

## **Animation Sector – Labour Market Digest**

### **Background**

Labour market data provided by the Office for National Statistics (ONS) do not provide the sectoral detail required by the Creative Media Industry and Skillset to identify and fill skills gaps and shortages<sup>1</sup>. As a result the industry charged Skillset in 1999 with generating Labour Market Intelligence (LMI) to a sectoral level throughout the four nations, where possible.

The LMI presented in this Digest are a summary of those generated through Skillset's comprehensive research programme. The full reports for each source and more information about Skillset's research programme can be found by visiting [www.skillset.org/research](http://www.skillset.org/research).

### **Size of Animation Sector<sup>2</sup>**

The Animation industry comprises over **250** businesses<sup>3</sup>, compared with 22,122 in the Creative Media sector as a whole<sup>4</sup>. The Animation sector is characterised by a high proportion of small and medium businesses, and very few big companies. Over half (57%) the companies in the Animation industry employ 10 people or fewer, with 29% employing between 2 and 4 people, and 28% employing between 5 and 10. A further 20% employ 11 to 24 people, and 15% employ 25 to 49 people. Only 8% of companies in the Animation sector employ over 50 people. This compares with the Creative Media as a whole<sup>5</sup>, where 19% of companies employ 10 people or fewer, and 56% of companies employ more than 50 people.

A total of **4,700** people are employed in the Animation industry.

During the period that Skillset has been carrying out its Employment Census, the size of the Animation industry workforce has increased. In 2000, the Animation workforce in the UK was 1,300 people strong, and now has 4,700 people.

As shown in **Table 1** below the animation workforce is based throughout the UK though concentrations are found in the South East of England (21%) and Central London (21%).

---

<sup>1</sup> This is in part due to the way in which industries in the UK's economy are classified e.g. TV and radio are combined and cannot be disaggregated, and freelancers are systematically excluded.

<sup>2</sup> Until otherwise specified, data on companies, freelancers, and diversity issues are taken from the Skillset 2006 Employment Census.

<sup>3</sup> All company size figures exclude one man bands i.e. include businesses with 2 or more staff only.

<sup>4</sup> Until otherwise specified data for the Creative Media industry as a whole are taken from the following sources: Skillset Employment Census 2006, Joint Skillset/UK Film Council Feature Film Production Workforce Survey 2008, Experian 2007, Skillset/Equity Performing Arts Industry Survey 2005 and Labour Force Survey 2005-2007.

<sup>5</sup> In this instance, the 'Creative Media' figure excludes film production, performers and publishing.

**Table 1**

<b>Nation or Region</b>	<b>Proportion in Animation workforce 2006</b>
South East	21%
Central London	21%
South West	17%
North West	13%
Wales	6%
West London	6%
Scotland	4%
East London	2%
West Midlands	2%
East Midlands	2%
South London	1%
East of England	*
Yorkshire and the Humber	*
Northern Ireland	*
North East	*
North London	*

### **Shape of Animation sector**

The Animation sector relies heavily on freelancers, particularly during periods of growth and expansion. The latest information puts the proportion of freelancers in the Animation industry at two fifths (38%), and it has varied over time, reaching as much as 54% in 2001, and as low as 26% in 2000. The proportion of freelancers in the Animation sector is greater than across the Creative Media Industries overall where 26%<sup>6</sup> is freelance.

Women make up 34% of the Animation industry, and 37% of employees and 30% of freelancers. Representation is slightly lower than across the whole Creative Media and economy where 42% and 46% (Labour Force Survey, Historical Quarterly Supplement, autumn 2006) is female.

---

<sup>6</sup> This increases to 36% in the Creative Media industry as a whole, and 44% in the Animation sector when freelancers available to but not working are included.

