

---

## Non-metro self-employed with no paid help

---

Vol. 4, No. 7, 2017

### Highlights

- Within non-metro census divisions, the number of workers who are self-employed (with no paid help) has not changed since the early 2000s.
- However, as a percent of total employment, those self-employed (with no paid help) increased from 11% before the recession to 12% by 2010 and has remained unchanged since that time.
- Non-metro males are more likely (14%) than non-metro females (10%) to be self-employed (with no paid help).
- Among the age groups in non-metro census divisions:
  - The share self-employed in the core-age workforce (25-54 years of age) has remained unchanged at 10% since the early 2000s;
  - Among older workers, the share self-employed, with no paid help, is higher:
    - 18% among those 55-64 years of age since 2008; and
    - 30% among those 65+ years of age, but has declined from 50% in 2000.
- Workers with less than a Grade 11 education have a higher incidence of being self-employed (with no paid help).

### Why look at self-employment with no paid workers?

Precarious employment is becoming an area of public interest in Ontario<sup>1</sup>. There is an expectation or hypothesis that an increase in self-employment<sup>2</sup> may take place if an individual is unable to find a wage job and is forced to “hang-out-their-shingle” – and hence,

is an indicator of an increase in the number of individuals with a precarious livelihood<sup>3</sup>.

The objective of this FactSheet is to document the level and change in self-employment (with no paid help) in non-metro census divisions<sup>4</sup> (CDs) in Ontario. Note that this analysis focusses solely on non-student self-employed workers.

### Findings

#### Levels and trends in all Ontario CDs

The number who are self-employed (incorporated or unincorporated, with or without paid help) has been increasing gradually in Ontario over time – from less than 0.5 million in the mid-1970s to 1.1 million in December, 2016 (See Charts A<sup>5</sup> Slide 4).

---

<sup>1</sup> For example, see Noack, Andrea M. and Leah F. Vosko. (2011) [Precarious Jobs in Ontario: Mapping Dimensions of Labour Market Insecurity by Workers' Social Location and Context](#) (Toronto: Law Commission of Ontario).

<sup>2</sup> Partial evidence has been reported for two recent recessions. See Bahar, Sumaya and Hujun Liu. (2015) [Unincorporated Self-employment in Canada, 1989 to 2010](#) (Ottawa: Statistics Canada, Catalogue no. 11-622, No. 03) who report: “High rate of entry into unincorporated self-employment from 1993 to 1997 (Chart 4) due to a high rate of unemployment from 1991 to 1996 (Table 1)” and LaRochelle-Côté, Sébastien. (2010) [“Self-employment in the downturn.” Perspectives on Labour and Income](#) (Ottawa: Statistics Canada, Catalogue no. 75-001, March) who reports: “From October, 2008 to October, 2009, the number of paid employees declined by 361 thousand and the number of self-employed workers increased by 115 thousand. The increase in self-employed incorporated without paid help was 128 thousand. The increase in the age groups of 45 years of age and over was 156 thousand. The increase in the number “part-time for economic reasons and wanted full-time” was 23 thousand. Large increases were noted in the industry sectors of finance and real estate, “wholesale trade, “other” services and industry sector of professional, scientific and technical firms.”

---

<sup>3</sup> We acknowledge that some view self-employment as an (albeit imperfect) indicator of entrepreneurship. Among others, see the discussion in Bollman, Ray D. and Alessandro Alasia (2012) “A profile of self-employment in rural and small town Canada: Is there an impending retirement of self-employed business operators?” [Rural and Small Town Canada Analysis Bulletin](#) Vol. 9, No. 1 (Ottawa: Statistics Canada, Catalogue no. 21-006-XIE).

<sup>4</sup> Non-metro CDs have none of their component census subdivisions being delineated as part of a Census Metropolitan Area. In this report, we use the group of non-metro CDs classified according to the 2011 census and listed in [“Overview of Ontario's rural geography”](#) (June, 2013).

<sup>5</sup> See the accompanying charts “Charts A: Self-employment as an indicator of precarious employment for Ontario as a whole.”

