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## Labour Statistics at a Glance

# Experiences of self-employed workers in Canada, 2023

by Marton Lovei and Vincent Hardy

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# Experiences of self-employed workers in Canada, 2023

By **Marton Lovei** and **Vincent Hardy**

Self-employed Canadians are a diverse group and make unique contributions to the economy and society. In 2023, they worked in a wide range of industries, including residential building construction (148,900 workers), the offices of physicians (85,100) and general freight trucking (71,400). While being self-employed is associated with unique rewards and opportunities, such as the ability to be one's own boss, greater autonomy, and the potential to earn higher income, self-employed workers tend to experience more risks than employees. For example, self-employed workers are generally more likely to work either very long or very short hours,<sup>1</sup> and to work part-time involuntarily.<sup>2</sup>

This article sheds light on the diverse circumstances and experiences of Canadians who are self-employed in their main job by leveraging information from the Labour Force Survey (LFS) as well as LFS supplements collected in the fourth quarter of 2022 and 2023. Estimates from the LFS are for the population aged 15 and over while those from the LFS supplements are for individuals aged 15 to 69.<sup>3</sup>

**Table 1**  
**Top 15 detailed industrial sectors for self-employed workers, 2023**

	Employment count
Residential building construction	148,900
Services to buildings and dwellings	123,000
Computer systems design and related services	101,600
Personal care services	99,200
Offices of real estate agents and brokers	93,400
Offices of other health practitioners	89,800
Offices of physicians	85,100
Building finishing contractors	84,100
Other schools and instruction	77,300
General freight trucking	71,400
Building equipment contractors	71,000
Management, scientific and technical consulting services	68,200
Accounting, tax preparation, bookkeeping and payroll services	64,700
Independent artists, writers and performers	63,400
Full-service restaurants and limited-service eating places	54,200

**Notes:** Self-employed workers aged 15 and over. Excludes population living in the territories, on Indigenous reserves and in institutional settings, as well as full-time members of the armed forces.

**Source:** Statistics Canada, Labour Force Survey (3701), 2023, custom tabulation.

## Historical context

In 2023, an average of 2,652,600 people were self-employed, representing 13.2% of the employed population. In 1976, when the LFS started collecting comparable data on self-employment, the self-employment rate – the proportion of workers who are self-employed – was 12.2%. From 1990 to 1998, in a context of slower growth in paid employment and an upward trend in the unemployment rate, the self-employment rate increased by 3.1 percentage points to reach a high of 17.2%. The rate of self-employment then declined over the following years and stayed relatively stable over the two-decade period of 2001 to 2020 (see Chart 1).

From 2019 to 2020, in the context of the COVID-19 pandemic, the number of self-employed workers decreased to a smaller extent than the number of employees. However, while the number of employees rebounded strongly in 2021, self-employment fell during that year, and recorded little growth in 2022 and 2023. Record-high job vacancies<sup>4</sup> and notable wage growth<sup>5</sup> may have provided better opportunities to get a job as a paid employee in 2022 and 2023.

1. [Quality of Employment in Canada: Distribution of weekly working hours, 1976 to 2022](#)

2. [Quality of Employment in Canada: Involuntary part-time work, 1997 to 2022](#)

