Quality of Employment in Canada

Own-account worker rate, 2023

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Own-account worker rate, 2023

There were nearly 1.9 million own-account workers in Canada in 2023, comprising 9.4% of the employed population. Own-account workers are self-employed (incorporated or unincorporated) workers who may work with one or more partners, but do not have any employees working for them on a continuous basis. In the context of measuring quality of employment, this indicator can help highlight the share of workers whose employment status places them in a potentially vulnerable situation in terms of income and coverage by social insurance programs. Recent analysis has shown that own-account workers are less likely to be satisfied with their job compared with self-employed workers who have employees.²

The analysis presented in the following article sheds light on historical trends in the proportion of the employed population who are own-account workers, and describes differences in the prevalence of own-account work among racialized and immigrant populations, and by province and industry.

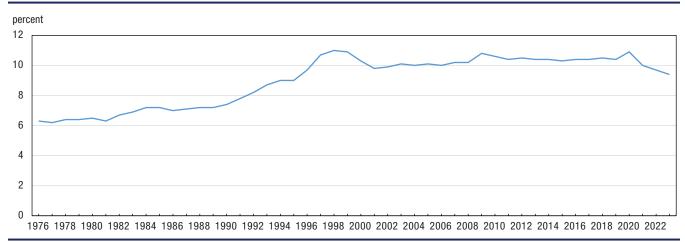
Unless otherwise noted, all analyses are based on annual averages from the Labour Force Survey (LFS) and reflect the situation of workers aged 15 years and older.

Historical trends, 1976 to 2023

In 1976, 6.3% of all employed persons were own-account workers. After trending upward from the late 1980s to the late 1990s and peaking at 11.0% in 1998, this proportion remained relatively stable from 1999 to 2019, hovering in the 9.8% to 10.8% range. After rising to 10.9% in 2020 in the context of a rapid decline in the number of paid employees during the COVID-19 pandemic, the share of own-account workers has since followed a downward trend. By 2023, the own-account worker rate had fallen to 9.4%—its lowest level since 1996.

In 2023, 1.1 million men were employed as own-account workers, compared with 782,000 women. From 1976 to 2023, the overall growth in the number of female own-account workers outpaced the gains recorded among their male counterparts (+395.1% compared with +144.5%), but men continued to account for a greater proportion of own-account work in 2023.

Chart 1
Percentage of employed persons 15 years and over who are own-account workers, Canada, 1976 to 2023



Note: Due to rounding, estimates and percentages may differ slightly between different Statistics Canada products, such as analytical documents and data tables. Source: Statistics Canada, Labour Force Survey, custom tabulation.

^{1.} For an in-depth discussion of the distinction between own-account workers, dependent self-employment, gig work, and digital platform work, see <u>Defining and measuring</u> the gig economy using survey data.

^{2.} Are Canadians satisfied with their jobs?

Since 1987—when comparable data on own-account work first became available by industry—the industries where the proportion of own-account workers increased the most were finance, insurance, real estate, rental and leasing (+7.4 percentage points to 11.7%), transportation and warehousing (+6.2 percentage points to 14.5%), business, building and other support services (+6.0 percentage points to 18.0%) and professional, scientific and technical services (+5.7 percentage points to 19.2%).

A recent snapshot

Professional, scientific and technical services accounted for the largest number of own-account workers in 2023

Historically, agriculture accounted for the largest share of own-account workers in Canada. This proportion declined gradually as own-account work decreased in agriculture and expanded in other industries. Of all own-account workers in Canada, 20.7% were employed in agriculture in 1987. However, by 2023 the agriculture industry only represented 4.5% of all own-account workers.

In 2023, nearly 2 in 10 (19.0%) own-account workers were in professional, scientific and technical services, followed by construction (12.5%) and healthcare and social assistance (12.5%).

Workers in art, culture, recreation and sports occupations are particularly likely to be own-account workers

At the level of major occupational groups, the highest rate of own-account work was observed in art, culture, recreation and sports occupations, where 1 in 3 (33.8%) employed persons were own-account workers in 2023. This was followed by natural resources, agriculture and related production occupations where 1 in 4 (24.2%) were own-account workers. Also among the occupations with the highest proportions of own-account workers were trades, transport and equipment operators (13.0%) and health occupations (10.0%).

British Columbia, Alberta, Ontario, and Saskatchewan had the highest own-account worker rates

In 2023, British Columbia (11.4%), Alberta (10.1%), Ontario (9.7%), and Saskatchewan (9.2%) had the highest proportions of own-account workers within their respective employed populations, continuing the pattern seen in both 2021 and 2022. In contrast, Newfoundland and Labrador (4.9%) and New Brunswick (6.2%) had the lowest rates of own-account work in 2023.

