

Self-employment in Northern Ireland

Theme: Labour Market

Frequency: Ad-hoc

Geographical Area: Northern Ireland

Self-employed refers to those who define themselves as working for themselves, rather than receiving a wage or salary from an employer. This short topic paper addresses the number of self-employed in Northern Ireland during the last 15 years and describes the characteristics of this group in 2019, as sourced from the Labour Force Survey (LFS).

Key Points

- The number of self-employed (16+) in Northern Ireland was estimated at 134,000 in 2019, equivalent to just over 15% of all employed people aged 16+.
- Self-employment was more likely among employed men than women, 22% of all employed men were self-employed, compared with 8% of all employed women.
- 9% of self-employed people were aged 65 years or over, compared with just 2% of employees.
- The most common type of self-employment was 'working for self' in 2019. 10% of the self-employed had only one customer and more than three-quarters of the self-employed had no employees.
- The largest industry sector for those classified as self-employed in 2019 was construction, representing just over one fifth (21%) of the self-employed while over a third (36%) of those classified as self-employed were employed in skilled trades occupations.
- Northern Ireland (15%) ranked fifth highest among the UK regions in terms of self-employment rates in 2019.

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NATIONAL STATISTICS STATUS

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.



These statistics were designated as National Statistics in August 2010 following a full [assessment](#) against the [Code of Practice](#).

Since the assessment by the UK Statistics Authority, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Redesigned the release of annual data outputs into both a summary and detailed report which has improved timeliness of dissemination;
- Improved quality of the LFS data by boosting the sample size and improving precision around headline estimates.

1 Self-employment in Northern Ireland

Employees: those who are in employment and paid a wage by an employer for the work that they do; this category may be further sub-divided into permanent and temporary employees.

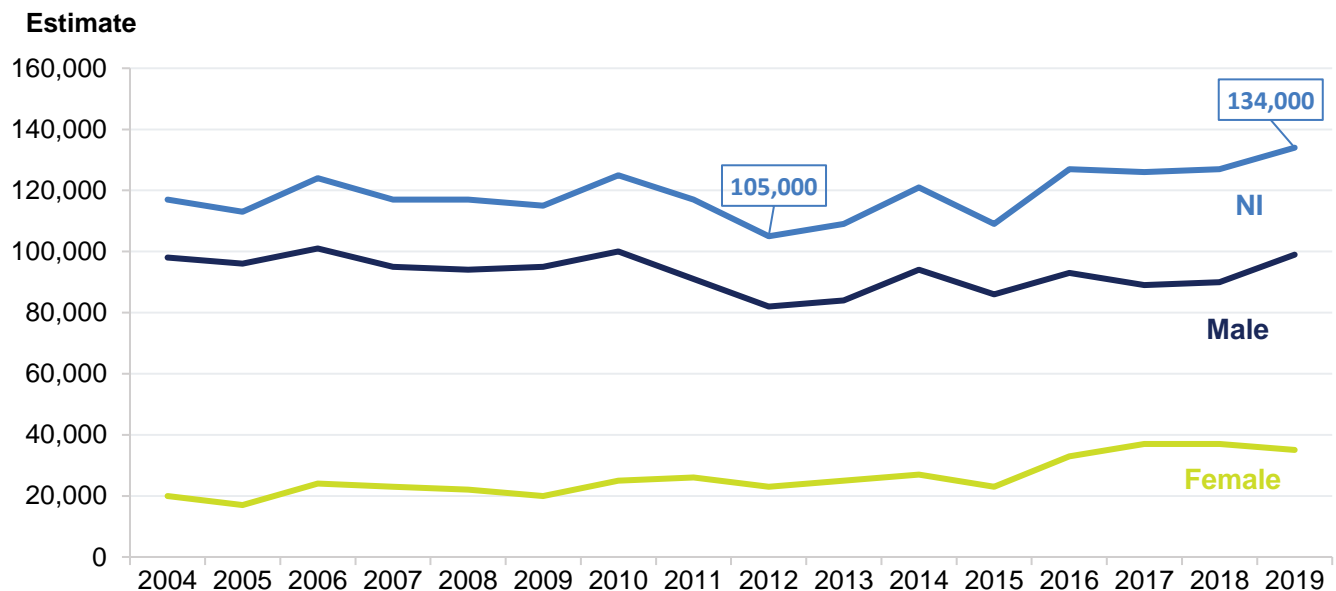
Self-employed: those who define themselves as working for themselves, rather than receiving a wage or salary from an employer.