Individuals from a Black, Asian and Minority Ethnic (BAME) background make up 3% of the workforce in the Animation industry and compares with an average of 6% across the industry and 8% across the UK economy as a whole (Labour Force Survey, Historical Quarterly Supplement, autumn 2006). There is a large difference between the proportion of individuals from a BAME background in the Animation sector who are employees (2%) and those who are freelancers (11%). There has been some difference between the proportions of employees and freelancers from a BAME background since 2000 (2% and 3% respectively) but there has been an increase in the proportion of freelancers from a BAME background, while the proportion of employees from a BAME background had stayed the same.

A tenth (10%) of individuals working in the Animation sector consider themselves to be disabled<sup>7</sup> as defined by the Disability Discrimination Act (DDA)<sup>8</sup>, which is above the average (8%) of the wider Creative Media workforce.

The age profile of the Animation sector has experienced an apparent increase over recent years but remains younger than the Creative Media industry as a whole, as shown in **Table 2** below. Just under half (47%) is under 35 years compared with two fifths (41%) across the entire Creative Media industry and two fifths (36%) of the wider economy (Labour Force Survey, Historical Quarterly Supplement, Autumn 2008).

**Table 2**

Age	Animation sector 2003	Animation sector 2005	Animation sector 2008	Creative Media sector as a whole 2008
16-24	7%	6%	5%	9%
25-34	58%	42%	42%	32%
35-49	33%	33%	37%	39%
50+	3%	20%	16%	20%

Around two thirds (65%) of the Animation industry is married or in a long term relationship, which is slightly higher than the broader Creative Media sector (63%). The proportion of the Animation industry that is married or in a long term relationship has increased from 41% in 2003, corresponding with the older age profile.

Around a quarter (26%) of people in the Animation industry has a dependent child under the age of 16 living with them, which is the same as for the Creative Media sector as whole (27%). The proportion of people in the Animation industry with one or more children has increased from 19% in 2003. There is some variation by gender and 35% of men have one or more child compared with 10% of women.

<sup>7</sup> Unless otherwise specified, data from those working in the Animation sector is taken from Skillset's 2008 Creative Media Workforce Survey. Comparative data is taken from the Skillset 2005 Survey of the Audio Visual Industries' Workforce and the Skillset 2003 Workforce Survey.

<sup>8</sup> Disability, as defined by the Disability Discrimination Act (DDA), covers physical or mental impairments with long term, substantial effects on ability to perform day-to-day activities.

## Working patterns in Animation

Half (51%) those working in the Animation sector in 2008 started working there between 1995 and 2003, while only 18% of the sector have started more recently, since 2004. The proportion of recent starters is less than the Creative Media sector as whole (20% since 2004), although the proportion starting between 1995 and 2003 is higher than the Creative Media as a whole (42%).

A high proportion of individuals working in the Animation sector found their first job through making contact with a company (26%). Around two-tenths (19%) of those working in the Animation sector found their first job by reading an advertisement, the formal route into the profession. There is still a high proportion who found their first job through a friend or relative (24%). Other reasons include being told about a job directly by an employer (10%), finding out about a first job through word of mouth (8%), and interesting 7% of people currently working in the Animation sector found out about their first job through a training/education organisation, suggesting that for those without prior knowledge or connections in the industry, a training course, after making contact with a company of responding to an advertisement, has previously been a good way of finding a first job.

More in animation have found their current or most recent job through informal than informal routes. The most common route is directly from an employer experienced by two-fifths (41%) which is higher than for the Creative Media industry as a whole (32%), reflecting the significant freelance working. Networks and connections with firms and individuals are common routes for the animation workforce.

