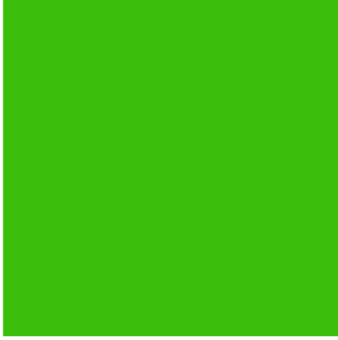


Totaljobs



The reversal of the brain drain:

why London's movers and shakers are moving on



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State of play

A third of UK graduates kickstart their careers by moving to London, in a trend known as the 'brain drain'. Totaljobs research shows that of the 6.9 million working age adults in London, 2.3 million (34%) have moved from elsewhere in the UK. When asked why their sights were set on the capital, people cited better job opportunities (36%), a specific job offer (30%), the lifestyle (27%) and the promise of a higher salary (16%). With widespread skills shortages across the UK, this migration has a significant impact on regional talent pools.

However, as adopted Londoners plan for their future, a new trend has started to take effect. To find out more, Totaljobs has worked with Professor of Economics Geraint Johnes to analyse historical ONS migration data and gather insights from 2,000 London workers.

In the last five years, ONS data shows that 900,000 people migrated to London, while over one million people left. This shortfall of 18% is the equivalent of 88 workers leaving London every day, partly down to a 44% increase in twentysomethings packing their bags over that same time period.

With this, the average age that someone leaves London has dropped to 32 years old, reflecting a 49% rise in net outbound migration of people in their thirties in the last five years. What's more, of those who left London in 2018, almost two thirds (60%) moved far enough away that they're no longer living within a commutable distance – and so no longer part of London's workforce.

London is known for its movers and shakers, but this trend suggests many young workers are becoming disillusioned with the city. Whether their reasons are personal, financial, professional or otherwise, our research has found that almost a quarter of London's young workers are currently planning their departure, while over half of the city's population are willing to relocate for work. This presents London's employers with a challenge, and their regional counterparts with an opportunity, as the UK's brain drain slips into reverse.

The reversal of the brain drain

Our research shows that two fifths (43%) of London's young workers expect to move out of the capital before they turn 33, which represents a flight risk of nearly a million workers. With up to 15 years of work experience leaving with each person, there could be a hefty impact on London's employers.

Even for those without plans set in stone, over half of all Londoners think they'll settle elsewhere in the future, meaning the net loss of 88 workers every day could rise further.

The impact on London businesses

These shifting mobility trends mean that London businesses could be losing the people they need, without even realising it. Half of those aged 34 and under anticipate that when they move out of London, they'll also work in another city. Some are going back to their roots, with 9% returning to their (or their partner's) hometown.

UK employment is currently at a record high, and almost a quarter (21%) of London businesses are planning to increase headcount, according to Totaljobs research with the British Chambers of Commerce. With this, 62% of London businesses are reporting skills shortages, half of these being at management level. A fall in talent between 25 and 34 years old could further impact these shortages.

Instant Candidate Recommendations

As soon as you advertise a job on Totaljobs, our matching technology allows us to suggest suitable candidates so you can invite them to apply.



Why are millennials moving on?

Unsurprisingly, finances are a core driver for a move, with 30% of young people aiming to reduce living costs. A quarter of people are confident they'll get more for their money outside the capital, echoing previous [Totaljobs research](#) which found that £1 earned in London is worth 17% more in the North.

London's spiralling prices have left the average property costing £520,000, causing over half (54%) of millennials to think that owning property is simply unrealistic. As London's young workforce matures, homeownership becomes a bigger priority. Outside the capital, buying a home is more achievable, with 57% of millennials thinking it's likely they'll do just that.

One in five millennials hope that by leaving, they can get on the property ladder, or upsize the home they've bought. In fact, 58% have already begun researching house prices elsewhere in the UK.

There are emotional factors at play too, and it's clear that changing commitments are also driving people to move, with a quarter (23%) planning to start a family and 12% wanting to see more of their children. Being near better schools is a consideration for 14%, and 16% have concerns about London's crime rate. For others, it's simply a case of wanting to enjoy a slower pace of life (24%).