Self-employment rate: self-employed people aged 16+ as a percentage of those in employment aged 16+.

Key Findings

- Between 2004 and 2019, the number of self-employed workers increased by 14% from 117,000 to 134,000. Over the same time period the number of employees increased by 22% from 599,000 to 729,000.
- More males were self-employed than females in 2019, 74% of self-employed workers were male (99,000) and 26% were female (35,000). This is in contrast to employees, 48% of employees were male (353,000) and 52% were female (376,000).
- 9% of the self-employed were aged 65 years or over, compared with just 2% of employees.

Figure 1: Number of self-employed in Northern Ireland (16+), 2004 to 2019



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Figure 1 shows the number of self-employed increased by 17,000, from 117,000 to 134,000, between 2004 and 2019. The number of self-employed reached a low of 105,000 in 2012 but has followed an increasing trend since then to the current 15 year high of 134,000 in 2019. The self-employed represent 15% of all those employed in 2019, up from 13% in 2012.

Self-employment by sex

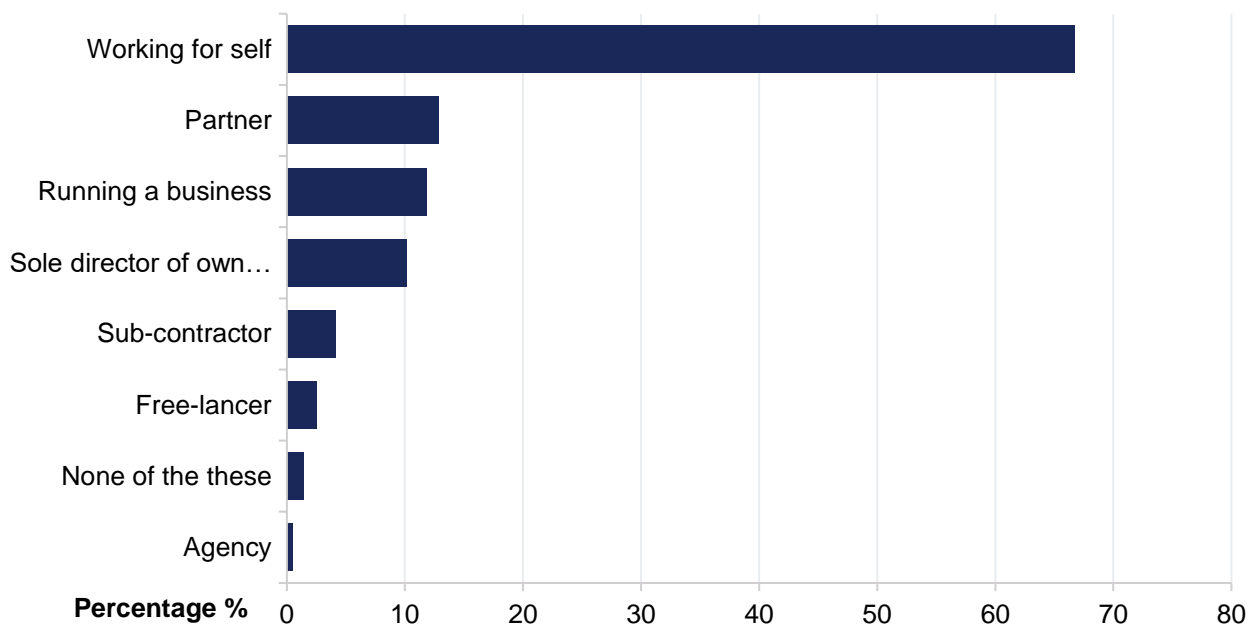
Of those aged 16+ in employment in 2019, 15% (134,000) were self-employed. Nearly three quarters of self-employed people were men. Of all working men, 22% identified as self-employed compared with 8% of women in 2019.