**Table 3<sup>9</sup>**

How an individual found their current or most recent job	Animation 2008	Animation 2003	Creative Media as a whole
A project devised/commissioned by you	6%	-	4%
Directly from an employer	41%	50%	32%
Advertisement	12%	17%	24%
Online networking resource	7%	-	3%
Someone you had	24%	67%	19%

<sup>9</sup> Table uses codes from the 2008 Creative Media Workforce Survey, some of which were not used for the 2003 Workforce Survey. The figure for the Creative Media as a whole is taken from the 2008 Creative Media Workforce Survey only and so excludes Photo Imaging, Film Production, Publishing and Performers. Respondents were able to pick multiple options so table columns do not sum to 100.

worked with before			
Trade Union	0%	-	0%
Friend or relative	8%	-	1%
Word of mouth	16%	-	11%
Recruitment Agency	2%	-	3%
Internal promotion/move	0%	-	2%
Made contact with a company	1%	-	2%
Other	1%	-	2%

The average working week for nine in ten (87%) in the Animation sector is three to five days. For 2%, the average is fewer than three days per week, and for one in ten (10%), more than five days a week on average. In 2005, a fifth (21%) of the workforce worked an average 5+ day week, three quarters (74%) between 3 and 5 days, and a twentieth (5%) less than 3 days a week.

The number of hours worked in Animation, in an average day has also been falling since 2005; in 2008 61% were working between four and nine hours a day compared with 46% in 2005, and 37% of respondents reported working between nine and fourteen hours on an average day in 2008 compared with 47% in 2005.

The average salary in animation is similar to that of the Creative Media workforce as a whole at £31,700 compared with £32,300. Incidence of unpaid working is on the decrease; in 2005 60% of the animation workforce had undertaken unpaid work at some point in their career, dropping to 51% in 2008.

### **Experiences of freelancers in Animation**

Just less than half (42%) of freelancers currently working in the Animation sector have always worked as freelancers. This leaves almost two-thirds (59%) who move between the status of freelancer and permanent employee. In 2005, 51% of freelancers had always worked in this way, and in 2003 this was the case for three quarters. This suggests that freelancers are becoming less wedded to maintaining their position as freelancers, and are more susceptible to move in and out of permanent contracts. This could suggest that freelancers are more able to command or choose different kinds of contracts or conversely that employers, in the face of lots of individuals competing for work, are more able to dictate the terms of their employment.

The most common reason for becoming a freelancer was that it was the only work available at the time, with more than half (52%) of respondents, followed by a quarter

(26%) opting for 'made redundant/expected to be from previous job' and another quarter (26%) for 'greater freedom'. Almost one-fifth (17%) reported they had become freelance to increase their earning power, and 13% did so for 'better quality work/valuable experience'.

Freelancers in animation work an average of 199 days a year, 39 hours per week and almost 8 hours a day.

Three fifths (60%) of freelancers within the Animation workforce have a written contract in their current or most recent job, leaving 40% without a written contract. This represents an increase from 2005 when 54% had written contracts. The most common length of the current/most recent contract in 2008 was between 3 and 6 months (for 36% of freelancers), 20% had a contract of up to one month, 16% a contract between one and three months, 16% a contract between 6 and 12 months and 12% of freelancers had a contract of a year or more.

Of the 60% with a contract, three fifths were entitled to holiday leave (up from 45% in 2005), 24% were entitled to sick leave (down from 29% in 2005) and 4% were entitled to maternity/paternity leave.

## Qualifications in Animation

### *Perspective of workforce*

The Animation sector is a highly qualified sector, with almost half (48%) reporting they have a postgraduate qualification, and almost all (92%) reporting they have an undergraduate qualification. This is high in relation to the entire UK population of working age, 23% of whom are graduates (Labour Force Survey, Historical Quarterly Supplement, Autumn 2006) and compared with the entire Creative Media workforce 58% of whom are graduates.

Three in ten (31%) in animation has a postgraduate qualification in a media or related subject and this is the case for six in ten (61%) with an undergraduate qualification. A smaller proportion (15%) of respondents also has a technical or vocational qualification in a related subject, and 22% has an A Level or GNVQ in a related subject. Those working in Animation who have an undergraduate or postgraduate qualification in a subject related to their work has always been high, with data from 2003 showing that 68% of respondents held a related tertiary qualification, and in 2005 53%.

