London, Brilliant!

This Insight is the fourth in the Martin Prosperity Institute’s continuing Geography of Class and Education Insight series. As the series is focused on understanding the relationship between occupational class and education within the United States, we felt that including a global city from outside of the U.S. would provide a benchmark to examine how U.S. cities are performing on a world scale. Renowned as one of the creative, financial, innovation, and cultural capitals of the world, London, UK is a great example of a city that is thriving in the knowledge economy arguably better than any other city in the world. The data used is from the UK’s Office for National Statistics for the year 2011.

Exhibit 1 presents the results for the London metro across small geographies, known as Lower Level Super Output Areas (LSOAs), which are similar to census tracts. As in previous insights, you can click each individual output area to see the occupational breakdown and educational attainment share. For educational attainment, the share of the population with level 4 qualifications or above was used (level 4 qualifications are as follows: a BA or BSc degree, MA, and PhD).
At first glance we notice Exhibit 1 displays how highly educated the London metro is, as it’s the highest educated metro that we have examined thus far, with the overall degree share being 38%. The city core and surrounding neighbourhoods are the most educated, with London’s downtown looking very similar to Manhattan, with a combination of the highest degree and Creative Class shares in both of these areas. The City of London is more educated than New York, with London’s highly educated neighbourhoods also covering a larger amount of metro area and city neighbourhoods than in New York. The highly educated areas within London are not just found in the downtown as there are many areas to the south-east, and pockets in the north and north-west that have extremely high degree shares. Like other cities that we have looked at, in London, the highest educated areas are primarily Creative Class. Interestingly, there are many areas though throughout the city that are primarily Service Class, but also have very high degree shares. The degree share of every Service Class output area is 28.4%, which is quite high and the Creative Class degree share is 53.1%. The map of London presents a strong educational divide within the city as the lowest educated areas are spread out in the edges of the city, in communities that are segregated away from the downtown core. These less-educated edge communities also clump together, often with no higher educated tracts for a large distance. London’s overall education levels are very high; much higher than that of New York, as even the least educated areas have some what high degree shares. The area with the lowest educational attainment had a degree share of 8%, and then no other area had a degree share less than 10%. This is much higher than any of the American metros that we have looked at, where numerous areas have shares as low as 0–1.3%. At the top end, London’s most educated area falls slightly behind New York’s most educated area, with a degree share of 83%. Overall though, more neighbourhoods in London than New York have a degree share in the 50%–70% range, no matter the dominant occupational class.

In terms of specific neighbourhoods and areas that were found to have the highest Creative Class shares in London; Kensington and Chelsea (slightly west of downtown), the City of London, and Camden (Parliament Hill) ranked at the top. The Creative class share in these output areas is between 78%–80%. Throughout the city though, most output areas generally have a balance of the three main occupational classes. There are more areas in London for example with an almost even three way split between the classes than in New York. The three neighbourhoods with the highest educated output areas, with degree shares ranging between 75%–83%, were Southwark, City of London, and Tower Hamlets, all communities that are close to the downtown core. This being said, as displayed in the map there are also many highly educated tracts distributed throughout the city. The least educated areas are in the Croydon and Havering communities, which are both at different edges of the metro, but still the degree share in these neighbourhoods, except for one output area are not below 10%.

In London, there are over 3.3 million Creative Class workers (more than New York’s 2.9 million), or 42% of the working population, which is much higher than New York (35.8%), Los Angeles (34.1%) and Chicago’s (35.1%) Creative Class share and only less than only 7 U.S. metros. London has become a creative leader, as within the metro, primarily Creative Class areas take up almost half of the entire map. The map also indicates that there are many neighbourhoods in London with extremely high Creative Class shares, yet low degree shares. This is because the Creative Class is not just made up of educated professionals, but artists and other workers that contribute greatly to the economy. For example, in some of these output areas, the degree shares were less than 30%, yet the Creative Class shares were above 65%. These light purple areas in the London metro provide proof that a well-developed creative economy can be successful and include many workers within a city, across numerous levels of education. While we found areas similar to this in New York and Los Angeles, there were not nearly as many as there are in London.
After examining London’s occupational and educational breakdowns, it is apparent that the city is better positioned within the knowledge economy than the other U.S. metros that we have looked at. Not only are there more total Creative Class workers and a higher Creative Class share in London than in New York, but London is also more educated overall. The least educated areas in London also have much higher degree shares than the least educated areas in New York. Creative Class occupations in London have become such a large part of the economy they account for almost half of all employment within the metro. The Creative Class has been developed so well, that a large number of Creative Class workers do not have a BA or above. Creative Class theory is based upon the assertion that many creative occupations including many people across numerous educational levels, within a region create a knowledge spillover that increases economic success. London is a perfect example of this, as the region has experienced continued success within the knowledge economy due to its strong Creative Class and education levels. As we continue to analyse the occupational and educational breakdown of U.S. metros, London has provided a great example of how far ahead the region is in regards to the Creative Class and human capital, and provides a great example of how a large region can succeed with a large Creative Class that includes many people across different levels of educational attainment living in many neighbourhoods.

This series will continue with Tuscon, AZ and Honolulu, HI.

The Martin Prosperity Institute at the University of Toronto’s Rotman School of Management is the world’s leading think-tank on the role of sub-national factors—location, place and city-regions—in global economic prosperity. We take an integrated view of prosperity, looking beyond economic measures to include the importance of quality of place and the development of people’s creative potential.