

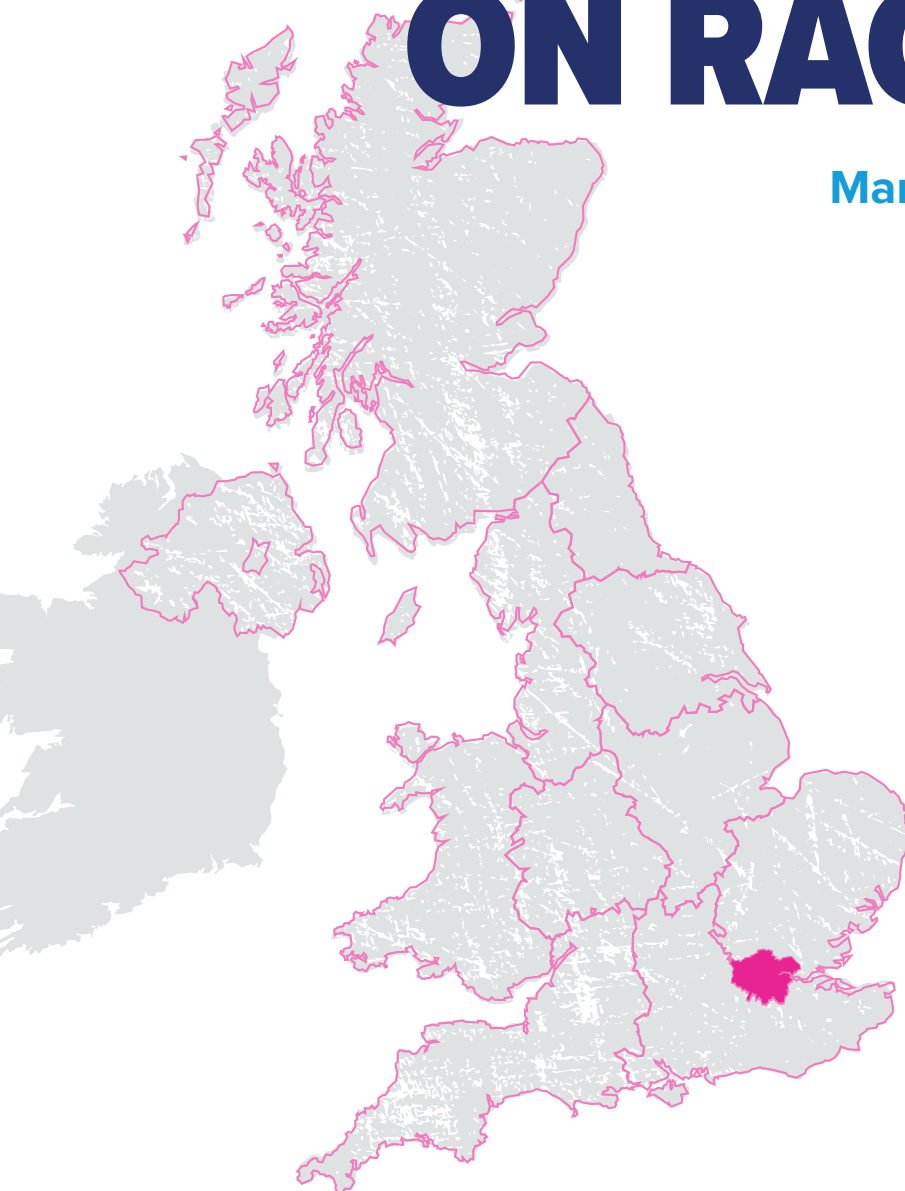


The Prince's  
Responsible  
Business Network

Factsheet

# REGIONAL INSIGHTS ON RACE

March 2023



London

# FACTSHEET

## REGIONAL INSIGHTS ON RACE FACTSHEET: LONDON

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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.<sup>1</sup> 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’ residents<sup>ii</sup> 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.