However, over the last 15 years:

- the number of males who were self-employed increased by 1,000 to 99,000
- the number of females who were self-employed increased by 15,000 to 35,000.

Self-employment by type

Figure 2: Self-employment type in Northern Ireland (16+), 2019



Note: Self-employed people can have multiple self-employed statuses, therefore total does not equal 100%.

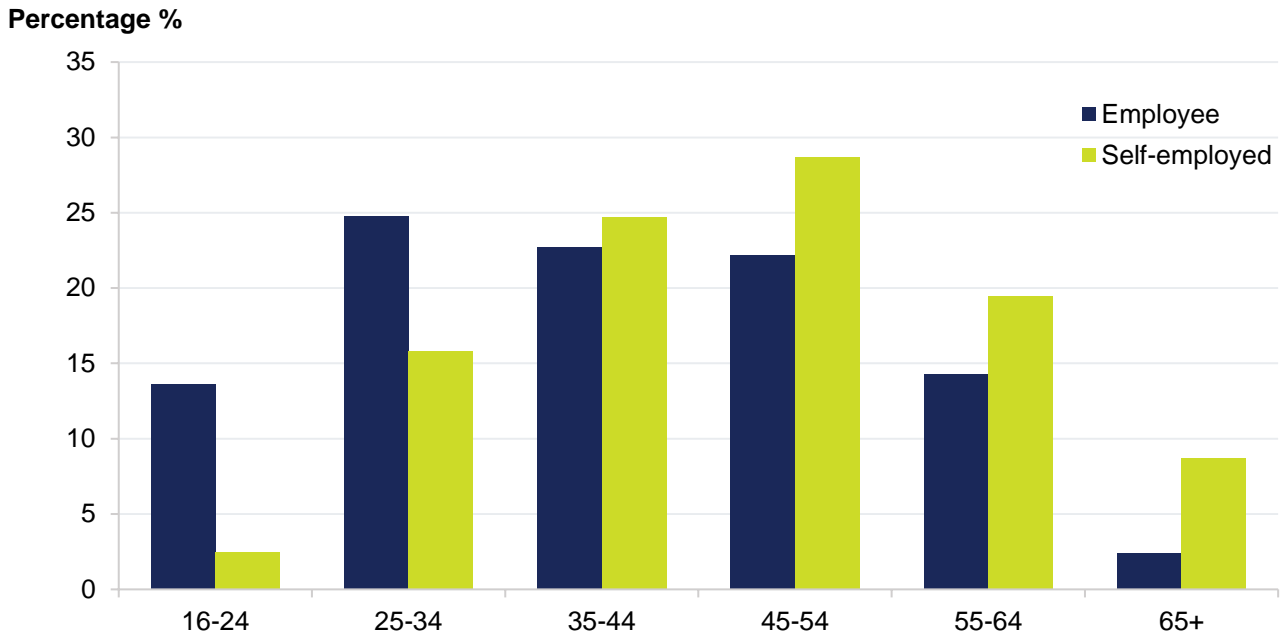
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Figure 2 shows that two-thirds (67%) of self-employed people reported that they were working for themselves. 13% reported being a partner in a business or professional practice, closely followed by 12% who say they were running a business or professional practice. Around 1 in 10 were sole directors of their own limited business. Only 0.5% reported being paid a salary or wage by an employment agency.

10% of the self-employed had just one customer or client (April-June 2019) while 79% had no employees.

Self-employment by age

Figure 3: Employment status by age group in Northern Ireland, 2019



Note: figures rounded so may not sum

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The age profile of employees and self-employed differs. The average age of employees was 40 years whereas the average age of the self-employed was higher at 47 years.

