






UKHOSPITALITY

The Social Productivity Index

MARCH 2025



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Foreword

I am proud to introduce the first UKHospitality Social Productivity Index.

The UK economy needs to grow. But we need to be ambitious about the shape of growth. Successive governments have viewed the growth challenge through the important but narrow lens of a small number of high economic productivity sectors.

These sectors will doubtless thrive in the coming years, but the growth they create will not reach everyone in society, or everywhere in the country. Nor will they succeed without the right industrial foundations of a vibrant wider economy and society.

That is why we need a new paradigm for growth, which balances raw economic productivity with broader social productivity with brings opportunities for all.

This first Social Productivity Index helps us to understand and value that new paradigm. It brings together a robust evidence base showing that foundation sectors like hospitality, retail and logistics not only directly support the success of our 'growth driving' sectors but deliver broader socially productive growth. These sectors are better employers of school leavers, the strongest route into management for non-graduates, and are uniquely geographically dispersed. Where the 'growth driving' sectors often hire narrowly and in limited parts of the country, the foundation sectors offer careers everywhere, to everyone.

I am proud, but not surprised, to see that hospitality is the top performing socially productive sector. GDP data consistently shows that we are growing faster than the wider economy, and growing in a way that is creating places where people want to live, work and invest.

This growth is fast and does not take years for the investment to be repaid: we contribute £140 billion in economic activity and £54 billion in tax receipts to the economy every year; this growth is broad rather than narrow; we are an inclusive employer of 3.5 million people, providing jobs for everyone, everywhere from first jobs to routes into leadership and skilled careers; and this growth is national rather than weighted towards London and the South East; we build – and rebuild – communities, acting as an economic and social focal point for growth and regeneration right across the country.

We ask those informing and shaping plans for our nations growth to use this Index and reappraise the contribution made by business like ours to the Government's broader mission led agenda: generating growth and bringing about an equitable and fair economy and society.



Kate Nicholls OBE
Chief Executive,
UKHospitality

Introducing the Social Productivity Index

This report introduces the Social Productivity Index; a new way of thinking about growth in a broader context to complement traditional measures of economic productivity.

While historically, governments have focused on simple measures of GDP and productivity, it is increasingly clear that the country has a broader expectation for what a the outcomes of a successful economy looks like.

That includes an expectation that growth is resilient, that it is available across the regions and nations of the UK, and that brings change and opportunity across different social groups. In this index we identify five characteristics which we can use to identify sectors which share the impact of growth widely.

These characteristics differentiate sectors which perform more strongly on social and geographic accessibility, or which have important social externalities like placemaking which are not directly captured by the businesses themselves. Each of these characteristics are supported by at least one piece of publicly available data, allowing us to rank the performance of the 21 industrial sectors across these characteristics.

The headline Social Productivity Index then identifies an overall top ranked performer based on their average performance across these measures.

Table: Social Productivity Index contents

OUTCOME	CHARACTERISTIC	EVIDENCE
Economic impact	**Resilient growth** - how did each sector perform in the period before and after the pandemic?	• Pre-pandemic growth
		• Post-pandemic growth
	Economic contribution – how much does each sector add to the economy, after costs?	• Gross Value Added
Geographic impact	**Geographic spread** - how widely spread across the regions of the UK are the jobs provided by each sector?	• Geographic spread of jobs
Social impact	**Social accessibility** - how accessible is each sector to groups of workers who may experience wider economic exclusion?	• Gender balance
		• Disability access
		• Part-time workers
		• Ethnicity
		• Employment of under 25s
	Social mobility – how effectively does the sector provide opportunities for careers for people from non-professional families or are not graduates?	• Socio-economic access
		• Access for non-graduates
		• Non-graduate managers

Hospitality and the foundation economy have the highest social productivity

In this first Social Productivity Index, hospitality is the overall top performing sector with the highest average ranking across the 12 areas measured.

It leads a group of foundation economy sectors including administration, retail and transportation which emerge as vital socially productive employers with consistent high performance.