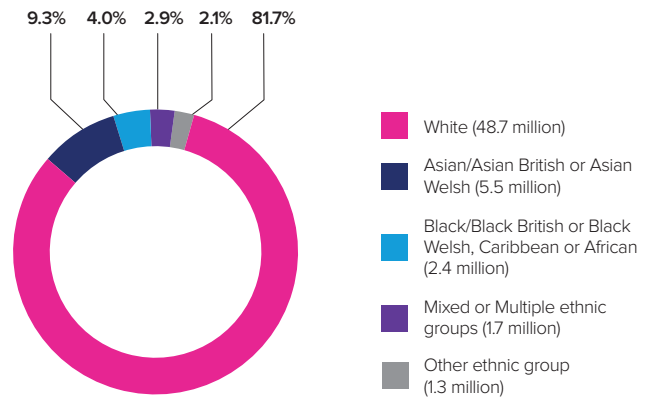
The second largest ethnic minority group is the Black, Black British, Black Welsh, Black Caribbean or Black African group which make up **4.0%** (2.4 million) of the overall population, an increase from 3.3% (1.9 million) in 2011.

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**

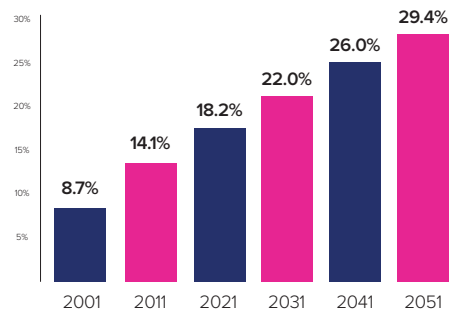
In 1991, ethnicity was recorded in the census ‘officially’ for the first time. Since then, the ethnic minority makeup of England and Wales has evolved significantly from just 5.9% in 1991<sup>iii</sup> and tripled to its current level of 18.3%. When comparing the current level of 18.3% to the population predictions made in 2010<sup>iv</sup>, (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

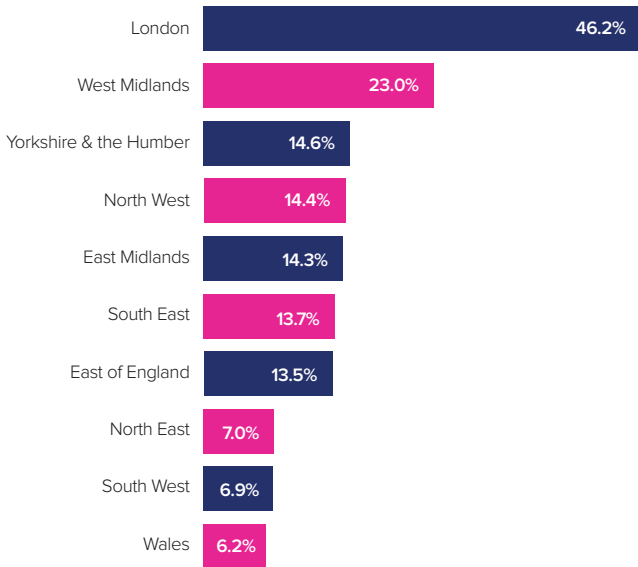


Source: Centre for Policy on Ageing (CPA)/Runnymede Trust 'Future Ageing of the Ethnic Minority Population of England and Wales'. 2010. 'Table A2: The ethnic minority population of England and Wales

**“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**

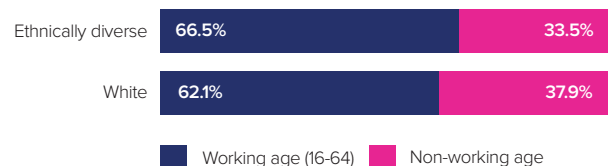
5.1 million residents in England and Wales do not have English as their main language<sup>v</sup> and 160,600 cannot speak English at all.<sup>vi</sup> Polish is the second language of England and Wales with over half a million (612,000) naming it as their main language. Third is Romanian at 472,000 which has grown dramatically since the Census 2011, when only 67,600 of those in England and Wales named it as their main language<sup>vii</sup>, 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*).

