

# Adapting to change: The COVID-19 impact on self-employment transitions in Canada

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One of the ways Canadian workers adapted to the impacts of the COVID-19 pandemic was moving into and out of self-employment. Released today, the study "[Adapting to Change: The Impact of the COVID-19 Pandemic on Self-employment Transitions in Canada](#)" examines the effect of the pandemic on the dynamics of entry into and exit from self-employment in the Canadian labour market. In this analysis, self-employment refers to unincorporated self-employment and incorporated business ownership.

The study examines information on entry into and exit from self-employment, as well as modelled estimates of the probability of transitioning between paid employment and self-employment. Analysis and models take into consideration province, industry, firm size and the year, but they do not take into consideration job support programs.

Based on 2017 to 2021 data from the Canadian Employer-Employee Dynamics Database, the findings suggest a decline in self-employment with the onset of the pandemic. This is evidenced by both lower entry into self-employment and higher exit out of it. For example, compared with the pre-pandemic period (2017 to 2019), workers from paid employment were less likely to enter unincorporated self-employment (-0.7 percentage points) and incorporated business ownership (-0.4 percentage points) during the pandemic.

The study also looked at the impacts of the pandemic on self-employment transitions by worker characteristics, such as gender, age, family composition (number of children and spouse's self-employed status), income and immigrant status. Women and established immigrants were among the groups of workers with the highest transition rates. For example, with the onset of the pandemic, women were more likely than men to exit unincorporated self-employment and enter paid employment, and established immigrants were more likely to do so than Canadian-born workers.

This study underscores an association between workers' characteristics and transitions into and out of self-employment during the pandemic.

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The study "[Adapting to Change: The Impact of the COVID-19 Pandemic on Self-employment Transitions in Canada](#)," part of the *Analytical Studies Branch Research Paper Series (11F0019M)*, is now available.

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](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).