By contrast it is clear that the sectors which have the highest raw economic productivity, and which have consistently been the bedrock of Government industrial policy, often perform less well on social productivity measures, with the benefits of growth left inaccessible to many people.

Many of the highest productivity sectors are by their nature highly geographically clustered, have high educational or other barriers to entry, and may be relatively small employers as technology drives productivity gains. We believe that these data demonstrate how important it is to consider a broader set of growth characteristics.

UK ECONOMY SECTOR	SPI RANKING
Hospitality	**1**
Admin and support services	2
Wholesale, retail, repair of vehicles	3
Transport and storage	4
Households as employers	5
Arts, entertainment and recreation	6
Health and social work	7
Other service activities	8
Agriculture, forestry and fishing	9
Real estate	10
Construction	11
Public admin and defence	12
Manufacturing	13
Education	14
Information and communication	15
Professional, scientific, technical	15
Water supply, sewerage, waste	17
Finance and insurance	18
Electricity, gas, aircon supply	19
Extraterritorial orgs	20
Mining	21

How can it be used to inform policymaking?

The Social Productivity Index quantifies the contribution made by sectors of the UK economy commonly excluded by industrial policy. These sectors however create valued jobs and opportunities at all levels right across our country.

Policy makers should:

- Consider social productivity and geographical distribution of growth alongside economic productivity in making impact assessments and in developing public policy.
- Establish location-based strategies for areas and sectors excluded from highly clustered high economic productivity sectors, recognising the importance of these sectors as key employers in many areas of the country.
- Carry out input analysis to establish how high social productivity sectors and value chains feed into the success of high economic productivity sectors, and how that can be improved.



The hospitality sector and the Social Productivity Index

Hospitality has the highest average performance across the five characteristics we use to calculate social productivity. It is the number one provider of employment to under 25s, part time workers, and to non-graduates.

Economic impact – hospitality grew at above the economic average for the ten years before and four years after the pandemic, highlighting its status as a resilient and fast-growing sector. Despite being significantly impacted by the pandemic the hospitality sector continues to be in the top half of sectors for economic growth. Today, it is the 13th largest sector in the UK economy by GVA, larger than automotive, pharmaceuticals and aerospace combined.