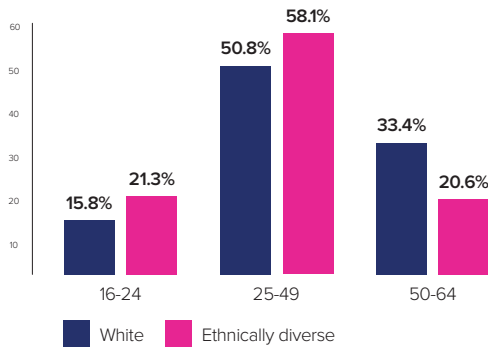
Of those aged between 25-49 years old the ethnically diverse working age population is much higher, at 58.1% compared to 50.8% of the White working age population. Younger people aged 16-24 make up more than a fifth, (21.3%), of the ethnically diverse working age population compared to 15.8% of the White working age population (see *Figure 5*). Research<sup>viii</sup> 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: LONDON**

As previously noted, 46.2% of the capital’s population is ethnically diverse, making it the most ethnically diverse region in England and Wales. Using the broader ethnic group categories, 20.7% of its population is Asian, 13.5% Black, 5.7% Mixed/ Multiple ethnic and 6.3% Other ethnic group.

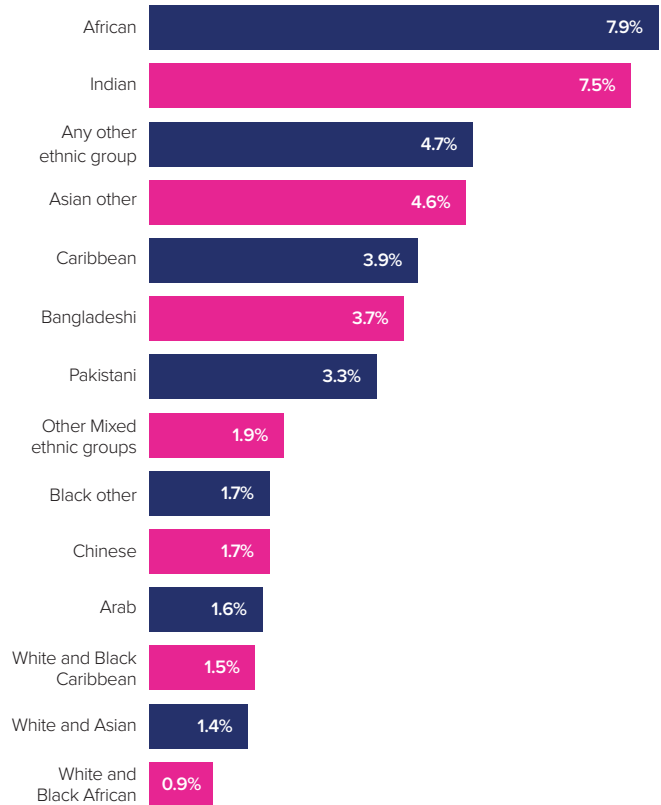
A more granular breakdown of the individual ethnic minority groups shows there is almost equal representation of Black African (7.9%) and Indian (7.5%) residents who have the highest representation in London (see *Figure 6*).

In 2021, the London Boroughs with the highest proportions of ethnically diverse people were Newham, Brent, Redbridge, Harrow and Tower Hamlets, with each Borough being more than 60% ethnically diverse (see *Chart 1*). Newham is the most diverse Borough in London with seven out of ten Newham residents from ethnically diverse backgrounds.