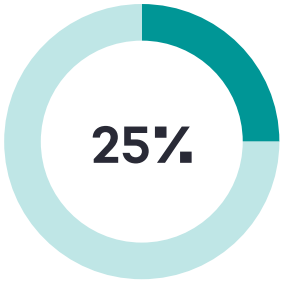
While career opportunities and higher salaries drive graduates to the capital, half of 25-34 year olds believe that in the last five years, job prospects have improved in other areas of the UK. Over half (53%) of London's young workforce have looked at jobs outside the capital, suggesting they're making an informed decision about their next steps. Millennials are also considering how this would work practically, with 30% hoping to find a job nearer their new home and 17% hoping to work remotely. Even though a quarter expect that they'll commute to London after moving, ONS data shows that two thirds of movers end up settling in a non-commutable area.



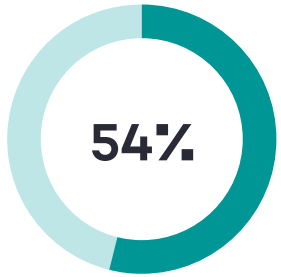
Key stats

1 million

young people plan to leave London before they turn 33



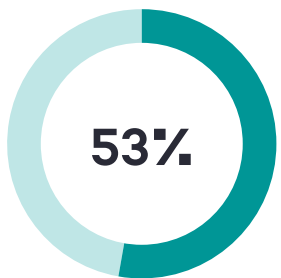
25% of London's millennials are already planning to leave the capital



54% of millennials believe they will never own property in London

88 workers

leave London every day



53% of London's millennials have looked at jobs outside the capital

Top factors driving 25-34 year olds out of London:

30%

want to reduce cost of living

23%

want to start a family

12%

want to spend more time with children/family

14%

want to be near better schools

20%

want to buy a property

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The opportunity for regional businesses

Over a quarter (29%) of those looking to leave London are open to where they move to, with job opportunities being a deciding factor. For those not actively planning to move, two thirds (68%) could be encouraged to up sticks and find a new role outside of London.

The opportunity this brings for regional businesses is huge. As Londoners with years of experience under their belts are looking to settle elsewhere, employers around the UK can begin overcoming engrained skills shortages by attracting talent from the capital.

Focusing on the following when it comes to candidate attraction is essential:

Relocation packages

Previous Totaljobs research found that 80% of people would be more open to relocating for work if an employer offered them a relocation package, regardless of whether a future move is on the cards. From support with moving, storage and temporary housing costs, to pinpointing locations of schools and nurseries, employers should consider how they could contribute to a highly skilled candidate's move.

Supporting family life

For those who are considering moving, a quarter say childcare support from a potential employer would encourage them to make the leap out of London. As priorities change at different stages in life, this employee benefit is twice as important to workers in their thirties compared to other ages.



Promote the local area

Highlighting what your local area has to offer can entice workers who want to settle out of London but haven't got a destination in mind. From the cultural scene and up-and-coming areas, to local favourites and useful tips, movers can feel supported and welcomed. Totaljobs created 'City CVs' with this in mind, to support businesses in selling the advantages of their local area.

Flexibility

Flexibility is a key factor for those looking to relocate. 30% of people say flexi-hours would make moving even more appealing, while a quarter want remote working options. This is no surprise, as family commitments and a desire for a slower pace of life are core drivers for those leaving London.

A competitive salary

Even if a move isn't on the cards, over a third (39%) of Londoners would be more likely to relocate if the salary on offer was on par with London wages. This thinking may be linked to a perception that careers are hindered outside of London. While offering higher salaries might not be feasible, regional businesses can promote their area's lower living costs, alongside company benefits and available career opportunities, to highlight the advantages of working outside the capital.



CV Database

Recruiters can search Totaljobs' CV Database by desired skills, experience, education, job function, location, commute distance, as well as willingness to relocate.

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Retaining talent

In a candidate-led market, employers inside and outside London are focused on how they can keep hold of their brightest talent.