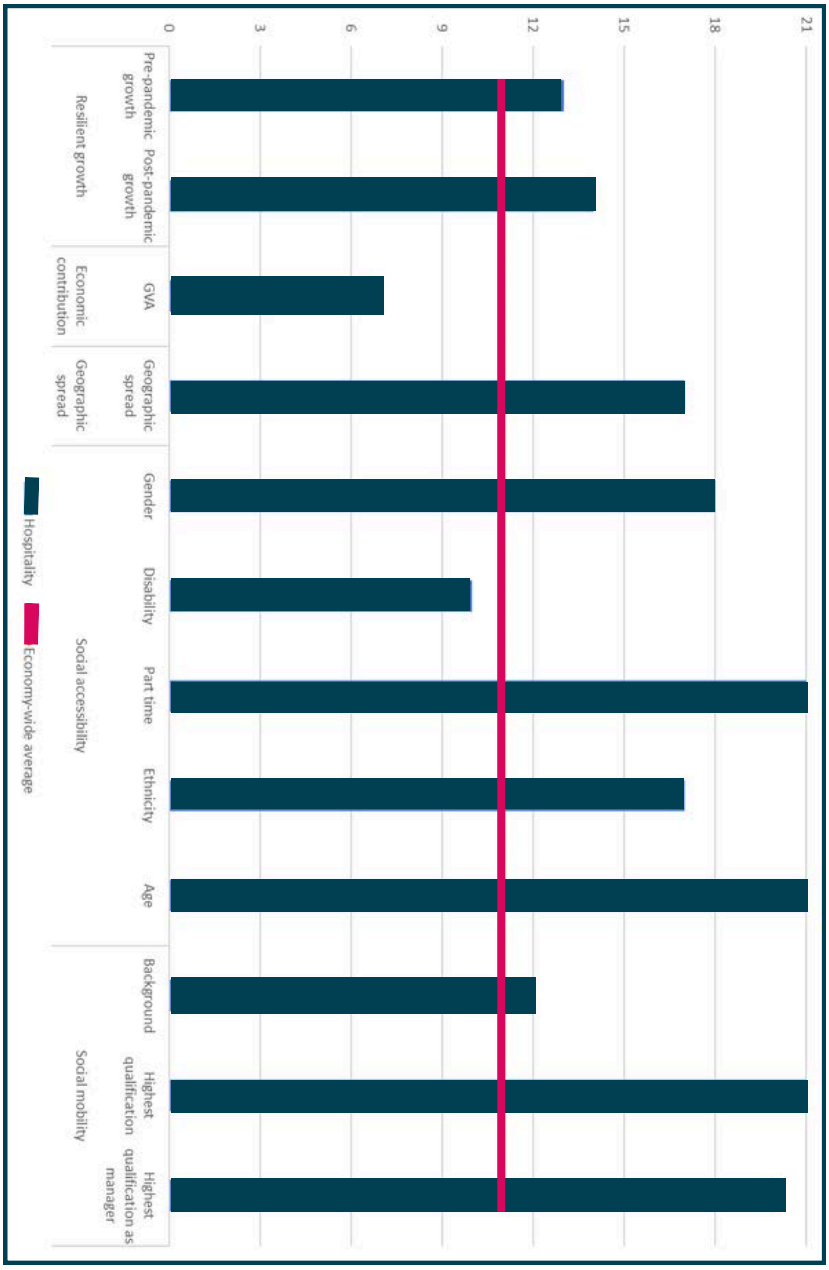
Geographic impact - hospitality is present across the UK as one of the top quarter of most geographically dispersed sectors, creating jobs and growth in each region.

Social impact – hospitality performs exceptionally well as a socially accessible and socially mobile employer, offering economy-leading routes into work and leadership roles. It employs people with disabilities and offers flexible and part time work allowing staff to balance their jobs with other commitments. On this measure, hospitality is the highest performing sector in the UK economy. It is also particularly important as an employer of people whose parents worked in non-professional or managerial roles, or who themselves are not graduates. That commitment to social mobility continues after hire, with only two sectors having a higher percentage of managers without degrees.



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How hospitality ranks







Appendix: The Social Productivity Index in detail

OUTCOME ONE

Economic impact

Characteristic

RESILIENT GROWTH

This characteristic identifies sectors who have grown strongly both before and after the pandemic. These are sectors with a demonstrated ability for resiliency in varying macroeconomic environments.

Evidence

Pre-pandemic growth

We measure pre-pandemic growth as total GVA growth in the decade before the pandemic, 2009-19.

Arts, entertainment and recreation was the fastest growing sector in this period, with transport and storage and admin and support services next strongest performing.

Data are taken from ONS Index of Production and Sectors. Consistent data was not available for agriculture, construction and extraterritorial organisations so these have been omitted.

PRE-PANDEMIC GROWTH	SPI RANKING
Arts, entertainment and recreation	1
Transport and storage	2
Admin and support services	3
Other service activities	4
Health and social work	5
Hospitality	**6**
Professional, scientific, technical	7
Education	8
Information and communication	9
Public admin and defence	10
Real estate	11
Finance and insurance	12
Water supply, sewerage, waste	13
Manufacturing	14
Wholesale, retail, repair of vehicles	15
Mining	15
Households as employers	17
Electricity, gas, aircon supply	18
Agriculture, forestry and fishing	N/A
Construction	N/A
Extraterritorial orgs	N/A

Evidence

Post-pandemic growth

We measure post-pandemic growth as total annual growth between 2020-2024. Performance on this measure differs significantly from growth in the years prior to the pandemic, with only one sector appearing in the top five performers in both periods.

Information and communication performed most strongly, with households as employers and admin and support services and real estate next fastest growing.

Data are taken from ONS Index of Production and Sectors.