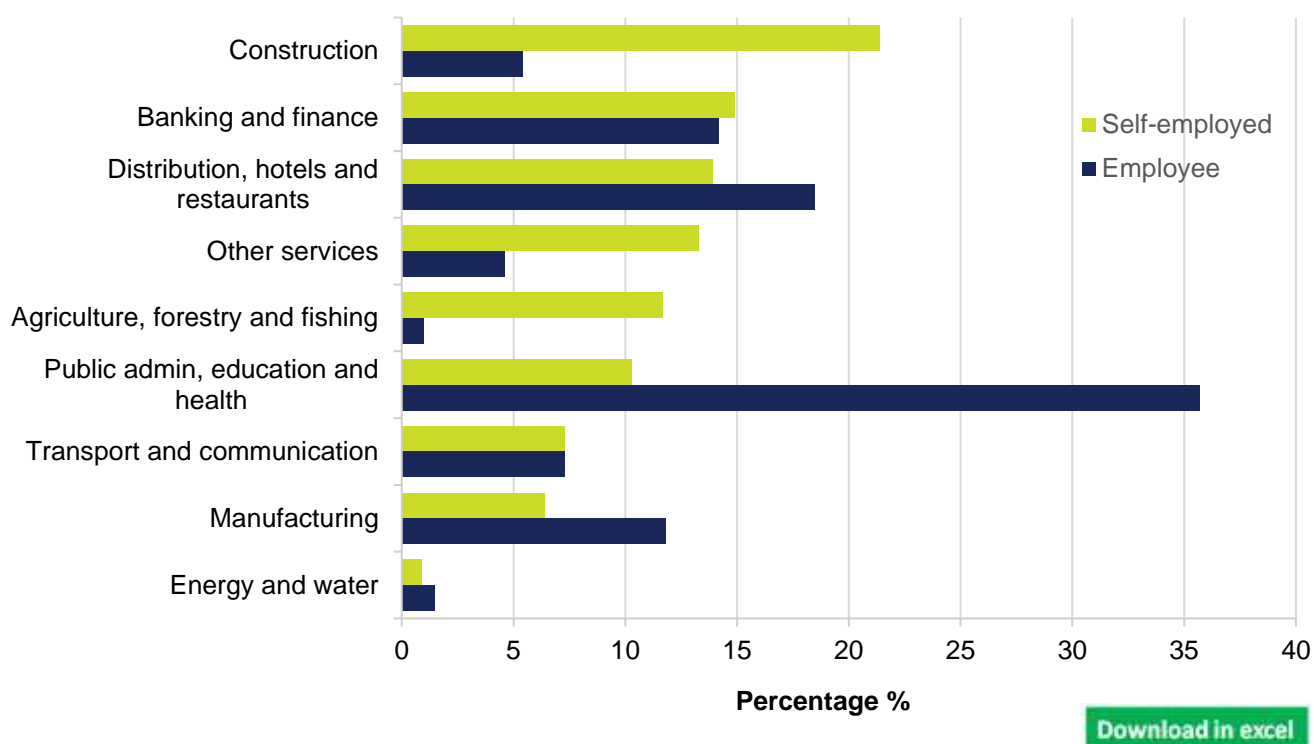
Figure 3 shows that the highest proportion of employees was found within the 25-34 age category while the highest proportion of self-employed was found within the 45-54 age group. A quarter of employees were aged 25-34, while those aged 45-54 accounted for almost 30% of self-employed people. Still, although the 45-54 year olds had the largest number of self-employed, four times as many were employees than self-employed.

9% of the self-employed were aged 65 years or over, compared with just 2% of employees, suggesting that people working for themselves are more likely to work past retirement age. For those working aged 65 and over the ratio of employee to self-employed was 3:2.

2. Self-employment by industry

Industry: The classification of respondents' industry of employment is based on the Standard Industrial Classification 2007 (SIC07), further information on SIC07 classification can be found on the ONS website: [UK SIC 2007](#)

Figure 4: Employment status by industry in Northern Ireland (16+), 2019



While the public administration, education and health industry is the dominant industry for employees, accounting for 36% of employees and almost a quarter of a million employees (249,000), the industries of the self-employed varied less.

Approximately a fifth (21%) of the self-employed worked in the construction industry, equivalent to 28,000 people and accounting for 42% of total employment in the construction industry. 15% of the self-employed worked in banking and finance, and a further 14% in distribution hotels and restaurants.

