Study: Experiences of self-employed workers in Canada, 2023

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In 2023, an average of 2,652,600 people were self-employed, making up 13.2% of the employed population. The self-employed are a diverse group working in a variety of industries.

Self-employment is associated with benefits such as the ability to be one's own boss, the potential to earn higher income, and to have greater autonomy. In contrast, self-employed workers can experience more risks compared with employees.

Using data from the Labour Force Survey (LFS) and LFS supplements collected in the fourth quarters of 2022 and 2023, a new study released today, titled "Experiences of self-employed workers in Canada, 2023," sheds light on the diverse circumstances and experiences of Canadians who are self-employed in their main job.

In the fourth quarter of 2023, more than 7 in 10 self-employed workers (71.9%) operated small businesses with no employees. Among those who did have employees, just over two-thirds (68.7%) had five or fewer. Close to half (46.2%) of self-employed workers ran unincorporated businesses. Further, most self-employed people had no partners (79.1%) or premises dedicated to their business activity (69.0%).

Gig work—employment characterized by short-term tasks, projects or jobs that does not guarantee steady work and where the worker must take specific actions to stay employed—continues to be a prevalent form of self-employment in the Canadian labour market. In the fourth quarter of 2023, just over one in four self-employed Canadians (26.6%) were gig workers in their main job.

Among the self-employed, women were more likely than men to be gig workers in their main job in the fourth quarter of 2023. Although youth (aged 15 to 24 years) were much less likely to be self-employed in general, they were much more likely to be gig workers in their main self-employed job (41.7%) compared with those aged 25 to 69 years (26.2%). Additionally, self-employed immigrant males as well as self-employed workers from racialized groups were more likely to be gig workers in their main job.

In the fourth quarter of 2023, the most commonly reported reason for being self-employed was "to have autonomy and control over work hours, wage rate or location" (38.2%). Other common reasons for self-employment included "to engage in work you are passionate about" (14.3%), "to earn more money than as an employee" (11.3%) and "to work in your field of expertise" (9.3%).



Chart 1 Reasons for self-employment, fourth quarter of 2023



Note(s): Estimates for those who selected "lost job as an employee," "practice or master a new skill" or "experience less stress or for health reasons" have a coefficient of variation greater than 16.5% and should be used with caution.

Source(s): Labour Force Survey (3701), and Labour Market and Socio-economic Indicators (5377), fourth quarter of 2023, custom tabulation.

In the fourth quarter of 2023, despite the small size of most self-employed businesses, 3 in 10 self-employed workers (29.8%) reported that they were planning to expand their business over the next 12 months, either with or without hiring employees. Conversely, a majority (61.2%) of self-employed workers said that they planned to keep things about the same, and 8.9% indicated that they planned to scale down the business, stop working or close the business.

Self-employed workers with an incorporated business (37.6%) were much more likely to indicate in the fourth quarter of 2023 that they were planning to expand their business over the next 12 months compared with self-employed workers with an unincorporated business (22.6%). Self-employed workers with employees (38.4%) were also much more likely to be planning for expansion compared with self-employed workers without employees (26.6%).

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Note to readers

Data and notes for interpretation

Estimates in this release are based on results from the Labour Force Survey (LFS) and the Labour Market and Socio-economic Indicators LFS supplement.

All estimates reflect the situation of the population residing in the provinces, excluding people living on Indigenous reserves, full-time members of the regular armed forces and people living in institutions.

For more information on the LFS, see the Guide to the Labour Force Survey (71-543-G).

This analysis focuses on differences between estimates that are statistically significant at the 68% confidence level.

Definitions, data sources and methods: survey numbers 3701 and 5377.

The article "Experiences of self-employed workers in Canada, 2023," is now available online in the *Labour Statistics at a Glance* series (**71-222-X**)

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).