POST-PANDEMIC GROWTH	SPI RANKING
Information and communication	1
Households as employers	2
Admin and support services	3
Real estate	4
Hospitality	**5**
Electricity, gas, aircon supply	6
Professional, scientific, technical	7
Manufacturing	8
Other service activities	9
Health and social work	10
Arts, entertainment and recreation	11
Education	12
Wholesale, retail, repair of vehicles	13
Transport and storage	14
Public admin and defence	15
Water supply, sewerage and waste	16
Finance and insurance	17
Mining	18
Agriculture, forestry and fishing	N/A
Construction	N/A
Extraterritorial orgs	N/A

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Characteristic

ECONOMIC CONTRIBUTION

This characteristic identifies how much does each sector adds to the economy.

Evidence

Gross Value Added

We use total Gross Value Added as our measure of economic contribution. GVA measures the value of goods and services produced by a sector, minus the cost of inputs.

It is a commonly understood measure of the size of a sector or economy.

Wholesale, retail and repair of vehicles is the largest sector in the economy, followed by manufacturing finance and insurance, and the professional, scientific and technical sector.

Data are taken from the ONS - Index of Production.

GVA	SPI RANKING
Wholesale, retail, repair of vehicles	1
Manufacturing	2
Finance and insurance	3
Professional, scientific, technical	4
Health and social work	5
Information and communication	6
Construction	7
Education	8
Admin and support services	9
Public admin and defence	10
Transport and storage	11
Real estate	12
Hospitality	**13**
Other services activities	14
Arts, entertainment and recreation	15
Water supply, sewerage, waste	16
Electricity, gas, aircon supply	17
Agriculture, forestry and fishing	18
Mining	19
Extraterritorial orgs	N/A
Households as employers	N/A

OUTCOME TWO

Geographic spread

Characteristic

GEOGRAPHIC SPREAD

This characteristic identifies sectors who are widely spread across the regions of the UK, and which are more heavily clustered. Clustered sectors will often co-locate with other similar sectors into highly efficient, mutually reinforcing overlapping sectors. This creates potential distribution effects with growth blackspots.

Evidence

Geographic spread of jobs

We measure geographic spread of jobs as the correlation between sectoral jobs in each region to the total jobs in that region, measuring how equally spread they are.

This metric sees many public service sectors come out towards the top of the list, with transport and storage the best performing, followed by health and social work. Admin and support services, hospitality, education and retail make up the top six.

Data from ONS Labour Market Overview 2024.

GEOGRAPHIC SPREAD OF JOBS	SPI RANKING
Transport and storage	1
Health and social work	2
Admin and support services	3
Hospitality	**4**
Education	5
Wholesale, retail, repair of vehicles	6
Arts, entertainment and recreation	7
Other service activities	8
Public admin and defence	9
Construction	10
Water supple, sewerage, waste	11
Real estate	12
Professional, scientific, technical	13
Electricity, gas, aircon supply	14
Manufacturing	15
Information and communication	16
Finance and insurance	17
Agriculture, forestry and fishing	18
Households as employers	19
Mining	20
Extraterritorial orgs	N/A

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OUTCOME THREE

Social impact

Characteristic

SOCIAL ACCESSIBILITY

This characteristic identifies sectors who perform strongly as employers of people from diverse backgrounds, many of whom are traditionally excluded from sectors which have high barriers to entry.

Evidence

Gender

We measure performance on gender as how close to a representative gender split each sector has. Real estate is the most equal sector in the economy, with public administration and defence, the arts sector, hospitality and wholesale, retail and repair of vehicles in the top five.

Sectors which perform less well on this metric are those with a traditionally stronger gender division.Mining and construction are heavily male dominated fields, and health and social work heavily female.

Data are taken from ONS Annual Population Survey Jan-Dec 2023, the most recent year for which data are available.