**Chart 1:** London Boroughs with the highest proportions of ethnically diverse people

INNER LONDON		OUTER LONDON	
Tower Hamlets	60.6%	Newham	69.2%
Southwark	48.6%	Brent	65.4%
Lewisham	48.5%	Redbridge	65.2%
Hackney	46.9%	Harrow	63.5%
Lambeth	45.0%	Ealing	56.8%

**Figure 6:** London: Breakdown of 'Non-white' resident population (% of overall population)



Source: Census 2021 Ethnic Group TS021

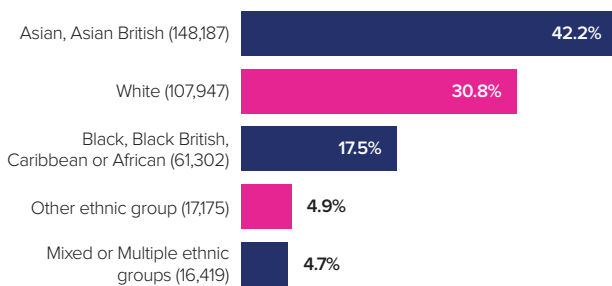
**“Capturing ethnicity data is essential in helping us ensure that the diversity of our workforce reflects the local communities where we live and work. It guides our approach to creating a truly inclusive, diverse and equitable workplace where everyone has the opportunity to reach their full potential.”**

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

## Focus on Newham

Newham’s ethnically diverse population has decreased slightly from 71.7% in 2011 to 69.2% at Census 2021, but it is still the most ethnically diverse Borough in London. The majority, (42.2%), of Newham’s ethnically diverse population is Asian (see *Figure 7*).

**Figure 7:** Newham resident population by ethnic group



Source: Census 2021 Ethnic group TS021. Figures may not sum due to rounding.

## Age

One in five (21.0%) of Newham’s ethnically diverse population is aged 16-24 years old. The majority (59.0%) are aged between 25-49 and the over 50s make up 20.1%.

## Language

In Newham, over a third (34.6%) of its residents do not speak English as their main language, compared to 21.6% (1.8 million) of London’s population, making Newham significantly higher than London’s average. 3,500 Newham residents cannot speak English at all, which represents 1.0% of the Borough’s population.

After English, the second main language spoken in Newham is South Asian language: Bengali (with Sylheti and Chatgaya) with 6.5% of people listing it is their main language. Over half (53.7%) of the people in Newham were born in countries outside the UK, compared to London overall where 40.6% were born outside of the UK.<sup>ix</sup>

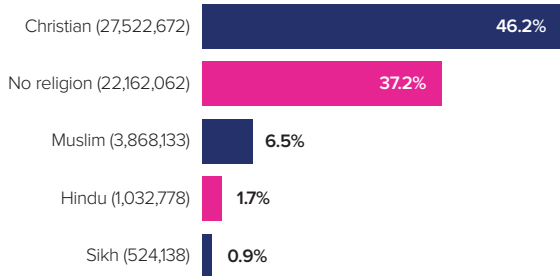
## Poverty

Historically, London has had the highest poverty rate in the UK compared to other regions, however, the latest data from the Joseph Rowntree Foundation shows that the North East has the highest poverty rate (26%) surpassing London (25%).<sup>x</sup> For ethnically diverse people poverty levels are much worse. In 2020/21, across the UK half of all people in Bangladeshi households were in poverty. Increasing to over four in 10 for people in Pakistani or Black households – more than twice the poverty rate of people in White households. Sadly, the poverty levels in Newham are some of the highest in England and Wales.<sup>xi</sup> Trust for London<sup>xii</sup> found that 49% of children in Newham live in poverty, which is significantly higher than the London average of 35%. Overall, 36% of residents in Newham are living in poverty, which is significantly higher than the previously mentioned London poverty rate (25%). 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 [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*).