The agriculture, forestry and fishing industry was the only industry where self-employed outnumbered the employees with 15,000 self-employed compared to 7,000 employees.

3. Self-employment by occupation

Occupation: The classification of respondents' occupations is based on the SOC2010 (Standard Occupational Classification) codes adopted since January – March 2011, further information on SOC2010 classification can be found on the ONS website: [SOC 2010](#)

Figure 5: Employment status by occupation in Northern Ireland (16+), 2019

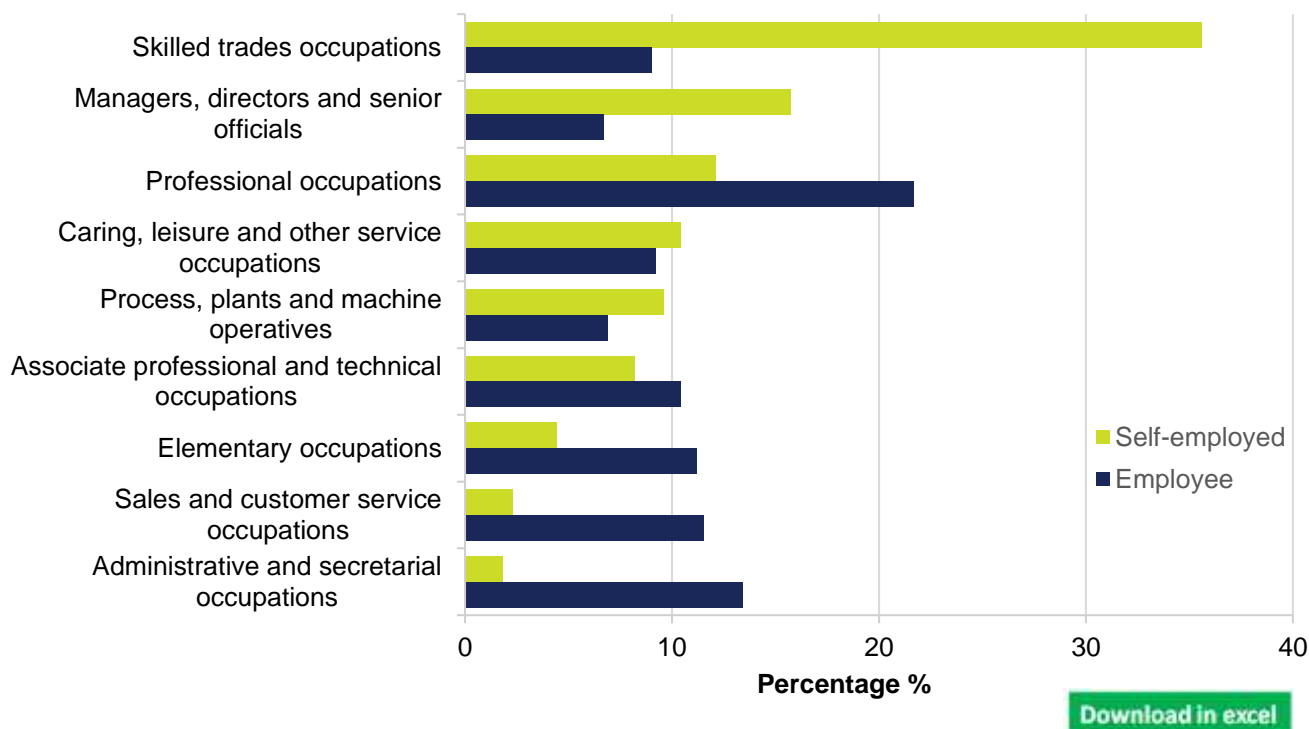


Figure 5 shows that the occupation groups of employees varied less than those of the self-employed. Professional, administrative & secretarial and sales & customer service occupations made up the top 3 occupation groups and accounted for almost half (47%) of all employee occupations or 337,000 people in 2019.