Own-account workers more likely to work part-time

In 2023, 32.6% of own-account workers worked part-time (less than 30 hours per week) compared with 16.8% of paid employees and 9.3% of self-employed workers with employees. Of the own-account workers who worked part-time, nearly 2 in 10 (18.5%) were doing so involuntarily . In comparison, 15.2% of part-time employees and 10.6% of self-employed persons with employees who worked part-time were involuntary part-time workers.

In the fourth quarter of 2023, according to data from the LFS supplement,³ the top reasons why own-account workers opted for self-employment included: wanting to have autonomy and control over work hours, wage rate, or location (39.7%); to engage in work they are passionate about (14.1%); to work in their field of expertise (11.0%); and to achieve better work-life balance (8.9%).

^{3.} Estimates from the LFS supplements are for workers aged 15 to 69. See Labour Market and Socio-economic Indicators for more detail.

Among racialized groups, West Asian and Arab Canadians workers have one of the highest own-account worker rates

In 2023, 15.9% of employed West Asian Canadians were own-account workers, compared to less than 1 in 10 workers who were not racialized or Indigenous (9.7%). Among West Asian workers, men (20.5%) were more than twice as likely to be own-account workers than women (9.7%). In comparison, the own-account worker rate was 10.5% among employed men who are not racialized or Indigenous and 8.8% among their female counterparts.

Similarly, a larger proportion of employed Arab Canadians (12.0%) were own-account workers compared with Canadians who are not racialized or Indigenous (9.7%). Arab Canadians who were own-account workers were also younger (with an average age of 44.4 years) than non-racialized or Indigenous own-account workers (average age of 49.7 years old). In 2023, more than 1 in 5 (22.6%) Arab own-account workers were working in the transportation and warehousing industry.

Filipino Canadians (3.6%) had a lower own-account worker rate. In contrast to the pattern observed among own-account workers who are not racialized or Indigenous, Filipino women represented the majority of own-account workers (64.5%).

Established immigrants more likely to be own-account workers than their Canadian-born counterparts

The own-account worker rate also varied across immigrant groups. Employed established immigrants (who had landed more than 10 years earlier) had the highest share of own-account workers at 12.8%. In comparison, 8.9% of Canadian-born workers and 8.8% of immigrants who had landed between 5 to 10 years earlier were own-account workers. The own-account worker rate was 7.1% among recent immigrants who had landed in Canada 5 years ago or less.

Established immigrants who were own-account workers typically faced more challenges in terms of the stability of their self-employment arrangements compared with their Canadian-born counterparts. Based on data from the LFS supplement, in the fourth quarter of 2023, 53.1% of established immigrants had experienced full days with no clients or work in the last twelve months compared with 41.4% of Canadian-born own-account workers (population aged 15 to 69). Moreover, compared with their Canadian-born counterparts (55.7%), a smaller proportion of established immigrants who were own-account workers (48.8%) agreed that it was easy to find new clients for their business in normal times.⁴

^{4.} Statistically significant at the 90% confidence level.

Information on the indicator

Description or definition

The **own-account worker** indicator is the proportion of the employed population who are own-account workers. Own-account workers are defined as private-sector workers, who are self-employed, do not have employees and are either incorporated or unincorporated.

Source

Statistics Canada, Labour Force Survey, 1976 to 2023.

Statistics Canada, Labour Market and Socio-economic Indicators, fall 2023.

Information for interpretation

For more information on the Labour Force Survey (LFS) methodology and population coverage, please consult the Guide to the Labour Force Survey, 2020.

The LFS estimates are based on a sample and are therefore subject to sampling variability. The analysis focuses on differences between estimates that are statistically significant at the 95% confidence level. Due to rounding, estimates and percentages may differ slightly between different Statistics Canada products, such as analytical documents and data tables.

Occupations are coded according to the National Occupational Classification system (NOC) 2021, while industry coding is based on the North American Industry Classification System (NAICS) 2017.

The United Nations Economic Commission for Europe's quality of employment framework defines own-account workers as workers who, working on their own-account or with one or more partners, hold a self-employment job and have not hired on a continuous basis any employees to work for them during the reference period. The partners may or may not be members of the same family or household.

In Canada, the LFS only asks if a self-employed person had employees during the reference week and does not ascertain whether these employees are employed "continuously" or not.

Other related information

For more information on self-employment in general, see the article *Experiences of self-employed* workers in Canada, 2023.

Additional Statistics Canada data are available on the following subject:

Employment by class of worker