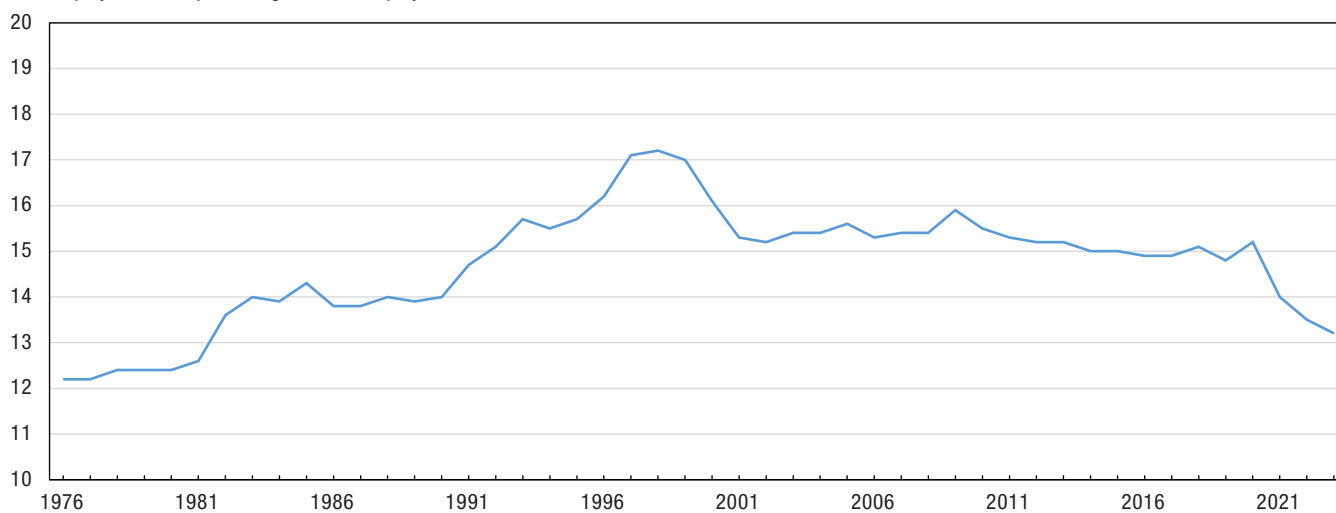
3. Estimates from the supplements also exclude unpaid family workers as part of the measurement of self-employment, who made up 0.5% of the self-employed population in 2023.

4. [The Daily: Job vacancies, second quarter 2023](#)

5. [The Daily: Labour Force Survey, December 2023](#)

**Chart 1**  
**Self-employment rate, Canada, 1976 to 2023**

self-employment as a percentage of total employment



Source: Labour Force Survey (3701), table 14-10-0027-01.

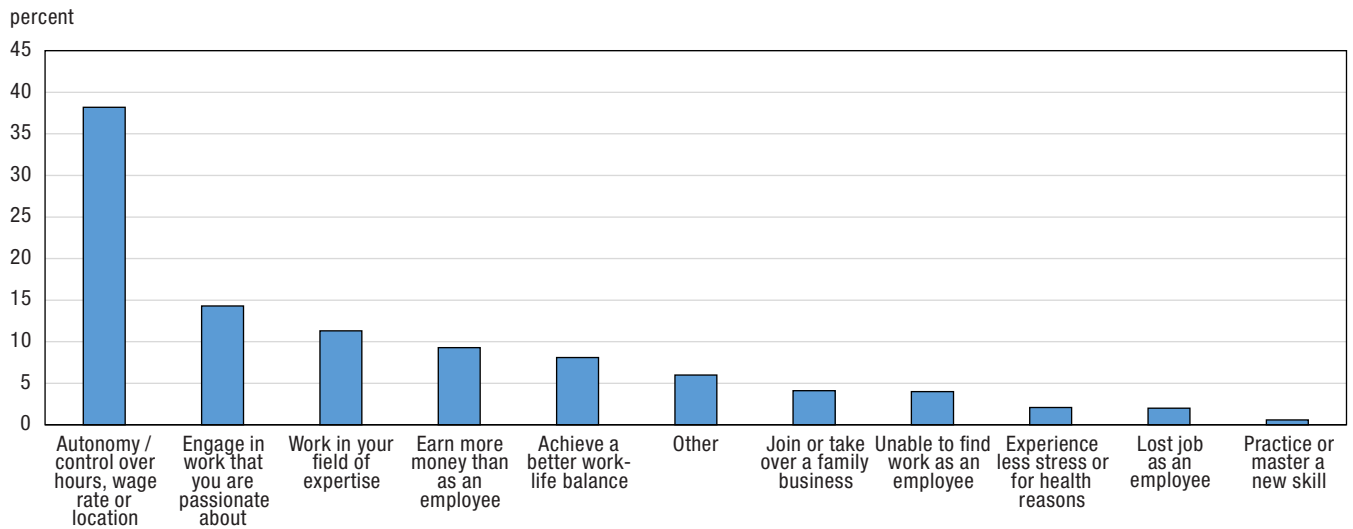
Self-employment remains mostly comprised of men, with 62.9% of self-employed workers being men in 2023. However, over time the proportion of women in self-employment has increased, mirroring their rising labour force participation rates. The recent article, [Self-employment among women in Canada](#), provides more in-depth analysis and highlights on this topic and reports that the self-employment rate among women increased from 9% in 1976 to a high of 13% in the late 1990s before declining to 11% by 2022.