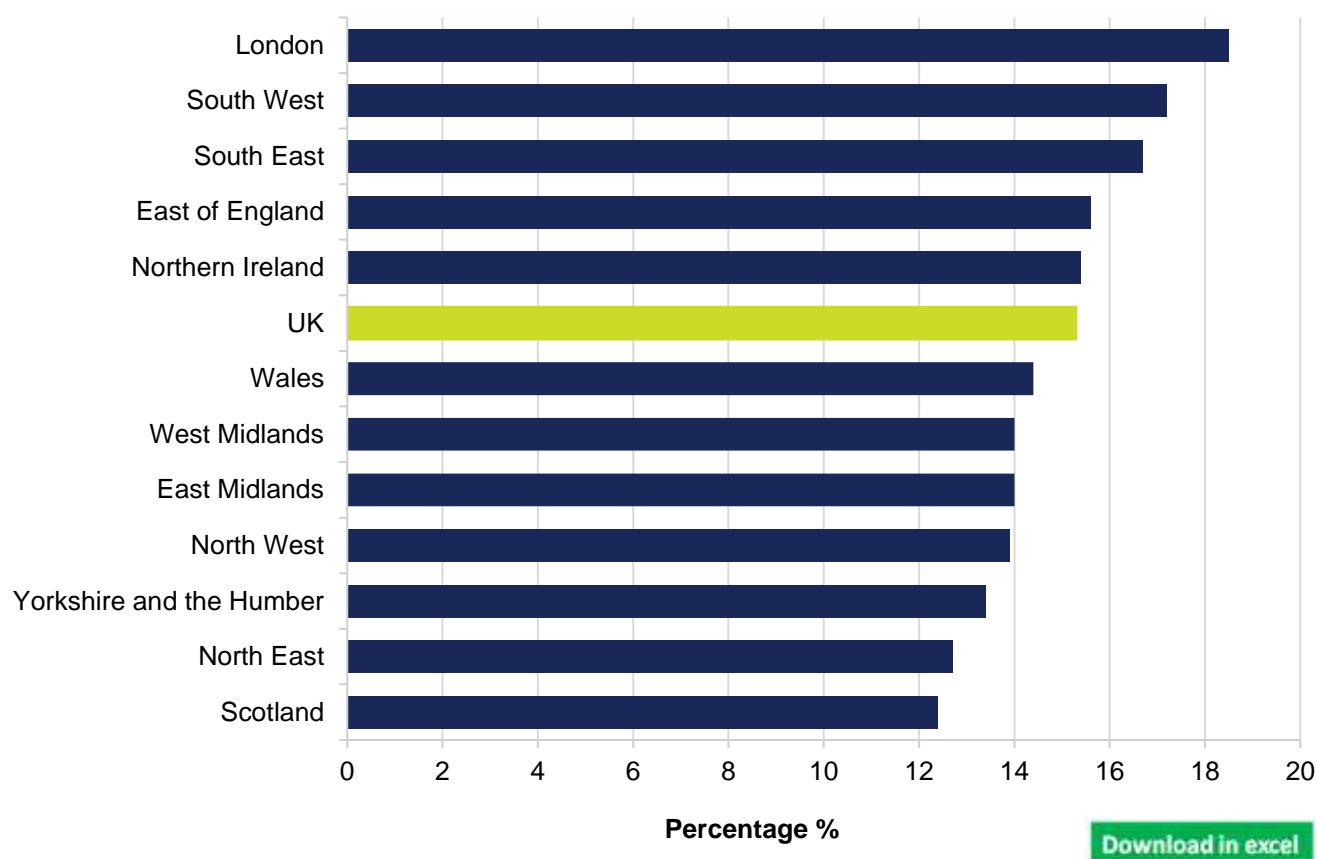
In comparison, over a third (36%) of self-employed people worked in the skilled trade's occupations (equivalent to 47,000 people) yet just 2% of self-employed people worked in administrative and secretarial occupations (approximately 2,000 people).

4. Self-employment by UK region

In 2019, the self-employment rate in Northern Ireland was 15%, this was:

- the same as the UK average
- 3.1pps lower than the highest rate (London, 18%) and 3.0pps above the lowest region (Scotland 12%)
- Ranked fifth highest among the regions.