### POSTGRADUATE DEGREES HELD

Of the 31% of those working in the Animation sector who chose a media/related subject for postgraduate study, the most commonly cited is 'Animation/Computer Animation/3D/Electronic Imaging', and is studied at postgraduate level by 56% of those who said they had studied a related subject at postgraduate level.

**Table 4**

Media/related subject	% with a
-----------------------	----------

	<b>postgraduate degree</b>
Animation/Computer Animation/3D/Electronic Imaging	56%
Cross Sector Study/Production/Design (combination of TV/Radio/Film/Video/Theatre) or Media Production or Broadcasting	14%
Digital Media/Multimedia/Media Technology	8%
Screen Writing/Script Writing/Creative Writing	8%
Film Studies/Film Production/ Film History/Film Design/Cinematography	6%
Engineering (inc. Audio, Broadcast, Electrical, Sound)/ Electronics	6%
Art & Design/ Graphic Design	2%
Communication/Media Studies (inc. Cultural Studies)	2%

Institutions most commonly cited include the University of Bournemouth (17%) and the University of Huddersfield (10%).

Other postgraduate studies undertaken by respondents were mixed as shown in **Table 5** below.

**Table 5**

<b>Other subject</b>	<b>% with a postgraduate degree</b>
Business, administration and law	29%
Engineering and manufacturing technology	15%
Social sciences	15%
Education and training	15%
Science and maths	11%
Arts, media and publishing	11%
Languages, literature and culture	6%

A fifth (17%) had taken these subjects at each of: the University of York, the University of Dundee, the Royal Scottish Academy of Music and Drama and the Open University.

## UNDERGRADUATE DEGREES HELD

Amongst the media/related subjects taken at undergraduate level by respondents, there was a wide range, with the most popular course being 'Animation/Computer Animation/3D/Electronic Imaging'.

**Table 6**

<b>Media/related subject</b>	<b>% with an undergraduate degree</b>
Animation/Computer Animation/3D/Electronic Imaging	38%
Art & Design/Graphic Design	15%
Communication/Media Studies (inc. Cultural Studies)	14%
Cross Sector Study/Production/Design (combination of TV/Radio/Film/Video/Theatre) or Media Production or Broadcasting	10%
Photography	3%
Digital Media/Multimedia/Media Technology	3%
Computing/IT	3%

The three most commonly cited institutions for completing a media/related subject at undergraduate level were the University of Wales in Newport (9%), the University of Dundee (7%), and Edinburgh College of Art (6%).

Other main subjects taken at undergraduate level by respondents include arts, media and publishing (61%) and languages, literature and culture (16%). The two most popular institutions attended for another subject at undergraduate level were Leeds Metropolitan University (9%) and the University of the Arts, London (9%).

## TECHNICAL QUALIFICATIONS HELD

In terms of technical and work relevant qualifications subjects taken are as follows:

**Table 6**

<b>Subject</b>	<b>% with a technical qualification</b>
Animation/Computer Animation/3D/Electronic Imaging	21%
History of Art/Fine Art	21%



Art & Design/Graphic Design	15%
Photography	15%
Screen Writing/Script Writing/Creative Writing	15%
Cross Sector Study/Production/Design (combination of TV/Radio/Film/Video/Theatre) or Media Production or Broadcasting	6%
Other	6%

### *Perspective of Employers<sup>10</sup>*

Employers in the Animation sector rate both pre- and post-entry accredited training highly as is illustrated below in **Table 7**. Degrees, both undergraduate and postgraduate, in a related subject are common by the Animation sector, both proportionally and in relation to other sectors within the Creative Media. Community learning and new entrant training schemes in particular seem to be less important to employers in the Animation sector than in the Creative Media as a whole.

