

CORPORATE CAMBRIDGE (3)

THE EMPLOYMENT GROWTH OF CAMBRIDGE COMPANIES

Cambridge shows exceptional employment growth over the last four years

Cambridge companies have grown 40,000 jobs over the past four years.

The growth has been equally split between existing companies and new companies in Cambridge.

Companies in knowledge intensive sectors account for about one-third of the jobs created.

Exhibit 3.1	EMPLOYMENT CHANGE			
	2010-11 to 2014-15			
Employment changes in Cambridge companies	Continuing	Birth	Death	Total
KNOWLEDGE INTENSIVE SECTORS				
Information technology and communications	4,960	2,185	-1,188	5,957
Life science and healthcare	1,976	482	-107	2,351
High-tech Manufacturing	2,967	428	-190	3,205
Knowledge intensive services	1,084	363	-212	1,235
TOTAL	10,987	3,458	-1,697	12,748
OTHER SECTORS				
Primary	2,047	556	-166	2,437
Manufacturing	2,040	894	-1,107	1,827
Wholesale and retail distribution	1,445	1,350	-804	1,991
Construction and utilities	2,472	1,748	-1,055	3,165
Transport and travel	410	244	-138	516
Property and finance	367	1,826	-678	1,515
Other business services	731	5,470	-2,402	3,799
Other services	1,770	3,015	-972	3,813
Education, arts, charities, social care	2,883	6,465	-449	8,899
TOTAL	14,166	21,568	-7,771	27,963
ALL SECTORS	25,154	25,026	-9,468	40,712
% Knowledge Intensive	44%	14%	18%	31%

Source: CBR Database

Cambridge based companies have grown at an annual rate of 6% over the past four years.

The growth in the non-KI sectors is artificially boosted by the move towards incorporation in the education sector that took place at the start of this period.

Despite this, the KI sectors have grown even faster at 6.3% pa and a higher proportion of their growth has come from the growth of continuing businesses.

Exhibit 3.2	EMPLOYMENT GROWTH (% pa)			
	2010-11 to 2014-15			
Employment growth in Cambridge companies	Continuing	Birth	Death	Total
KNOWLEDGE INTENSIVE SECTORS				
Information technology and communications	7.7%	3.6%	-2.1%	9.0%
Life science and healthcare	4.6%	1.2%	-0.3%	5.5%
High-tech Manufacturing	4.1%	0.6%	-0.3%	4.4%
Knowledge intensive services	5.5%	2.0%	-1.2%	6.2%
TOTAL KI	5.5%	1.8%	-0.9%	6.3%
OTHER SECTORS				
Primary	5.0%	1.4%	-0.4%	5.8%
Manufacturing	3.5%	1.6%	-2.0%	3.1%
Wholesale and retail distribution	2.2%	2.1%	-1.3%	3.0%
Construction and utilities	2.1%	1.5%	-0.9%	2.6%
Transport and travel	2.4%	1.5%	-0.9%	3.0%
Property and finance	1.4%	6.3%	-2.7%	5.3%
Other business services	1.1%	7.5%	-3.9%	5.4%
Other services	5.6%	9.1%	-3.5%	11.1%
Education, arts, charities, social care	8.6%	17.0%	-1.6%	21.9%
TOTAL NON-KI	3.1%	4.6%	-1.8%	5.8%
ALL SECTORS	3.8%	3.8%	-1.6%	6.0%

Source: CBR Database

Note on methodology

Deaths include companies in receivership, liquidation or default. In order to avoid double-counting, the CBR Database does not include parents and their subsidiaries. Births will include cases where there is not a wholly new start-up. For example, births will include cases where a company (often a foreign company) sets up a subsidiary business in the Cambridge area. There may also be cases where a company restructures and forms a new company registration without changing its activities. Such cases have in general been treated as continuing companies, but some may have missed the net and will show up as a birth and a death. The changes in employment each year due to births, deaths and the employment changes of continuing companies are aggregated over four years. These are displayed in Exhibit 3.1 and then expressed as annual growth rates from the starting levels of

employment in Exhibit 3.2. For more information see <http://www.cambridgeahead.co.uk/wp-content/uploads/2016/02/CBR-Database-Methodology-Feb-2016.pdf>



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