The Coronavirus Pandemic and Changes to Self-employment in 2020 in the UK regions

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Introduction

The COVID-19 pandemic and the subsequent cycle of 'lockdowns' and restrictions imposed to curb infection rates had a significant and negative impact on the self-employed in the UK in 2020. In this report we investigate whether the public health measures deployed during 2020 hit self-employment in some UK regions harder than in others, which industry sectors were most and least affected and whether there were significant differences by gender.

We use data from the UK Labour Force Surveys (LFS) to outline the key changes in self-employment from April to December 2020. By looking at quarterly change in 2020, we are able to assess the impact of lockdowns. We highlight the differences between the impact of the initial shock of COVID-19 and strict national lockdown imposed in April 2020 and restrictions imposed later in autumn.

The second quarter of the LFS 2020 covers April to June and hence the period of the full national lockdown, which legally came into force on the 23rd of March 2020. Phased re-opening of schools started on first of June 2020 and non-essential shops reopened in England mid-June 2020. However, lockdown laws remained in place for the whole second quarter 2020. Easing of national restrictions was announced on 23rd of June 2020. Restrictions continued to be eased over the summer of 2020. Hence, the third quarter of 2020 (July-September) covers a period of reduced national restrictions and the school summer holidays. On 22nd September 2020, the UK government announced a 10pm curfew for hospitality and a return to working from home in England. What then followed in the fourth quarter of 2020 were local lockdowns (a national three-tier system) that first affected the North of England and later London and the South East (Institute for Government, 2021).

The devolved administrations in Scotland, Wales and Northern Ireland applied differing COVID-19 restrictions to those in England, with 'firebreak' lockdowns during the autumn and full lockdowns reimposed in late December 2020 across all nations. These different infection levels and associated timings and levels of restriction across the UK created the potential for regional and local disparities in the impact of COVID-19 on the workforce, particularly in the fourth quarter of 2020 (October to December).

Methods & Data

To conduct our analysis, we use the latest releases (with new weights published in July 2021, see below) of the UK Quarterly Labour Force Surveys (QLFS), which align with the four calendar quarters of 2020, January to March (Q1), April to May (Q2), July to September (Q3) and October to December (Q4). These are datasets by the Office for National Statistics (ONS) that are used to inform on the official labour market situation in the UK, its regions and nations, providing good quality estimates for various labour market outputs. The sample in each quarter is made up of approximately 40,000 responding UK households and is intended to be representative of the entire population of the UK over any three consecutive months.

However, the reduction in response and the lower sample size achieved during the COVID-19 pandemic may have led to increased sampling variability and volatility of survey estimates, especially at the regional level. When investigating the impact on industrial sectors by region, we therefore group the sectors by SIC (2007) 1-Digit Codes. We further investigate specifically the impact on production (including manufacturing, energy, water and construction), and the DCMS classification for creative occupations and creative industries (Department for Culture Media & Sport, 2016). We further define shutdown sectors following Joyce and Xu (2020), that are sectors imminently affected by closures and lockdown measures. Using 4-digit SIC codes, these include the following sub-sectors (with the corresponding SIC codes):

- Non-food, non-pharmaceutical retail (4719, 4730- 4772, 4776-4799);
- Passenger transport (4910, 4931-4939, 5010, 5030, 5110)
- Accommodation and food (5510- 5630)
- Travel (7911-7990); childcare (8510, 8891)
- Arts and Leisure (9001-9329 except ‘artistic creation’ 9003)
- Personal care (9601-9609 except ‘funeral and related activities’ 9603)
- Domestic services (9700).

In the LFS, people at the same household address are interviewed in five consecutive quarters, allowing the production of a two-quarter longitudinal LFS to follow the same people across a 6-month period (as long as they stay at the same address). This dataset is, however, much smaller in sample size than the QLFS which imposes some limitations for the analysis. In our analysis, to examine entry rates into self-employment and exit rates out of self-employment we use the January to June 2020 (Q1-Q2), April to September (Q2-Q3) and July to December (Q3-Q4) two-quarter longitudinal LFS datasets.