**Table 7**

<b>Pre-entry education and post-entry training</b>	<b>Large<sup>11</sup> employers in the Animation sector</b>	<b>Large<sup>11</sup> employers across the Creative Media<sup>12</sup></b>
Pre-entry further education	69%	76%
Pre-entry degree level in media studies or related subjects	54%	35%
Pre-entry degree level in other subjects	44%	69%
Pre-entry post grad level in media studies or related subjects	50%	25%
Pre-entry post grad level in other subjects	27%	53%
Pre-entry community learning	19%	47%

<sup>10</sup> All figures pertaining to the perspective of employers are taken from Skillset's Employers Survey 2006 which excludes film production, cinema exhibition, performers and photo imaging. A total of 123 interviews were carried out with employers in the Animation industry.

<sup>11</sup> For the purpose of this document and the source of these data all 'large' employers employ 26 people or more.

<sup>12</sup> Here the Creative Media as a whole figure excludes film production, cinema exhibition, performers and photo imaging.

Post entry new entrant training scheme	29%	59%
Post entry continuing professional development (CPD)	48%	72%
Post entry management/leadership training	45%	72%
Post entry specific technical training	64%	80%
Post entry business training	42%	72%

A third (36%) of employers in Animation are keen to encourage their staff to work towards a qualification compared with half of all creative media employers. In animation employers are particularly keen on degrees, specialist vocational qualifications and apprenticeships.

**Table 8**

Type of qualification	Employers in the Animation sector	Employers in the Creative Media sector as a whole
Foundation degrees	60%	40%
N/SVQs	48%	56%
Specialist and specific vocational qualifications	62%	62%
Vender qualifications e.g. Microsoft, Cisco	31%	44%
Informal/lifelong learning qualifications	25%	35%
An Apprenticeship/Modern Apprenticeship	58%	51%
A degree or post graduate qualification e.g. MA, MBA	64%	66%

Employers in the Animation sector have established links particularly with schools (41%), colleges (40%) and universities (38%), a phenomenon evident across the Creative Media industry as a whole. However, Animation employers are less likely to have links with private training providers than those across the Creative Media industry (13% compared with 24%). This suggests, with the focus on degrees and specialist qualifications mentioned above, that the Animation sector value links with universities

and colleges to meet their specific educational needs more than links with private training providers.

## Training delivery in Animation

### *Perspective of Workforce*

Almost half (47%) of the workforce received some training in a 12 month period between 2007 and 2008. This illustrates an increase from almost two-thirds (60%) in 2005 and half (53%) in 2003. Of those who had received training between 2007 to 2008 an average of 37 days were taken which is high compared with 10 days on average across the industry as a whole. The subject of training taken is listed below.

