restaurants (13.1%) (see *Chart 3*). Also highlighted in *Chart 3* are the industries with the highest representation of each ethnically diverse group.

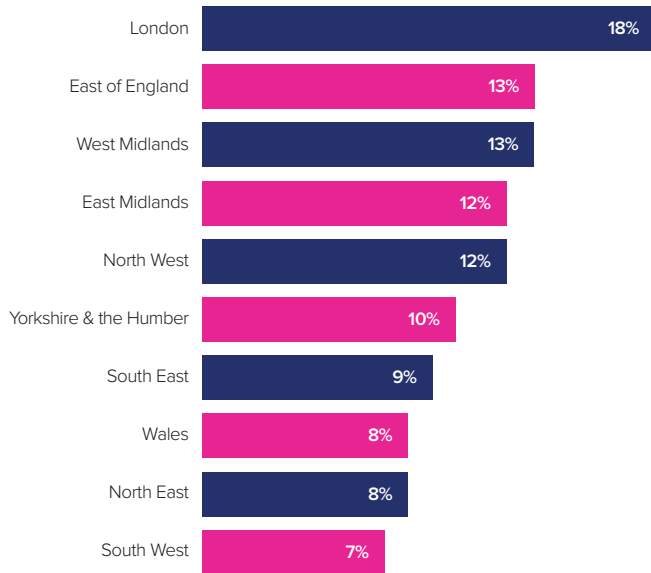
Despite being highly represented in some sectors, BITC's [Race at Work Survey 2021](#) found overall

Chart 3: Industry of employment by ethnicity (16+) East Midlands, percentages, October 2021–September 2022

Ethnicity	Agriculture and fishing	Energy and water	Manufacturing	Construction	Distribution, hotels and restaurants	Transport and Communication	Banking finance and insurance etc.	Public admin education and health	Other services	All people
All	18,400	44,600	278,200	161,400	408,500	223,900	320,300	752,800	113,400	2,321,500
White	18,100 (98.4%)	40,700 (91.3%)	243,700 (87.6%)	153,500 (95.1%)	354,100 (86.7%)	192,300 (85.9%)	279,500 (87.3%)	646,700 (85.9%)	102,000 (89.9%)	2,030,600
Mixed ethnicity	!	!	2,600 (0.9%)	!	5,500 (1.3%)	1,500 (0.7%)	5,200 (1.6%)	11,000 (1.5%)	!	25,800
Indian	!	2,400 (5.4%)	16,800 (6.0%)	4,300 (2.7%)	16,400 (4.0%)	10,600 (4.7%)	15,200 (4.7%)	34,100 (4.5%)	4,200 (3.7%)	104,000
Pakistani/ Bangladeshi	!	!	1,800 (0.6%)	!	7,100 (1.7%)	4,600 (2.1%)	3,700 (1.2%)	7,700 (1.0%)	!	24,900
Black	!	!	6,400 (2.3%)	1,800 (1.1%)	7,200 (1.8%)	8,300 (3.7%)	9,200 (2.9%)	30,900 (4.1%)	2,900 (2.6%)	66,700
Other ethnic group	!	!	6,900 (2.5%)	!	17,500 (4.3%)	6,700 (3.0%)	7,400 (2.3%)	21,800 (2.9%)	2,800 (2.5%)	63,100

Source: ONS Annual Population Survey (APS) from Nomis, annual population survey – Ethnic Group by industry (SIC 2007) of employment 16+, October 2021–September 2022. Notes: ! means estimate number not available due to group sample size zero or disclosive (0-2). Numbers may not sum due to rounding.

Figure 16: Ethnic background is a barrier to making the next step in career



Source: BITC Race at Work Survey 2021

that 23% of ethnically diverse people in the UK, felt their ethnic background was a barrier in making the next step in their career. This was higher (32%), for Pakistani and 38% for Black African respondents.^{xxi} *Figure 16* shows regionally how people from all ethnic groups including White responded.