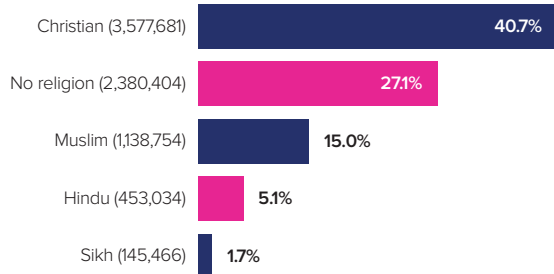
**Figure 8:** Religion (top 5) – England and Wales (all usual residents) Census 2021



Source: Census 2021 Religion TS030

A closer look at London reveals that 15.0% of residents are Muslim and 5.1% Hindu (see *Figure 9*). London has the lowest proportion of residents having no religion (27.1%) compared to other regions and nations.

**Figure 9:** Religion (top 5) – London (all usual residents) Census 2021



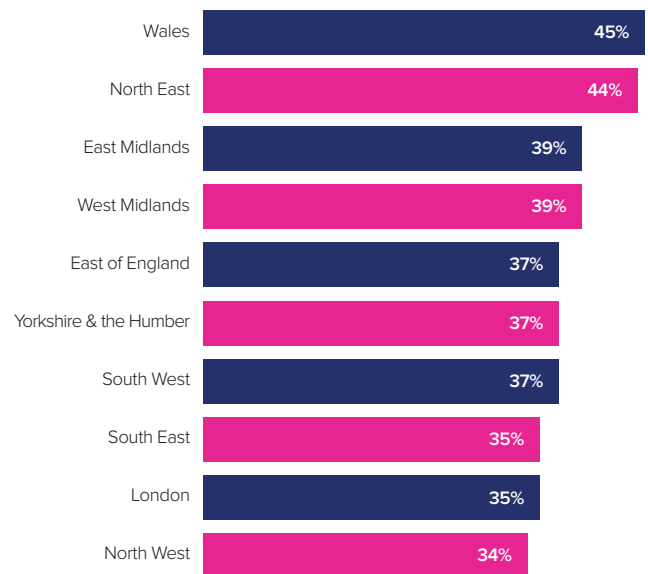
Source: Census 2021 Religion TS030

In Newham, 34.8% of residents are Muslim compared to 32.0% in 2011<sup>xiii</sup>, but the London Borough of Tower Hamlets continues to have the highest proportion of Muslims at 39.9%, an increase from 34.5% in 2011. It is also important to point out that there is a high proportion of Jewish people in the London Borough of Barnet (14.5%), although this has decreased from 15.2% in 2011.

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

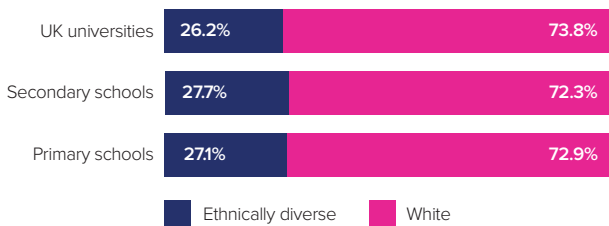
Wales and the North East are the nation and region with the lowest ethnically diverse population and they are also the nation and region with the least variety of religion. Wales is less religious than England with 46.5% having no religion and 43.6% Christian. Similarly, in the North East half of residents (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, and many with no religion. 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.<sup>xiv</sup>
- Over **1 in 4** (27.7%) children at state-funded secondary schools.
- Over **1 in 4** (27.1%) children at state-funded primary schools.

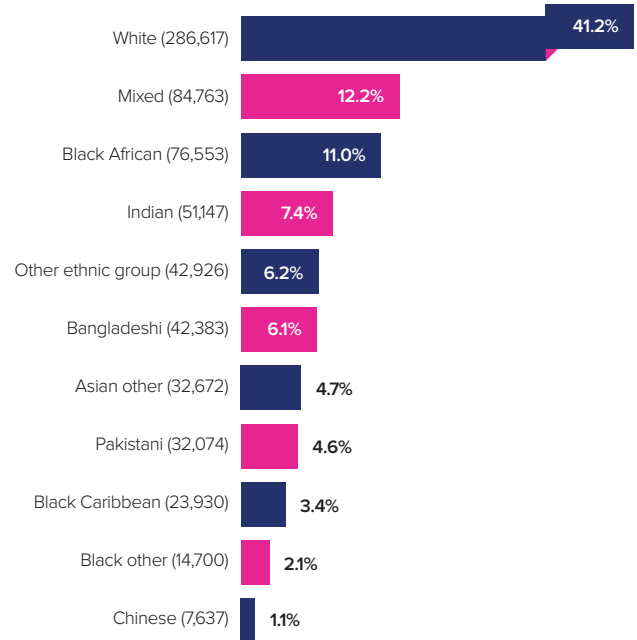
**Figure 11:** Proportion of students at UK universities and pupils at schools in England that are White and Ethnically diverse (%)