**Table 9**

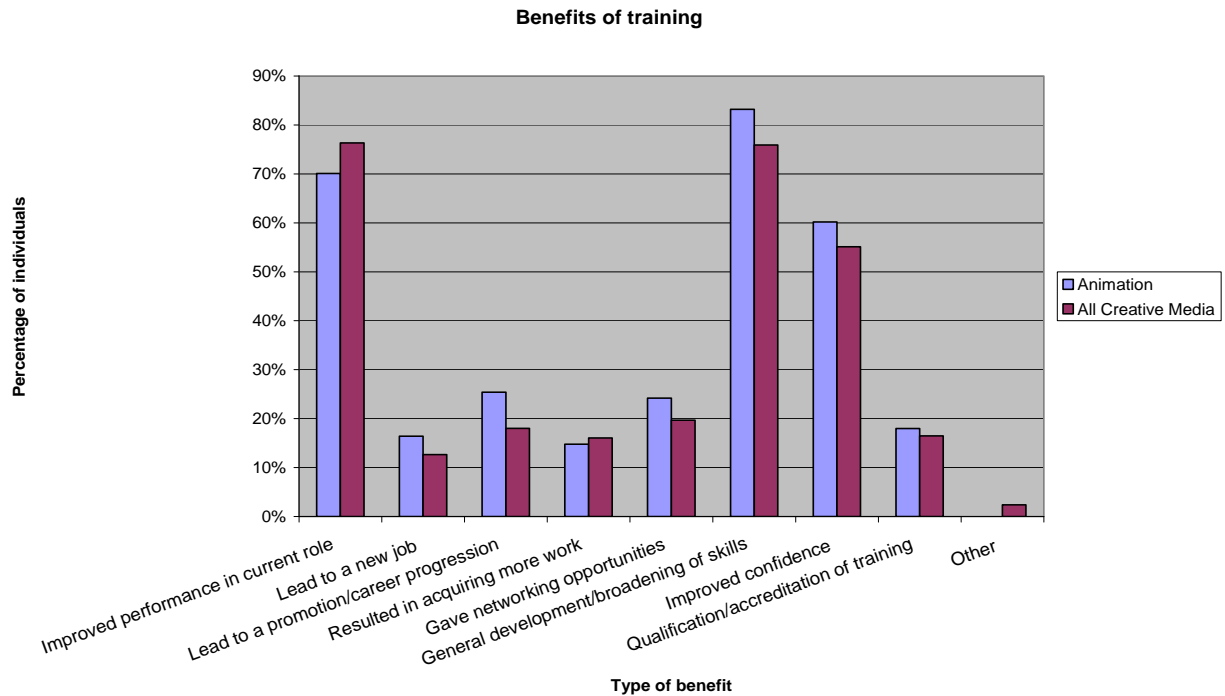
Type of training received	Animation sector	Creative Media sector
Animation	22%	1%
Specific Software applications	14%	8%
Health & Safety	8%	7%
Post-Production	7%	1%
Other - Industry Specific	3%	4%
IT	2%	3%
On-line/Web design/interactive media/electronic games	4%	4%

A range of sources of training are adopted by the animation workforce and individuals themselves have always been a key provider, with over a third delivering their own training since 2003 starting with 35%, increasing to 45% in 2005, and 37% in 2008. The adoption of other providers has fluctuated; in 2008, the largest type of training provider was the private sector (46%) followed by an employer (37%) and then a public education body (21%), whereas in 2005, the largest type of training provider was the individual themselves (45%) followed by a public education body (30%) and the private sector (28%). In 2003, the major training provider was the respondent's employer (43%) followed by the individual themselves (35%), and then a public education body (18%). There is evident growth in training provided for Animation by the private sector alongside existing providers.

Employers in 2008 were more likely to be investing in their employees by paying for training, than in 2003 or 2005. The proportion of the Animation workforce who had their training fees paid for by their employers was 29% in 2003, 28% in 2005, and 53% in 2008. Receipt of grants has fluctuated from 7% of training in 2003, to 28% in 2005 to 6% in 2008.

In 2008, the most common benefit from training was a general development/broadening of skills with more than four-fifths of respondents identifying this benefit. Improved performance in the respondent's existing job role was also seen to be very important, as well as a general increase in confidence.

**Figure 1**



*Perspective of Employers*

More than two-fifths (44%) of employers in the Animation sector provide some form of training or development for their permanent employees (including both on and off the job training). This is less than the Creative Media sector as a whole (60%). Around a quarter (26%) of employers in the Animation sector provide some form of training or development for freelancers, which is the same proportion (26%) as the Creative Media sector as a whole.

**Table 10** below shows for animation employers providing training how it has been delivered compared with those across the Creative Media industry as a whole. In Animation the most common approach was structured support on the job by another member of staff, closely followed by in-house training sessions conducted by another member of staff. Over half of Animation sector employers who provided some training to their permanent staff sent them out to an external course or seminar.

Employers in Animation providing their freelancers with some form of training most commonly provide either structured support on the job by another member of staff, or in-

house training sessions conducted by another member of staff. This is consistent with the most common options across the Creative Media sector as a whole. Around a third of Animation sector employers send freelancers out to an external course or seminar, compared with almost two-thirds of Creative Media employers.