Progression and other barriers

BITC’s [Race at Work Survey 2021](#) revealed that 18% of ethnically diverse people felt that family commitments were a barrier to the next step in their career, compared to 11% of their white counterparts. Flexible working is a key enabler of professional progression, particularly for women who more often have to make career sacrifices due to family commitments. BITC’s [Who Cares](#) research found that one in three (32%) Black, Asian, Mixed Race and other ethnically diverse people have left or considered leaving a job due to a lack of flexibility compared with one in five (21%) of White people – the [Route Map to a More Gender Equal Future](#) helps businesses promote gender equality at work. Tackling work-based inequalities is also crucial to achieving an inclusive culture of wellbeing and forms the first BITC recommendation to help employees [THRIVE at work](#).

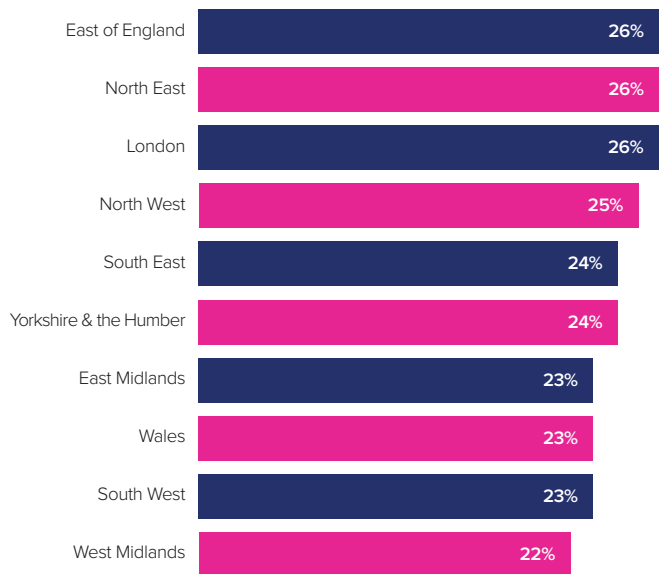
LEADERSHIP

An interesting emerging trend from US research shows that 65% of workers aged 18-34 said they would consider turning down a job offer or leaving a company if there was a lack of race/ ethnicity diversity in company leadership and 64% of workers aged 35-44 said the same.^{xxii} As the war for talent is not only UK wide but global, employers should increase the transparency of their commitment to race and inclusion.

There is a disproportionate underrepresentation of ethnically diverse people in senior leadership positions. In England and Wales only 5.4% of Black people are managers and senior officials, which is significantly lower than any other ethnic group (see *Chart 4*).

BITC’s [Race at Work Survey 2021](#) found that ethnically diverse people were more likely to report that they have been overlooked for a promotion in their current place of work. This was highest for the Other Ethnic group at 36%, the Indian respondents at 34%, compared to 20% of White respondents. *Figure 17* shows regionally how all ethnic groups responded:

Figure 17: Overlooked for a promotion in current place of work



Source: BITC Race at Work Survey 2021

Chart 4: Occupation by ethnicity, October 2021–September 2022, 16+ in employment employed as managers and senior officials

Ethnic Group	UK Overall)		East Midlands Region	
	Number	%	Number	%
White	2,753,200	11.2%	206,000	10.1%
Ethnic minority	353,200	8.1%	15,600	5.4%
Mixed ethnic group	35,300	7.5%	1,400	5.3%
Indian	107,000	10.9%	7,400	7.1%
Pakistani/ Bangladeshi	53,200	7.6%	1,600	5.8%
Black	53,800	5.4%	3,400	5.0%
Other Ethnic Group	103,900	8.6%	1,900	2.9%

Source: Annual Population Survey (APS) from Nomis, annual population survey, SOC2020, October 2021–September 2022.

SUPPLIERS AND SMALL BUSINESSES

Black, Asian, Mixed Race and other ethnically diverse-led businesses contribute an estimated £25-32 billion each year to the UK economy.^{xxiii} However, entrepreneurs from these ethnically diverse backgrounds face systemic challenges to starting and running a successful business. They are less likely to have access to business support services, advice, funding and signposting to information and resources.

Despite higher qualifications and investing more time and money, Black business owners report a median turnover of more than a third less than their White counterparts.^{xxiv} 48% of Black, Asian, Mixed Race and other ethnically diverse business owners do not plan to access or expect to qualify for any government support schemes in the UK.^{xxv} Many of these businesses are SMEs. The Small Business Survey^{xxvi} found that in 2021, only 6% of SME employers were ethnic minority group led.^{xxvii} Ethnically diverse SME employers were also found more likely in some industries: health (10%), administration (9%), information and communication (8%), accommodation and food (8%) and transport (8%).