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

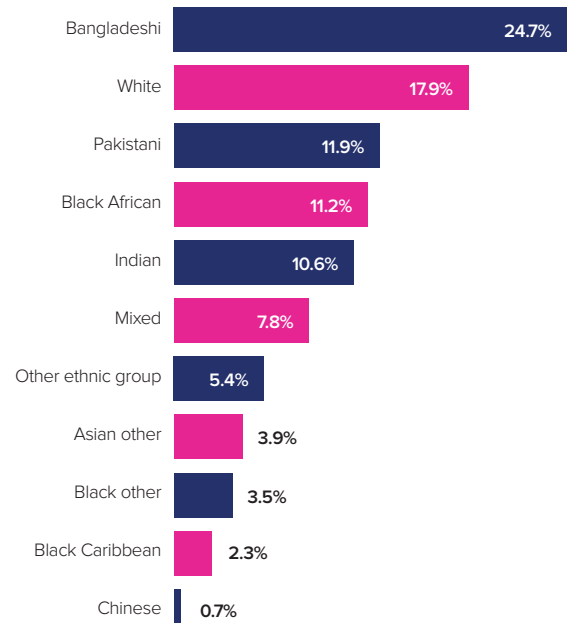
In 2021/22, there were 695,402 children at state-funded primary schools in London of which 58.8% were ethnically diverse (see *Figure 12*), and in secondary schools in London, ethnically diverse pupils made up 62.3% (553,655) of the school population outnumbering White pupils who make up the remaining 37.7% (208,762).<sup>xv</sup> 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'.<sup>xvi</sup> The latest statistics<sup>xvii</sup> 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

**Figure 12:** Primary School children in London 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.

**Figure 13:** Primary school children in Newham, 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. Figures may not sum due to rounding.



four calls to action 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 Newham, ethnically diverse children at primary schools make up 82.1% of the Borough’s state-funded primary school population and 82.8% of the Borough’s state-funded secondary schools.<sup>xviii</sup> Bangladeshi children are the largest ethnically diverse group in both state-funded primary schools representing 24.7% of primary children (see *Figure 13*) and in state-funded secondary schools representing 22.7% of pupils.

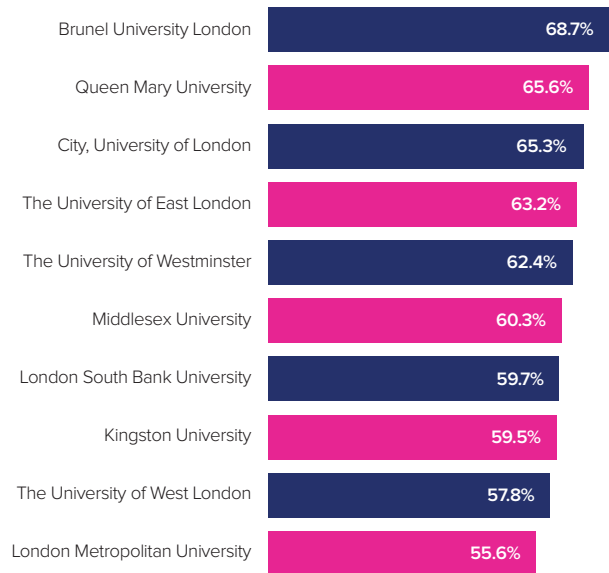
**Race and higher education**

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.<sup>xix</sup>

In London, Brunel University had the highest representation of ethnically diverse students making up 68.7% of the student population. *Figure 14* lists the ten HE providers in London 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.<sup>xx</sup>