Figure 6: Self-employment rates by UK region (16+), 2019



From Figure 6, the 4 regions with the highest self-employment rates were in southern parts of England; London, the South West, South East and East of England accounted for over half (52%) of all self-employed people in the UK, equivalent to 2.6 million people.

The self-employment rate was lowest in Scotland at 12%, 2.9pps lower than the UK average and equivalent to 330,000 people. The general trend from Figure 6 shows that as you move north, the self-employment rate decreases. Northern Ireland is a slight outlier, with its self-employment rate closest to the UK average rate and ranking just below the southern parts of England.

5. Further Information

Background

The LFS annual dataset used for this publication is derived from four consecutive quarters of the LFS. Each quarter's LFS sample of around 4,500 households in NI is made up of 5 waves with around 1,300 private households selected for the first time in wave 1 and the remaining 3,200 private households spread across waves 2 to 5. This results in a total of around 7,000 individuals included each quarter. Individuals in each wave are interviewed in five successive quarters, such that in any quarter one wave will be receiving their first interview, one wave their second, and so on, with one receiving their fifth and final interview. The annual dataset is created by selecting the relevant cases from each quarter and combining them to create a dataset of unique cases. Selecting all wave one and five interviews allows the maximum number of respondents over a one-year period to be included whilst avoiding double counting. The resulting sample size in the 2019 dataset is approximately 11,000 individuals.

The LFS collects information from a sample of the population living in households. To provide estimates for the entire population the data must be grossed. This is achieved by creating grossing factors often referred to as weights, that can be applied to each sampled individual so that grossed results match published population data in terms of age distribution, sex and region of residence. Mid-year population estimates and projections are used to ensure that the LFS is grossed to the most up to date population data available.

Precision of estimates

Reported change is calculated using unrounded data and is presented to 1 decimal place. When a change is less than 0.05pps, it is rounded to 0.0pps and the data is reported as unchanged.

The LFS is a sample survey and, as such, estimates obtained from it are subject to sampling variability. If we drew many samples each would give a different result.

Thresholds

Estimates under a cell count of 3 are disclosive and therefore suppressed. Shaded estimates are based on a small sample size. This may result in less precise estimates, which should be used with caution. Unshaded estimates are based on a larger sample size. This is likely to result in estimates of higher precision, although they will still be subject to some sampling variability.

Table 1: 95% Confidence interval of 16+ self-employed, January-December 2019

	Value	Confidence interval	Lower limit	Upper limit
Self-employed	134,000	+/-9,000	125,000	143,000

LFS revisions

LFS microdata are routinely revised to incorporate the latest population estimates. The latest annual revisions were published in March 2019 and affect annual datasets from 2012 onwards. In addition the 2018 and 2019 annual datasets reflect a boost to the LFS sample that began roll-out in January 2018. More information on the revision policy concerning labour market statistics can be found through the following link: [Labour market statistics revisions policy](#)

LFS definitions

Employment

The definition of ILO employed applies to anyone (aged 16 or over) who has carried out at least one hour's paid work in the week prior to interview, or has a job they are temporarily away from (e.g. on holiday). Also included are people who do unpaid work in a family business and people on Government-supported employment training schemes.

Employee

Employees are those who are in employment and paid a wage by an employer for the work that they do; this category may be further sub-divided into permanent and temporary employees.

Self-employed

Are those who define themselves as working for themselves, rather than receiving a wage or salary from an employer.

Self-employment rate

The self-employment rate is those self-employed aged 16+ as a percentage of those in employment aged 16+.

Industry

The classification of respondents' industry of employment is based on the Standard Industrial Classification 2007 (SIC07), further information on SIC07 classification can be found on the ONS website: [UK SIC 2007](#)

Occupation

The classification of respondents' occupations is based on the SOC2010 (Standard Occupational Classification) codes adopted since January – March 2011, further information on SOC2010 classification can be found on the ONS website: [SOC 2010](#)

Further information

If you require further information about the figures contained in this publication or the accompanying tables, please contact the Labour Force Survey section using the details below:

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