The QLFS also forms the basis of the Annual Population Survey (APS) which produces annual labour market estimates for the UK, and includes a boost to increase the sample size. Where sample sizes are too small to analyse the QLFS, we use the APS. We also follow the ONS in shading estimates which are based on unweighted cell counts of 3-25 and supressing estimates which are based on unweighted cell counts of 1 or 2.

Our analysis primarily focuses on the second to fourth quarters 2020, taking the second quarter 2020 as the closest starting point of the impact of the pandemic on the labour force/the self-employed. As the QLFS data released by the UK Data Service are not seasonally adjusted, we compare the 2020 quarters with the same quarters on the previous year (2019) in order to show change. This approach is recommended by the Office for National Statistics.

We present both percent change in numbers of self-employed compared to the previous year (based on absolute figures) and changes in the self-employment rate (rate change) compared to the previous year. The self-employment rate highlights the lower resilience of self-employment compared to overall employment during this pandemic and shows the proportional changes of self-employment to employees.

Limitations

In July 2021 the Labour Force Survey responses were reweighted to new populations to allow for different trends during the coronavirus pandemic. The reweighting gives improved estimates of both rates and levels compared to previous releases and is used in this report. Previous publications and blog posts produced by ourselves used earlier QLFS and APS data editions, which used 2018 population weights. Thus, results may differ from tables in our previous reports.

When interpreting the presented data, it should also be noted that the employment status in the Labour Force Survey is self-reported. Self-reported changes, as per the LFS survey methodology, may reflect individual's views on their status rather than formal tax de-registration as self-employed. The ONS note in their report from August 2020 (ONS, 2020 that the employee counts from the Labour Force Survey and the HM Revenue and Customs' (HMRC) data show discrepancies which relate to how employees who were temporarily away from work but were still paid reported their employment status. Discrepancies in how the self-employed reported their employment status when they did not work, were not reported by the ONS.

Trends in Self-Employment

Across the UK, self-employment fell in each quarter since April 2020 (Q2), compounding to a substantial decrease of almost 14% in the final quarter 2020 compared to 2019 (Table 1). The initial shock in Q2 2020 had the largest impact on the number of self-employed persons when compared with the previous quarter but reductions remained high throughout the year compared to absolute employment (Table 1). The pandemic had a much lesser impact on absolute employment in 2020 and this is reflected in the self-employment rate, which fell 1.3% from 15.7% in 2019 to 14.4% in 2020 (Table 2).

The impact on the self-employed, however, varied by type of self-employment (Table 3). The self-employed who received income from employment agencies, working as subcontractors and freelancers were the hardest hit. In the case of the former, this may be because the hospitality sector is a large user of such agencies. However, agency workers, freelancers and subcontractors often rely on (precarious) work from companies rather than individual clients (some may even be dependent self-employed, i.e. working for one company only), and they would have been the easiest workers to shed when organisations were cutting costs in 2020. Since sole directors were not eligible for the Self-employment Income Support Scheme, we have also seen a reduction in this type of self-employment. Sole directors could furlough themselves. However, often they paid themselves a small wage which is why the furlough scheme was not viable for many. There were reductions in the numbers of those who worked for themselves. Those who run a business or practice (but not as sole director) were most resilient particularly so among women (Table 3), and this was the only type of self-employment to increase from 2019 to 2020. This is most likely because of the furlough scheme from which they could cover the wages for employees, the Coronavirus Business Interruption Loan Scheme (CBILS), which was particularly designed to provide financial support for smaller businesses, and other accumulated financial resources.