Ethnically diverse SME employers are most common in London (20%) and least common in the North East (2%) and the South West (2%).^{xxviii}

Race at Work Charter commitment seven was added in 2021 to improve employer action to reduce the impact of the challenges ethnically diverse led businesses face, including mentoring, partnering, collaborating and ensuring prompt payment.

As outlined in BITC’s [Driving Sustainability Through Procurement](#) report, supply chains and procurement are a powerful tool to tackle entrenched social and environmental problems. To introduce more diverse supply chains businesses can use BITC’s [Cost-of-Living Action Plan](#) and [Ethnically Diverse-led Business Owners in Supply Chains Toolkit](#). Building and nurturing relationships with suppliers and ensuring there is accountability at the top table are crucial first steps in improving supplier diversity. By tackling discouragement and mistrust, improving access to business support and monitoring engagement with diverse suppliers, the contribution of ethnic minority businesses could increase four-fold.^{xxix}

APPENDIX

RACE AT WORK CHARTER

BITC launched the Race at Work Charter in 2018 in collaboration with the government. The Race at Work Charter was established from evidence which emerged from the [Race at Work Survey 2015](#), the commitment to a review following the recommendations from the McGregor-Smith Review: Race in the workplace (2017), and the Race at Work Scorecard Report (2018), found that people from Black, Asian, Mixed Race and ethnically diverse backgrounds are still underemployed, underpromoted and under-represented at senior levels.

The Race at Work Charter supports employers to put into place the mechanisms to create and sustain an ethnically diverse workforce:

1. Appoint an Executive Sponsor for race

- [Top tips to become a visible leader on ethnicity.](#)
- [Briefing: Engage in two-way mentoring models – what is reverse mentoring?](#)
- [How to set ethnicity targets](#)
- [How to make the case for action and engage your people](#)
- [Let's Talk about Race](#)

2. Capture data and publicise progress

- [Capturing Ethnicity Data Webinar](#)
- [10 reasons to monitor ethnicity](#)
- [What should employers monitor in terms of ethnicity?](#)
- [A Guide for General Counsels: Insights into Ethnicity Pay Gap Reporting and accompanying webinar.](#)

3. Commit at board level to zero tolerance of harassment and bullying in the workplace and from customers and clients

- [Toolkit on tackling racial harassment and bullying.](#)
- [Spotlight – The University of Manchester thematic review Equality, Diversity and Racism in the Workplace report.](#)
- Short films, Infographics and reports produced in collaboration with the University of Manchester's Centre on Dynamics of Ethnicity (*Available on request*).
- Bespoke Bullying and Harassment Bystander Training and Let's Talk about Race workshops.

4. Make equity, diversity and inclusion the responsibility of all leaders and managers

- [Briefing on SMART performance objectives.](#)
- [Mental Health and Wellbeing for Ethnically Diverse Women – A guide for Managers.](#)
- [Performance objectives toolkit](#)

5. Take action that supports ethnic minority career progression

- [Webinar: Progression and Talent PLF](#)
- The Cross Organisational Mentoring Circle approach (available on request)
- [Mental Health and Wellbeing for ethnically diverse women](#)
- [Factsheets on ethnicity and socioeconomic factors by ethnicity group.](#)
- [Windrush Generation: employment and socioeconomic factors](#)

6. Support race inclusion allies in the workplace

- [Supporting Inclusion Allies](#)
- [Anti-racism and allyship in the workplace](#)
- [Black Talent Allyship](#)

7. Inclusive Supply Chain

- [Include Black, Asian, Mixed Race and other ethnically diverse-led businesses in the supply chain.](#)

WHO ARE WE COUNTING

- Asian, Asian British or Asian Welsh:
 - Bangladeshi
 - Chinese
 - Indian
 - Pakistani
 - Other Asian
- Mixed or Multiple ethnic groups:
 - White and Asian
 - White and Black African
 - White and Black Caribbean
 - Other Mixed or Multiple ethnic groups
- Black, Black British, Black Welsh, Caribbean or African:
 - African
 - Caribbean
 - Other Black
- Other ethnic group:
 - Arab
 - Any other ethnic group