GENDER	SPI RANKING
Real estate	1
Public admin and defence	2
Arts, entertainment and recreation	3
Hospitality	**4**
Wholesale, retail, repair of vehicles	5
Admin and support services	6
Professional, scientific, technical	7
Finance and insurance	8
Other service activities	9
Households as employers	10
Education	11
Extraterritorial orgs	12
Information and communication	13
Agriculture, forestry and fishing	14
Electricity, gas, aircon supply	15
Manufacturing	16
Health and social work	17
Water supply, sewerage, waste	18
Transport and storage	19
Mining	20
Construction	21

Evidence

Disability access

We measure this as the proportion of people working in an industry who have a recognised disability as identified by the Equality Act. Sectors providing care, such as households as employers and health and social work perform well in this category. Hospitality is around the average.

Data are taken from ONS Annual Population Survey Jan-Dec 2023.

DISABILITY ACCESS	SPI RANKING
Households as employers	1
Health and social work	2
Arts, entertainment and recreation	3
Admin and support services	4
Agriculture, forestry and fishing	5
Public admin and defence	6
Other service activities	7
Education	8
Wholesale, retail, repair of vehicles	9
Transport and storage	10
Water supply, sewerage, waste	11
Hospitality	**12**
Real estate	13
Manufacturing	14
Construction	15
Information and communication	16
Professional, scientific, technical	17
Finance and insurance	18
Mining	19
Electricity, gas, aircon supply	20
Extraterritorial orgs	21

Evidence

Part-time workers

We measure part time work as the proportion of a sector's workforce who work part time. Part time work is socially important, providing routes into employment for people who have commitments outside of work. It is disproportionately used by young and older people and people with caring responsibilities.

Hospitality is the largest provider of part time roles, followed by households as employers, arts entertainment and recreation, and wholesale, retail, repair of vehicles.

The data are taken from ONS Annual Population Survey Jan-Dec 2023.

PART-TIME WORKERS	SPI RANKING
Hospitality	**1**
Households as employers	2
Arts, entertainment and recreation	3
Wholesale, retail, repair of vehicles	4
Other service activities	5
Education	6
Health and social work	7
Admin and support services	8
Real estate	9
Agriculture, forestry and fishing	10
Professional, scientific, technical	11
Public admin and defence	12
Transport and storage	13
Information and communication	14
Construction	15
Manufacturing	16
Finance and insurance	17
Electricity, gas, aircon supply	18
Water supply, sewerage, waste	19
Extraterritorial orgs	20
Mining	21

Evidence

Ethnicity

We measure this as the percentage of the workforce in a sector who are non-White-British. This is the same definition used by the Government and the ONS.

Health and social care performs strongest on this measure, followed by transport and storage, finance and insurance, information and communication and hospitality.

Data are taken from ONS Annual Population Survey Jan-Dec 2023.

ETHNICITY	SPI RANKING
Health and social work	1
Transport and storage	2
Finance and insurance	3
Information and communication	4
Hospitality	**5**
Extraterritorial orgs	6
Households as employers	7
Admin and support services	8
Wholesale, retail, repair of vehicles	9
Professional, scientific, technical	10
Public admin and defence	11
Other service activities	12
Arts, entertainment and recreation	13
Education	14
Electricity, gas, aircon supply	15
Real estate	16
Mining	17
Manufacturing	18
Construction	19
Water supply, sewerage, waste	20
Agriculture, forestry and fishing	21

Evidence

Employment of under 25s

We measure youth employment as the percentage of a sector's employee base which are between 16 and 24 years old.

Youth employment is important for a number of reasons. Early career jobs are a key opportunity for skills and personal development that can support people in future careers, and often act to equalise opportunities for that development across social groups. It is also important that school leavers and non-graduates have access to work to avoid early life unemployment, and to begin post-education careers.

Hospitality is the leading performer in this category, followed by the arts, retail and agriculture.

Data are taken from ONS Annual Population Survey Jan-Dec 2023.