Exits from self-employment remained considerably higher throughout 2020 when compared with 2019. While both exits into inactivity and paid employment rose in 2020, exits into paid employment were particularly high (Table 4). Entry rates into self-employment also fell significantly from Q1 to Q2 and Q2 to Q3 2020, both in terms of entry from inactivity and entry from paid employment. However, from Q3 to Q4, entry rates returned to almost pre-pandemic levels, despite the lockdown measures implemented in this quarter (Table 4). Exits from Q3 to Q4 were still high, indicating that while many people continued to leave self-employment, opportunities were simultaneously arising for new business creation and/or a return to self-employment. It is worth noting that Q3 to Q4 had higher self-employment entry rates in 2019 compared to other quarters that year, and that this is likely to be seasonal and hence the changes in 2020 may be linked to specific industries.

Regions

The South East of England lost the highest numbers of self-employed workers (Table 5) and had one of the largest decreases in the self-employment rate (Table 6). London also faced large reductions in self-employment. In 2019, London had the highest self-employment rate in the UK at 18.7%, but in 2020 the South West had a higher self-employment rate than London (Table 2). At the same time, London and South East both saw rising employment in Q2 2020 (and in Q3 for London) (Table 5), which may indicate the movement of a significant number of self-employed persons into paid employment rather than into inactivity or unemployment in these regions.

Yorkshire and Wales experienced the worst initial impact on self-employment in Q2 2020 in terms of number of self-employed people compared to the previous year (Table 5). However, Yorkshire had lower than average decreases in self-employment numbers on the last year Considering changes in the whole year 2020 compared to 2019 (including Q1), Wales shows a more average decrease, which reflects that self-employment changes in Wales began before the pandemic (Table 2).

Northern Ireland and the East Midlands were the only regions to see an initial increase in self-employment numbers and a decrease in total employment in Q2 2020 (Table 5). However, both regions saw large declines in the number of self-employed in later quarters in 2020. Despite this, the East Midlands still had the lowest overall decrease (across all quarters) in self-employment 2020 against the highest decline in total employment in the whole of 2020 to the previous year (Table 2). Thus, here self-employment was maybe less affected across the whole year compared to other regions because shrinking opportunities in the paid employment sector. However, the high reduction in self-employment numbers in the last quarter 2020 (Table 5) may indicates a change in trend here.

Scotland had the lowest self-employment rate across the UK in 2019 (Table 2). The North East suffered much greater losses in self-employment than Scotland in 2020 which resulted in the North East being now (in 2020 overall) the region with the lowest self-employment rate (Table 2).

Industry

In every quarter of 2020 after the pandemic struck, in every industry, numbers of self-employed persons in the UK decreased, with the exception of health, education and other services in Q2 & 3 which saw slight increases. However, by the end of 2020 (Q4) all combined industry sectors saw large reductions in self-employment on the previous year including health, education and other services (Table 7). Scientific, professional and financial services, although here the ability to work at home is much higher than, for example, in the production sector, saw large decreases in self-employment from the onset of the pandemic particularly in the South East.

The service sector (all services including scientific, professional and financial services) faced lower decreases in self-employment than the production sector – even seeing a slight increase in Q3 2020 on the previous year when the economy opened up again (e.g. Help-out to eat-out) (Table 8).

Shutdown sectors were very badly affected throughout the pandemic and in every region (Table 8). The creative sector initially appeared more resilient than other sectors of the economy (Table 8). However, by Q4 2020, the reduction in the numbers of self-employed on the previous year was large (-11%) and much higher than in the combined service sector (Table 8). In some regions, the creative sector was particularly badly affected such as in the South East of England and in the East Midlands. However, in other regions, the creative sector was more resilient (Scotland and Yorkshire) (Table 8).

As in all recessions, the production sector has been particularly hit by this recession. However, by the end of 2020 (Q4), the sector saw an increase in self-employment again in the North of England (North East, North West and Yorkshire) (Table 7).