## Autonomy and control is the most common reason motivating self-employment

While self-employment can be attractive to workers due to the greater autonomy and flexibility it can offer, some workers can also become self-employed due to more difficult labour market conditions or challenges finding work as an employee (e.g., the “push” and “pull” hypotheses).<sup>6</sup> As part of the LFS supplement, respondents aged 15 to 69 were asked to indicate the main reason why they were self-employed in their main job. In the fourth quarter of 2023, the most common reason for self-employment was “to have autonomy and control over work hours, wage rate or location” (38.2%). Other more 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%), or “to work in your field of expertise” (9.3%).

6. See for example, Leonard, P.S.J., J.C.H. Emery, and J.T. McDonald. (2017). “Push or pull into self employment? Evidence from longitudinal Canadian tax data.” Working Paper, New Brunswick Institute for Research, Data, and Training, Fredericton, NB.

**Chart 2**  
**Reasons for self-employment, fourth quarter of 2023**



**Note:** 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%, use with caution.

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

## Compared with men, a higher proportion of women are self-employed to achieve better work-life balance

The main reasons for self-employment were broadly similar for men and women. However, men were more likely to indicate they were self-employed to earn more money than as an employee (11.8% vs. 5.2%) and to have autonomy and control over work hours, wage rates or location (39.2% vs. 36.5%). In contrast, women (12.4%) were more likely than men (8.9%) to indicate that they were self-employed to achieve a better work-life balance, to experience less stress or for health reasons.

## Immigrants more likely to be self-employed because they could not find work as an employee

There were some differences in the main reason for self-employment for those born in Canada compared with landed immigrants. Based on data from the fourth quarter of 2023, landed immigrants were more likely to be self-employed to earn more money than as an employee (11.5% vs. 8.0%) or because they were unable to find work as an employee (5.6% vs. 2.4%). On the other hand, landed immigrants were less likely to be self-employed to engage in work they were passionate about (12.2% vs. 16.0%). This suggests that landed immigrants may have been more likely to choose self-employment out of necessity compared with those born in Canada.

## The vast majority of self-employed workers have no, or few employees

Self-employed workers are generally categorized according to two important characteristics; (1) having employees or not and (2) being incorporated or not. Having employees can be an indication that the self-employed worker operates a larger business that generates more revenue. Being incorporated confers certain tax advantages and reduces the financial and legal liability of the self-employed worker due to the legal separation between the business and the person. The proportion of the self-employed who are incorporated has risen fairly steadily over time, increasing from 20.9% in 1976 to 48.1% in 2023.

Most Canadians who are self-employed operate small businesses. In the fourth quarter of 2023, a majority of self-employed workers did not have employees (71.9%) and among those who did, most had a small number of employees: just over two thirds (68.7%) of employers had 5 or fewer employees and 9 out of 10 (89.1%) had fewer than 20.

Overall, nearly half of the self-employed population were unincorporated without employees (46.2%). About one quarter had an incorporated business without employees (25.7%), just over 2 in 10 had an incorporated business with employees (22.9%), and less than 1 in 10 (5.2%) had an unincorporated business with employees.

## Most self-employed workers do not have partners or premises dedicated to their business activity

The LFS supplement collected information on three additional characteristics that help describe the situation of self-employed workers: having partners or co-owners, owning or leasing a building or dedicated space for the business outside their home, and being required to belong to a professional association or regulatory college.

In general, having partners or co-owners and a dedicated building or space were characteristics more strongly associated with self-employed workers who had employees and were incorporated. In line with the high proportion of self-employed workers who were unincorporated and did not have employees, in the fourth quarter of 2023, 8 in 10 self-employed workers did not have partners or co-owners (79.1%) and 7 in 10 did not own or lease a building or a space dedicated to their business (69.0%).

Among unincorporated self-employed workers with no employees, less than 1 in 10 had partners or co-owners (7.4%) and less than 2 in 10 owned or leased premises dedicated to their business (17.5%). In contrast, 43.9% of incorporated self-employed workers with employees had partners and 63.6% owned or leased a dedicated space or building.

Self-employed workers in some industries were more likely to have partners or co-owners, including those working in agriculture, natural resources and utilities (51.6%), accommodation and food services (49.3%) and manufacturing (44.5%).