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



Source: HESA Student Records 2020/21. \*Students with 'not known' ethnicity have been excluded from the numbers. Only higher education providers with a minimum of 10,000 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.”**



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 London Labour Force Statistics taken from the Annual Population Survey (APS) October 21–September 2022 shows that:

- The **employment rate** for ethnically diverse people aged 16-64 was 70.0%, compared to 75.8% for the overall London population.
- The **unemployment rate** for ethnically diverse people aged 16+ was 6.2%, compared to 4.5% for the overall London population.
- The **economic inactivity rate** for ethnically diverse people aged 16-64 was 25.3%, compared to 20.6% for the overall London population.

The same disparities exist for England and Wales overall, and we note the economic inactivity rate is significantly higher for ethnically diverse people in London 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.<sup>xxi</sup> 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 London, ethnically diverse workers have a presence in most industries. However, there is little or 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 distribution, hotels & restaurants (47.2%), followed by public admin education and health (42.6%) and transport and communication (39.5%) (see [Chart 3](#)). Also highlighted in [Chart 3](#) are industries with the highest representation of each ethnically diverse group.

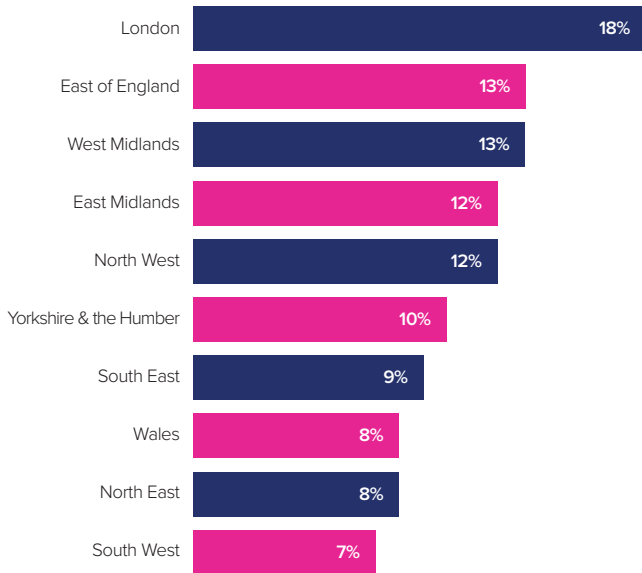
Despite being highly represented in some sectors, BITC's [Race at Work Survey 2021](#) found overall

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

Ethnicity	Agriculture and fishing	Energy and water	Manufacturing	Construction	Distribution, hotels & restaurants	Transport and Communication	Banking finance and insurance etc.	Public admin education and health	Other services	All people
All	9,600	32,600	150,300	275,300	661,400	622,300	1,317,600	1,375,600	342,300	4,787,000
White	8,100 (84.4%)	25,400 (77.9%)	111,500 (74.2%)	208,500 (75.7%)	349,500 (52.8%)	376,600 (60.5%)	882,500 (67.0%)	787,200 (57.2%)	253,400 (74.0%)	3,002,700
Mixed ethnicity	!	!	4,800 (3.2%)	7,000 (2.5%)	29,400 (4.4%)	16,200 (2.6%)	32,300 (2.5%)	51,000 (3.7%)	10,700 (3.1%)	151,400
Indian	!	!	11,800 (7.9%)	10,500 (3.8%)	50,700 (7.7%)	61,200 (9.8%)	120,300 (9.1%)	98,200 (7.1%)	15,500 (4.5%)	368,200
Pakistani/ Bangladeshi	!	!	7,300 (4.9%)	7,300 (2.7%)	71,700 (10.8%)	40,400 (6.5%)	60,500 (4.6%)	79,100 (5.8%)	8,100 (2.4%)	274,400
Black	!	2,700 (8.3%)	6,500 (4.3%)	18,000 (6.5%)	71,200 (10.8%)	48,500 (7.8%)	76,900 (5.8%)	232,700 (16.9%)	24,900 (7.3%)	481,400
Other ethnic group	!	!	8,400 (5.6%)	23,200 (8.4%)	89,000 (13.5%)	79,400 (12.8%)	144,500 (11.0%)	124,800 (9.1%)	27,500 (8.0%)	496,800