**Table 10**

Type of training	Animation		Creative Media	
	Employees	Freelancers	Employees	Freelancers
Structured support on the job by another member of staff	76%	67%	86%	77%
In-house training sessions conducted by another member of staff	68%	66%	85%	84%
External course or seminar	54%	34%	75%	62%

Almost two-thirds (61%) of employers in Animation report barriers preventing their organisation from undertaking training/development more often which compares with half (50%) across the Creative Media sector as a whole. The most common barrier (cited by 62% of Animation sector employers) was cost.

Just over half (53%) of Animation sector employers that have links with schools, colleges, universities, and/or private training providers, provide work placements as part of these links.

## Training needs in Animation

### *Perspective of Workforce*

The need for training reported by the Animation workforce has dropped slightly since 2003, from almost three-quarters (72%) to around two-thirds (64%).

**Table 11** below shows common areas of training needed include Animation, Specific software applications, New/Digital Technology, Writing/Script writing, Accounting/finance, On-line/Web design/interactive media/electronic games and Producing.

**Table 11**

<b>Topic of training</b>	<b>Animation</b>	<b>Creative Media</b>
Animation	39%	2%
Specific software applications	21%	9%
IT	2%	4%
New/Digital Technology	13%	5%
Writing/script writing	13%	3%
Accounting/finance	12%	3%
On-line/Web design/interactive media/electronic games	11%	6%
Producing	10%	2%

Individuals working in Animation actively pursue their own training needs; two thirds or more with a training need reported trying to obtain training in 2003 (67%), in 2005 (71%), and in 2008 (65%).

Barriers to fulfilling training needs are varied as shown in **Table 12**. In 2008, the most common barrier was the cost of fees followed by difficulty in assessing the quality of courses available and a lack of suitable courses or training in the locality where the workforce lives or works.

**Table 12**

<b>Barriers to training</b>	<b>Animation</b>	<b>Creative Media</b>
Fees are too high	59%	42%
Difficult to assess the quality of courses	42%	28%
Lack of suitable courses/training in the region/nation I live/work	41%	23%
Training is at inconvenient times	37%	24%
Possible loss of earnings too high a risk	24%	17%
Fear of losing work through committing time in advance	19%	15%
Lack of information about available training	25%	26%
Employers not willing to pay for training	24%	35%
Employers not willing to give time off for training	17%	26%

Difficulty taking time off for training	-	-
---	---	---

Individuals in the Animation sector look for information on training in a number of different areas, but in 2008, the internet was the most commonly cited source, with nearly three-quarters (73%) of respondents saying they looked on the internet for training. Other sources include employers (38%), colleagues (37%) and Skillset (32% up from 10% in 2003).

### *Perspective of Employers*

Just over a quarter (27%) of employers in the Animation sector report a gap between existing skills and those needed to meet their business objectives, similar to the Creative Media industry average (26%). The most common skills needs reported by employers were industry specific (59%).

Over half (56%) of Animation sector employers anticipate a skills gap in the future, compared with only one third (36%) of Creative Media employers. The areas employers anticipate skills gap in the Animation sector are not detailed (65%) and industry specific skills (35%).

When asked if ‘the gap between the skills we need and the skills we have among our workforce is growing’, more employers in Animation than across the Creative Media Industry as a whole agreed (53% compared with 42%). The question ‘when we are looking to take on new recruits, we have problems finding people with the skills we need’ found 37% of employers in Animation agreeing compared with 53% of employers across the whole Creative Media industry. More employers in Animation (54%) than across the Creative Media Industry as a whole (42%) say ‘the education system does not supply enough people who are equipped with the skills that they need to start working with us’.

### **Future Research**

Labour market data from Skillset’s regular cycle of research will continually update this Digest. This includes data gathered on the size and shape of the industry, the demands of individuals and employers in terms of training experiences, skill gaps and shortages.

### **Skillset 2009**