**Table 2**  
**Proportion of self-employed workers with co-owners or partners, a dedicated business space, or who are required to belong to a professional association, fourth quarter of 2023**

	Proportion with co-owners or partners	Proportion without co-owners or partners	Proportion with a dedicated business space	Proportion without a dedicated business space	Proportion who are required to belong to a professional association	Proportion who are not required to belong to a professional association	Share of overall self-employment
	percentage						
Incorporated, no paid help	22.4	77.6	22.4	77.6	28.1	71.9	25.7
Incorporated, with paid help	43.9	56.1	63.6	36.4	28.3	71.7	22.9
Unincorporated, no paid help	7.4	92.6	17.5	82.5	24.0	76.0	46.2
Unincorporated, with paid help	33.0	67.0	49.8	50.2	34.2	65.8	5.2

**Notes:** Self-employed workers aged 15 to 69. Excludes population living in the territories, on Indigenous reserves and in institutional settings, as well as full-time members of the armed forces.

**Sources:** Statistics Canada, Labour Force Survey (3701), and Labour Market and Socio-economic Indicators (5377), fourth quarter of 2023, custom tabulation.

## More than a quarter of self-employed workers are required to belong to a professional association to do their job

Several occupations, such as family doctors and real estate agents, require the worker to join a professional association or regulatory body to do their job. These professions tend to require a higher level of education and to offer higher earnings. In the fourth quarter of 2023, self-employed workers who had to belong to a professional association or regulatory body for their work made up around one quarter of the self-employed (26.5%). One fifth (20.3%) of these self-employed workers noted that the main reason why they were self-employed was to work in their field of expertise, compared with 7.6% for other self-employed workers. Over half of self-employed workers (56.3%) who were required to belong to a professional association or regulatory body had a university degree compared with 30.8% for those who were not required to do so.

## Ability to easily find clients varies by industry

The success of the business and the self-employed worker's income level not only depend on providing labour, but also on local and global economic conditions and the ability to find clients.

In the fourth quarter of 2023, over half (54.6%) of self-employed workers agreed or strongly agreed that it was easy for them to find clients for their business in normal times. This ranged from a high of 73.5% in health care and social assistance to 45.1% in wholesale and retail trade and 46.2% in professional, scientific and technical services.

The period between the fourth quarter of 2022 and the fourth quarter of 2023 was marked by an economic context of slower economic growth<sup>7</sup> and a gradual increase in the unemployment rate.<sup>8</sup> In this context, the proportion of self-employed workers who disagreed that it was easy to find clients rose 2.7 percentage points to reach 15.8%.

## 3 in 10 self-employed workers plan to expand their business in the next 12 months

Many self-employed workers plan on expanding their business, driving economic growth through creativity and innovation.<sup>9</sup>

In the fourth quarter of 2023, 3 in 10 self-employed workers indicated that they planned to expand their business over the next 12 months, either by hiring employees or without hiring employees (29.8%). However, the majority (61.2%) indicated that they planned to keep things about the same, and 8.9% noted that they planned to scale down the business, stop working or close the business.

There were significant differences across the main types of self-employment. Workers with an incorporated business were much more likely to indicate that they were planning to expand their business (37.6%) compared with workers with an unincorporated business (22.6%). Among self-employed workers with employees, 38.4% were planning to expand, either by hiring more employees (24.4%) or without hiring employees (14.0%). In comparison, 26.6% of self-employed workers without employees were planning to expand their activities, including 9.6% who were planning to expand and start hiring employees.