EMPLOYMENT OF UNDER 25S	SPI RANKING
Hospitality	**1**
Arts, entertainment and recreation	2
Wholesale, retail, repair of vehicles	3
Agriculture, forestry and fishing	4
Other service activities	5
Construction	6
Admin and support services	7
Information and communication	8
Professional, scientific, technical	9
Transport and storage	10
Manufacturing	11
Health and social work	12
Water supply, sewerage, waste	13
Electricity, gas, aircon supply	14
Finance and insurance	15
Real estate	16
Public admin and defence	17
Education	18
Extraterritorial orgs	19
Mining	20
Households as employers	21

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Characteristic

SOCIAL MOBILITY

This characteristic identifies sectors which effectively provide opportunities for jobs and careers for people from non-professional families or are not graduates.

Evidence

Socioeconomic access

We measure socioeconomic access as how many employees have a parent who worked in a professional, managerial role or skilled trade role. Sectors who perform strongly on this ranking are those with the lowest proportion of employees with a parent from a managerial or professional background. It is an important indicator of how effectively a sector creates opportunities for the broad population.

As may be expected, sectors like professional, scientific, technical and finance and insurance are found in the bottom half of this measure. Agriculture tops this metric, followed by utilities workers, transport, households as employers and construction. Hospitality is 10th placed.

Data taken from ONS Annual Population Survey Jan-Dec 2023.

SOCIOECONOMIC ACCESS	SPI RANKING
Agriculture, forestry and fishing	1
Water supply, sewerage, waste	2
Transport and storage	3
Households as employers	4
Construction	5
Wholesale, retail, repair of vehicles	6
Admin and support services	7
Manufacturing	8
Mining	9
Hospitality	**10**
Health and social work	11
Other service activities	12
Public admin and defence	13
Education	14
Real estate	15
Electricity, gas, aircon supply	16
Finance and insurance	17
Arts, entertainment and recreation	18
Professional, scientific, technical	19
Information and communication	20
Extraterritorial orgs	21

Evidence

Access for non-graduates

We measure this as how many staff have a degree or higher. The higher the score, the fewer the number of staff who meet these criteria. Along with socioeconomic access this is a key indicator for how well sectors perform in providing universal routes into employment.

Hospitality is the top performing sector in this category, followed by agriculture, transport, households as employers and construction.

Data taken from ONS Annual Population Survey Jan-Dec 2023.

ACCESS FOR NON-GRADUATES	SPI RANKING
Hospitality	**1**
Agriculture, forestry and fishing	2
Transport and storage	3
Households as employers	4
Construction	5
Wholesale, retail, repair of vehicles	6
Water supply, sewerage, waste	7
Admin and support services	8
Manufacturing	9
Other service activities	10
Real estate	11
Electricity, gas, aircon supply	12
Mining	13
Arts, entertainment and recreation	14
Extraterritorial orgs	15
Health and social work	16
Public admin and defence	17
Finance and insurance	18
Education	19
Information and communication	20
Professional, scientific, technical	21

Evidence

Managers' highest qualification

We measure this as the proportion of managerial roles where the manager has a degree or higher. The higher the score, the fewer the number of staff who meet these criteria. This metric helps us to understand how successfully a sector provides universal career development opportunities.

Hospitality has the second highest proportion of non-graduate managers after households as employers, with agriculture, retail and transport the next strongest performers.

Data taken from ONS Annual Population Survey Jan-Dec 2023.

MANAGERS' HIGHEST QUALIFICATION	SPI RANKING
Households as employers	1
Hospitality	**2**
Agriculture, forestry and fishing	3
Wholesale, retail, repair of vehicles	4
Transport and storage	5
Construction	6
Real estate	7
Admin and support services	8
Manufacturing	9
Arts, entertainment and recreation	10
Mining	11
Electricity, gas, aircon supply	12
Water supply, sewerage, waste	13
Public admin and defence	14
Finance and insurance	15
Health and social work	16
Information and communication	17
Other service activities	18
Extraterritorial orgs	19
Professional, scientific, technical	20
Education	21

UKHospitality is the leading trade body for hospitality in the UK. We lobby government, champion the hospitality sector and provide expert advice and guidance.



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