

B3 THIRTY MORE YEARS OF BUSINESS AS USUAL?

- B3.1 If the Black Country continues to experience current trends, there are potentially profound implications for the prosperity and well-being of people in the Black Country, the city region, the region and the UK as a whole. If 'business as usual' carries on, what can be expected over the next 30 years?

Falling employment

- B3.2 If the right conditions are not created for the Black Country economy to grow - a strong workforce, new employment sites and a high quality environment - baseline forecasts predict 15,000 fewer jobs by 2030¹. Job creation in the service sector will be insufficient to counter the losses in manufacturing (around 66,000 by 2030).

A widening of the income gap

- B3.3 The evidence points to a further widening of the income gap with the rest of the UK should the Black Country economy continue performing at its current level. Forecasts by Oxford Economic Forecasting (OEF) predict relative incomes will fall from 81% of the UK average today to 76% by 2030. In terms of occupational structure, 15,300 fewer managers can be expected.

Further outward migration

- B3.4 If new high quality, attractive residential environments are not created or the area fails to provide sufficient well-paid jobs, a further 84,000 will leave the Black Country by 2033². In other words, for every 11 people living in the Black Country today, only 10 will be living here in 30 years.

Fewer households

- B3.5 Current trends in the housing market indicate that, without an acceleration in house building, there will be 3,000 fewer households by 2031.

A failing city region economy?

- B3.6 The Black Country is key to the success of the City Region. The Black Country's £2.6 billion output gap is the principle component of the city region's output gap³. If current trends continue, GVA per head in the Black Country will fall from 84% of the UK average to nearer 80% by 2030⁴.

¹ Long Term Economic and Employment Strategy for the Black Country, GHK, Feb 2005.

² 'Black Country Study: Population and Household Scenario Forecasts 2001-2031', Mott MacDonald December 2004.

³ See Appendix A2.

⁴ Long Term Economic and Employment Strategy for the Black Country, GHK, Feb 2005.