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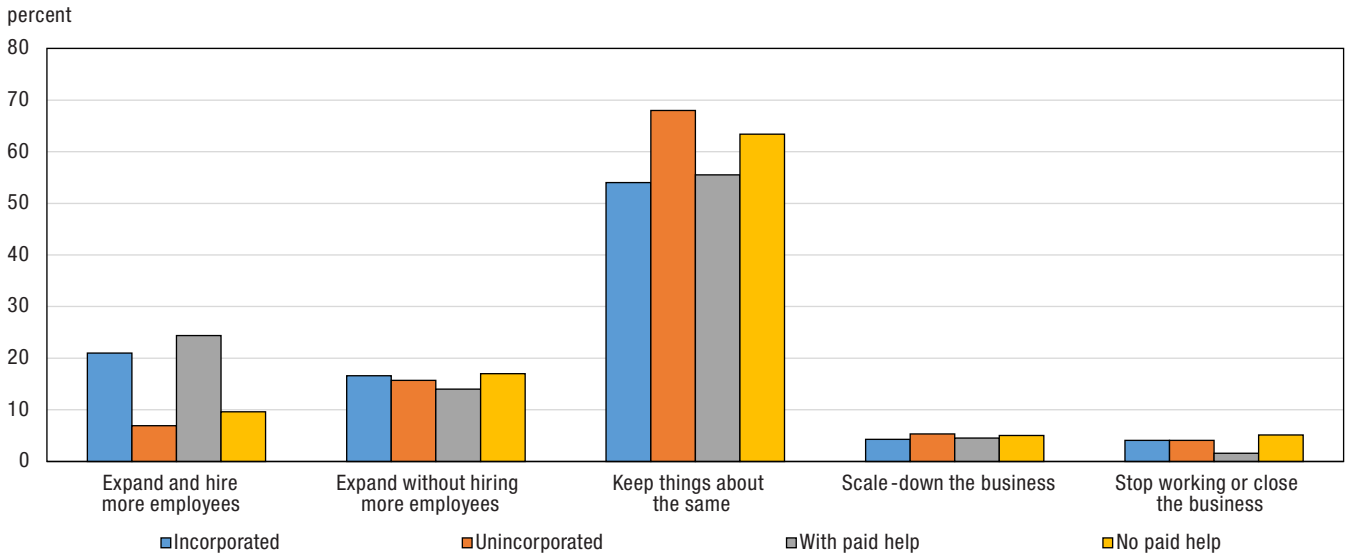
7. [Table: Gross domestic product, expenditure-based, Canada, quarterly](#)

8. [The Daily: Labour Force Survey, December 2023](#)

9. See for example: Block, J. & P. Sandner. (2009). "Necessity and opportunity entrepreneurs and their duration in self-employment: Evidence from German micro data". *Journal of Industry, Competition and Trade*, Volume 9, pp. 117-137.



**Chart 3**  
**Plans for the next 12 months by type of self-employment, fourth quarter of 2023**

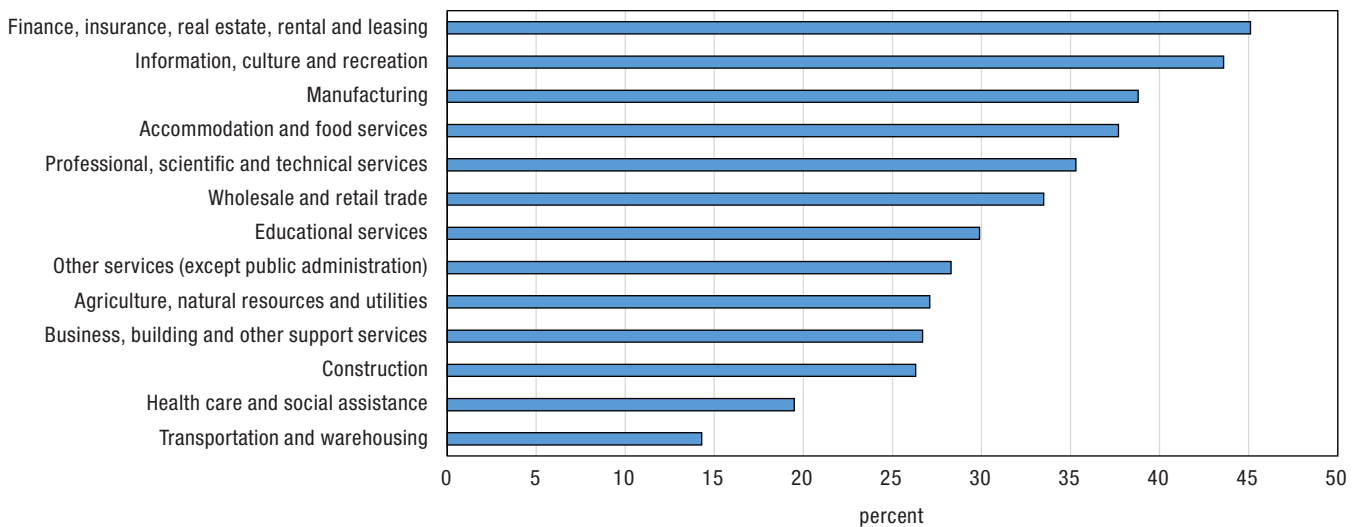


**Note:** Estimates for self-employed workers with paid help who planned to scale-down their business, and all estimates for those who noted that they planned to stop working or close the business have a coefficient of variation greater than 16.5%, use with caution.

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

There was also notable variation in the proportion of self-employed workers with plans to expand by industry, ranging from 45.1% in finance, insurance, real estate, rental and leasing to 14.3% in transportation and warehousing.