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.<sup>xxii</sup> *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 take 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](#).

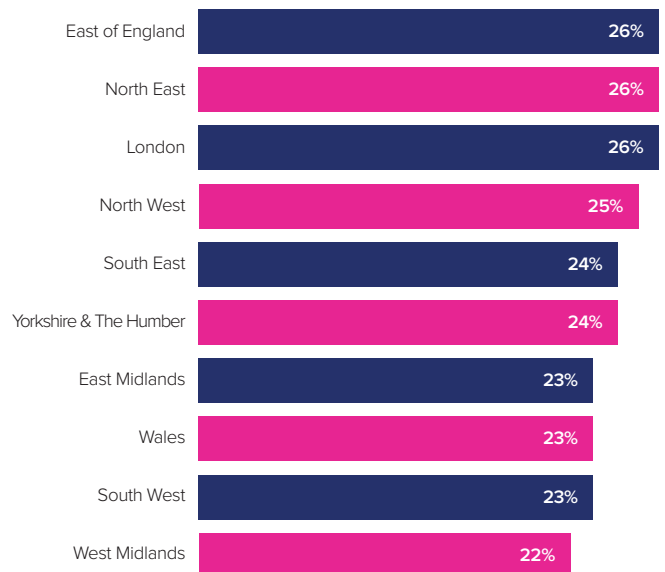
**LEADERSHIP**

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.<sup>xxiii</sup> 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*). In London, this is 5.7%, despite Black people making up 10.1% of employees across industries (see *Chart 3*).

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)		London Region	
	Number	%	Number	%
White	2,753,200	11.2%	425,000	14.1%
Ethnic minority	353,200	8.1%	169,600	9.5%
Mixed ethnic group	35,300	7.5%	14,100	9.2%
Indian	107,000	10.9%	57,500	15.6%
Pakistani/ Bangladeshi	53,200	7.6%	20,200	7.3%
Black	53,800	5.4%	27,300	5.7%
Other ethnic group	103,900	8.6%	50,600	10.1%

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.<sup>xxiv</sup> 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.<sup>xxv</sup> 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.<sup>xxvi</sup> Many of these businesses are SMEs. The Small Business Survey<sup>xxvii</sup> found that in 2021, only 6% of SME employers were ethnic minority group led.<sup>xxviii</sup> 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%).<sup>xxix</sup>

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.<sup>xxx</sup>

## 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 socio-economic 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 [Juliet Stone – Centre for Research in Social Policy, Loughborough University \(2020/21\) Local indicators of child poverty after housing costs](#)

xii [Trust for London. Poverty by Borough – Newham](#)

xiii [Nomis – Census \(2011\) QS208EW – Religion](#)

xiv [UK domiciled means that the UK was a student’s normal place of residence before starting their course](#)

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

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

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

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

xix [Higher Education Statistical Agency \(HESA\) Student Records 2020/21](#)

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

xxi [WPP \(2022\) Consumer Equality Equation report](#)

xxii [Data not displayed](#)

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

xxiv [Federation for Small Businesses s.k.26120](#)

xxv [British Business Bank, 2020](#)

xxvi [Extend Ventures, Impact of COVID-19 on Black and Ethnic Minority-Led Businesses, May 2020](#)

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

xxviii [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](#)

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

xxx [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](http://www.bitc.org.uk)  
020 7566 8650

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