Reference to white people in these factsheets include the following Census 2021 categories:

- White:
 - English, Welsh, Scottish, Northern Irish or British
 - Irish
 - Gypsy or Irish Traveller
 - Roma
 - Other White

THANK YOU

Thank you to our employer sponsors for their vital support and commitment to support these Regional Insights on Race Factsheets:

[Deloitte](#), [Enterprise Rent-A-Car](#), [Eversheds Sutherland](#) and [Sage](#)

“We have reported on our ethnicity pay gap since 2019 as a part of our commitment to build ethnic minority representation across our business. Reporting helps hold us to account, it provides an opportunity for rigorous analysis of our reward data which then informs our strategic focus areas and action planning.”

Eversheds Sutherland

FOOTNOTES

i [McGregor-Smith Review: Race in the workplace \(2017\)](#)

ii [Usual resident: A usual resident is anyone who on Census Day, 21 March 2021, was in the UK and had stayed or intended to stay in the UK for a period of 12 months or more or had a permanent UK address and was outside the UK and intended to be outside the UK for less than 12 months](#)

iii Nomis – 1991 census – local base statistics. Table L06 Ethnic Group

iv Centre for Policy on Ageing (CPA)/Runnymede Trust (2010) [‘Future Ageing of the Ethnic Minority Population of England and Wales’](#)

v Census (2021) Main language (detailed)

vi Census (2021) Proficiency in English

vii Nomis – Census (2011) QS204EW – Main language (detailed)

viii Deloitte Insights (2021) [Managing the multigenerational workforce](#)

ix Census (2021) Country of Birth

x Joseph Rowntree Foundation [UK Poverty 2023 Report](#)

xi Child poverty rates: Leicester from Joseph Rowntree Foundation UK Poverty 2023 report. East Midlands Region from [Child Poverty Statistics - End Child Poverty](#)

xii UK domiciled means that the UK was a student’s normal place of residence before starting their course

xiii Data not shown in factsheet. Source: Department for Education (DfE) ‘Schools, Pupils, and their characteristics’ Academic year 2021/22

xiv The Runnymede Trust (2020) [Race and Racism in Schools](#)

xv Ethnicity facts and figures (2023) [School teacher workforce – GOV.UK](#)

xvi Data not shown in factsheet. Source: Department for Education (DfE) ‘Schools, Pupils, and their characteristics’ Academic year 2021/22

xvii Data not shown in factsheet. Source: Department for Education (DfE) ‘Schools, Pupils, and their characteristics’ Academic year 2021/22

xviii Higher Education Statistical Agency (HESA) Student Records 2020/21

xix World Economic Forum [The Future of Jobs Report 2020](#)

xx WPP (2022) [Consumer Equality Equation report](#)

xxi Data not displayed

xxii Indeed & Glassdoor (2022) [Hiring and Workplace Trends Report 2023](#)

xxiii Federation for Small Businesses s.k.26120

xxiv [British Business Bank, 2020](#)

xxv Extend Ventures, Impact of COVID-19 on Black and Ethnic Minority-Led Businesses, May 2020

xxvi [Longitudinal Small Business Survey: SME Employers \(businesses with 1-249 employees\) – UK, 2021 \(publishing.service.gov.uk\)](#)

xxvii Ethnic minority group led relates to SME employers that have an ethnically diverse person in sole control of the business or a management team where at least half of its members are ethnic ethnically diverse

xxviii Data from Department for Business and Trade formerly [BEIS](#), information on all regions not available

xxix Aston University (2022) [TIME TO CHANGE: A BLUEPRINT FOR ADVANCING THE UK’S ETHNIC MINORITY BUSINESSES](#)



The Prince's
Responsible
Business Network

Business in the Community

137 Shepherdess Walk
London N1 7RQ

www.bitc.org.uk
020 7566 8650

Business in the Community is a registered charity in England and Wales (297716) and Scotland (SC046226). Company limited by guarantee No. 1619253.

Report designed and produced by itslikethis.co