**Chart 4**  
**Proportion of self-employed with plans to expand by industry, fourth quarter of 2023**



**Note:** The estimates for those working in agriculture, natural resources and utilities; manufacturing; transportation and warehousing; business, building and other support services; educational services; and accommodation and food services have a coefficient of variation greater than 16.5%, use with caution.

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

## Measuring gig work – short-term projects, tasks or jobs without stability

In March 2024, Statistics Canada released the reference report [Defining and measuring the gig economy using survey data](#). The report provides definitions and statistical results for three core concepts that are at the heart of the gig economy: Gig work, digital platform employment, and dependent self-employment.

Gig work is defined as a form of 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.

While many gig workers are self-employed, some paid employees also have employment characteristics that are consistent with the concept of gig work.

In the fourth quarter of 2023, 8.2% of the population aged 15 to 69 had done a form of gig work in the previous 12 months, down from 8.9% in the fourth quarter of 2022. The decline was mostly due to a decrease in the share of Canadians aged 15 to 69 who had done gig work as a side activity, which fell from 5.7% to 5.2%.

## Share of gig workers among self-employed holds steady

Some self-employed workers who experience less stability have employment characteristics that are consistent with the concept of “gig work”. Previous Statistics Canada research<sup>10</sup> has shown that a good indicator to identify gig workers among people who are self-employed in their main job is the proportion who do not have employees, partners, or premises dedicated to their business activity, and either work very short hours (less than 15h per week) or lack a stable client base.

Based on this measure, just over one quarter (26.6%) of self-employed Canadians (639,000 people) were gig workers in their main job in the fourth quarter of 2023, a proportion little changed compared with the fourth quarter of 2022 (26.5%).

While the rate of gig work was virtually unchanged for both self-employed men and women, in the fourth quarter of 2023, a higher proportion of self-employed women (32.2%) did gig work than their male counterparts (23.3%). One of the gig work criteria that partly explains the larger share of self-employed women who do gig work is the higher proportion who usually work less than 15h per week at their main business (14.4% vs. 5.7% among men).

Youth aged 15 to 24 have low rates of self-employment (2.6%) overall and 4 in 10 self-employed youth were gig workers (41.7%), compared with slightly over one quarter among self-employed workers aged 25 to 54 (26.0%) and 55 to 69 (26.6%).

## Male immigrants and Black Canadians overrepresented among gig workers

Consistent with the pattern observed in 2022, in the fourth quarter of 2023, self-employed male immigrants were more likely to be gig workers (27.3%) compared with men born in Canada (20.4%). While the gig work rate was higher among self-employed women born in Canada (33.4%) in comparison to their male counterparts, there was little difference between women born in Canada and female immigrants (29.4%).

Based on the average for the fourth quarter of 2022 and 2023, the share of gig workers among the self-employed was 43.0% for Black Canadians, 30.4% for Chinese Canadians, and 28.3% for South Asian Canadians.

Combined with the fact that Black workers have a lower self-employment rate (6.2%) overall, this suggests that Black Canadians may experience unique barriers and challenges in attaining more stable self-employment.

10. [Labour Statistics: Research Papers: Defining and measuring the gig economy using survey data](#)

## Conclusion

This article examined the circumstances and experiences of self-employed workers in Canada, based on data from the LFS and LFS supplements from the fourth quarter of 2022 and 2023.

Although the vast majority of self-employed workers had no, or few employees, and did not have partners or premises dedicated to their business activity, 3 in 10 self-employed workers were planning to expand their business in the next 12 months. While workers can be self-employed for a number of reasons, autonomy and control was the most common reason motivating self-employment.

Gig work, a more unstable form of self-employment, remains prevalent in the labour market, and an area of interest for future research.

Just over a quarter (26.6%) of self-employed workers had employment characteristics consistent with the concept of gig work in the fourth quarter of 2023, including having no employees, partners, or premises dedicated to their business, and either working very short hours or lacking a stable client base. That proportion was little changed from a year earlier. Self-employed immigrant men as well self-employed workers from racialized groups were more likely to be gig workers.

This indicates that certain groups of self-employed workers have more precarious work arrangements and may be more vulnerable during periods of economic downturn.

### Data and notes for interpretation

Estimates in this article are based on results from the [Labour Force Survey](#) (LFS) and the [Labour Market and Socio-economic Indicators](#) LFS supplement program.

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.