For many of those expecting to move, the location is not yet decided, so the option of moving to a commutable area holds a natural appeal. This is where London employers can focus their retention strategies, by appealing to the needs of workers.



London-based employers can look to offset the reversal of the brain drain in the following ways:

Flexible and remote working

Flexible working could encourage 42% of millennials to stay based in and around London. Flexibility continues to be an attraction and retention driver, enabling employees to feel independent and in many cases, more productive. The option to occasionally work from home, requested by 30% of London leavers, can also reduce the overall time and cost of a longer commute and could entice them to stick with their London employer, regardless of a move.

Competitive salary

42% of millennials said that higher salaries could ease the burden of living in London. Using market rates as a benchmark, employers can ensure they're offering competitive packages. Being receptive to salary conversations and offering regular reviews can also help employees feel valued.

Supporting travel costs

Rail fares continue to rise, and 28% of younger workers say support with travel costs could keep them working in London, even after moving further afield. Season ticket loans are a commonly cited solution. In Japan, around 86% of companies cover commuting costs entirely. Employers can consider covering a portion of commute costs - or include this within employee loyalty schemes.

Work-life balance and childcare

22% of millennials would feel less pressure to leave London if their employer offered childcare support. Being open to flexi-hours or role sharing can also help parents juggle work and family life. An employer who supports work-life balance holds a lot of sway with employees, no matter where they're based - which is why it's both a focus for London employers, and an opportunity for regional businesses to make the most of.

What if an employee is still set on moving elsewhere?

If an employee is set on relocating, London employers can focus on putting plans in place to reduce knowledge gaps, giving the remaining team the tools they need to help with the transition.

Make remote working the norm

If a valued employee hands in their notice ahead of a move, consider if their role can be adapted to suit a permanent remote working setup. By being agile in this way, potential skills gaps can be avoided and the business benefits from the employee's continued input.

Succession planning

With a clear succession plan in place, employers can map out how the impact of potential flight risks would be offset using internal talent. This means departments can improve their ability to respond when they're a colleague short, and allow employers to nurture future leaders.

Learning and development

With potential knowledge gaps forming, employers should look to upskill junior staff. Businesses can focus on those highlighted during succession planning, so staff can absorb increased responsibilities and ensure that resignations as a result of moving away don't impact business performance.

Mentorship

Alongside training, offering mentorship can help junior staff to step up and gain valuable insight into how to focus their professional development. This could be casual chats with senior staff inside or outside their direct teams, or a more formal, structured programme.





Conclusion

With one million workers expecting to move out of London before their 33rd birthday, London businesses could be looking at a growing shortage of key talent. Employers can't necessarily combat the emotional or wider economic factors in this decision, but they can prepare for the effects of this trend. By taking the necessary action, businesses can give themselves the best chance of retaining talent and standing out in today's market.



Unless a slowing housing market puts a brake on this trend, it's likely to have important consequence for business. As young people add years of work experience to the stock of skills with which they came into the labour market, they become increasingly productive and climb the ladder, but as they leave, London businesses may find it harder to retain experienced staff and recruit into the more senior managerial roles."

Geraint Johnes

Professor of Economics at Lancaster University

From North to South, East to West, employers of all sizes across the UK can think outside the box when it comes to employer branding and how they can promote the career opportunities on offer. This could be the key to securing some of the best talent from the capital.



About Totaljobs

Totaljobs offers employers of all shapes and sizes access to the Totaljobs network. With a mix of generalist and specialist job boards, crossing the breadth and depth of the UK workforce, the Totaljobs network consists of Totaljobs, CareerStructure, City Jobs, eMedCareers, Jobsite, Just Engineers and RetailChoice. These brands provide access to over 19 million searchable candidate profiles, and record over 4 million applications from qualified jobseekers every month.

With a head office in London and offices in Birmingham, Havant, Cardiff, Leeds, Manchester, Nottingham and Glasgow, Totaljobs Group also consists of Caterer.com, CatererGlobal, CWJobs and Milkround. Together these brands are the UK division of StepStone Group, one of the world's largest e-recruitment businesses.

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