As a share of total employment, the percent self-employed was highest in the late 1990s (up to 16%), then declined somewhat to the mid-2000s (below 15%), increased somewhat during the 2008-2009 recession and has not increased since then (15.2% in December, 2016) (Charts A Slide 6).

However, arguably, it would be an increase in the number or percent self-employed with no paid help (SE/NPH) that would indicate an increase in the number of individuals ‘forced’ to “hang-out-a-shingle” due to the lack of wage employment<sup>6</sup>. Hence, we focus on the level and change in the number and percent SE/NPH (whether unincorporated or incorporated). Although their numbers have gradually increased since the 2008-2009 recession (Charts A Slide 14), when viewed as a percent of total employment, only incorporated SE/NPH has increased (to 3% of total employment in December, 2016) (Charts A Slides 12 & 14).

### Level and trends in non-metro CDs

There has been virtually no change in the number SE/NPH in non-metro CDs since 2001 (Charts B<sup>7</sup> Slide 5). As a percent of total employment in non-metro CDs, there was a decline from 14% in 2000 to 11% in 2007 followed by an increase to 12% by 2010 and the share has remained at 12% since that time (Charts B Slide 7).

A higher share of men in non-metro CDs are SE/NPH (14%) compared to women (10%) (Charts B Slide 12). There was a slightly decline up to the mid-2000s and an increase of about 1 percentage point following the recession – but no change over the 2011 to 2016 period.

Within each age group in non-metro CDs:

- the share is highest (30% in 2016) in the 65+ age group, but the share has declined from nearly 50% in 2000 (Charts B Slide 17);
- the next highest share (18% since 2007) is among those 55-64 years of age;
- within the core-age workforce (25 to 54 years of age), the percent that are SE/NPH has been unchanged at 10% since the early 2000s; and
- among those employed under 25 years of age, the share SE/NPH has been about 5% since the mid-2000s.

Among the groups of individuals classified by highest level of educational attainment, the highest share

with SE/NPH is among those with less than Grade 9 (25% in 2016) (Charts B Slide 20). Also, this group reported the largest percentage point increase during the recession (from 26% to 34%) before declining again to the present level of 25%. The lowest share with SE/NPH is among those with a Community College diploma (about 5% in 2016) and they have experienced a slow decline from 9% since 2000.

The share with SE/NPH within each other level of education attainment has ranged between 10% and 16% since the mid-2000s.

Three groups showed no significant increase in percent with SE/NPH following the 2008-2009 recession – those with a Bachelor’s degree, a Community College diploma and those with a trade certificate or diploma.

### Summary

In non-metro census divisions, the number of workers who are self-employment with no paid help has not changed since the early 2000s. However, as a percent of total employment, those self-employed, with no paid help, increased from 11% before the recession to 12% by 2010 and has remained unchanged since that time.

Males are more likely (14%) to be self-employed, with no paid workers, compared to females (10%) in non-metro census divisions.

The share self-employed in the core-age workforce (25-54 years of age) has remained unchanged at 10% since the early 2000s.

Among older workers, the share self-employed, with no paid help, is higher:

- among those 55-64 years of age since 2008 (18%); and
- among those 65+ years age, the share has been continuously declining to 30 percent in 2016.

Workers with less than a Grade 11 education have a higher incidence of being self-employed, with no paid help.

The Rural Ontario Institute gratefully acknowledges the work of Ray Bollman in preparing this edition of [Focus on Rural Ontario](#). The data analysis for this fact sheet was originally prepared for Dr. Al Lauzon at the University of Guelph with financial support from the provincial government through OMAFRA. Inquiries about that research can be directed to Dr. Lauzon at [allauzon@uoguelph.ca](mailto:allauzon@uoguelph.ca). Questions on data sources can be directed to [RayD.Bollman@sasktel.net](mailto:RayD.Bollman@sasktel.net). Any comments or discussions can be directed to [NRagettie@RuralOntarioInstitute.ca](mailto:NRagettie@RuralOntarioInstitute.ca).

<sup>6</sup> The levels and trends for each group of self-employed (incorporated and unincorporated, with and without paid help) is shown in Charts A Slides 6 & 11 & 12).

<sup>7</sup> See the accompanying charts: “Charts B: Self-employment by Type of Census Division and by Industry Group (LFS)”.