The overall structure of industries in the UK economy changed in 2020 compared to 2019 with the production sector as well as food, transport, retail and accommodation having lower proportions of absolute employment (Table 9). In turn, scientific and professional services and the health and education sectors made up a higher proportion of absolute employment in 2020 than in 2019. In these latter sectors, however, self-employment still decreased overall, but to a lesser extent than was seen in production and food/accommodation services.

Gender and intersections of self-employment

In all quarters in 2020, since the outbreak of the pandemic, numbers of self-employed men were impacted to a greater extent than numbers of self-employed women (Table 10). However, while the gap in the proportionate change in numbers of self-employed has been substantial in the second and third quarters 2020, there is convergence in the fourth quarter 2020. This sudden and strong decrease in female self-employment in the last quarter 2020 is related to high-qualified women leaving self-employment as well as lower educated women. There is also a noticeable drop in female self-employment among black women at the end of 2020 as well as women with disability (Table 11).

The substantial decrease in male self-employment has been driven by higher exits and lower entries compared with 2019 (Table 12). Women's exit rates were also increased; however, entry rates did not see a similar decline as among men. The convergence of male and female self-employment impact is related to the increasing exit rates among women whereby the exit rate among men went down at the end of 2020 (Table 12). Although we cannot break down further exit and entry rates by gender and region, numbers of self-employed women have substantially dropped in the last quarter 2020 in the North East after being resilient to the pandemic crisis in previous quarters (Table 13). In London, the South West of England and Wales, too, self-employment figures of women were first resistant to the economic shock but have contracted quite substantially in these regions by the end of 2020.

Both men and women in female-dominated sectors did considerably better in Q2 2020 compared with male-dominated sectors (Table 14). However, this does not mean that those in female-dominated sectors were working their usual hours during this period, and may rather indicate a lack of employment opportunities for those in personal services.

Self-employed women in the creative sector as well as in scientific, professional and financial services were more resilient than men in the second and third quarter 2020 (Table 15). However, towards the end of 2020, in the fourth quarter, the variation between men and women across industrial sectors has become much smaller (Table 15).

Young self-employed persons (under 30s) were particularly badly impacted compared with older age groups (Table 10). By the end of 2020, in the fourth quarter, the numbers of both male and female self-employed under 30s had decreased by a quarter to 2019.

From the onset of the pandemic crisis, self-employment of those with lower educational qualifications has been hardest hit – and the impact on them has gradually increased from the second to the fourth quarter 2020 (Table 10). By the end of 2020, self-employment figures of those with lower qualifications had decreased by a quarter among women and just above one-fifth among men (Table 10). Self-employment among those with a degree or similar higher education was initially resistant to the shock. However, self-employment figures of those with higher qualifications was also in decline by the end of 2020 (Table 10).

The impact by ethnicity/race and gender evolved quite differently during the pandemic (Table 11). Because white men are likely to work in construction, they were negatively impacted by the pandemic early on. Self-employment of black men was also immediately impacted. The self-employment rate dropped largest among the Asian self-employed (Table 10) with Asian men being particularly impacted in the last quarter 2020 (Table 11).

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Trends in Self-Employment

Table 1. Absolute employment and numbers of self-employed persons, percentage change on previous quarter and previous year, workers 16 years and older

	Total Employment			Self-employment		
Quarters	Number (Thousands)	% Change on Previous Quarter	% Change on Previous Year	Number (Thousands)	% Change on previous quarter	% Change on same quarter in previous year
Jan-Mar 2019	32,465	-0.11	1.10	4,919	1.55	3.70
Apr-Jun 2019	32,571	0.33	1.27	4,968	0.99	3.95
Jul-Sep 2019	32,624	0.16	0.87	4,950	-0.36	4.17
Oct-Dec 2019	32,799	0.54	0.92	5,025	1.51	3.73
Jan-Mar 2020	32,827	0.09	1.12	4,977	-0.95	1.17
Apr-Jun 2020	32,406	-1.28	-0.51	4,693	-5.71	-5.54
Jul-Sep 2020	32,221	-0.57	-1.24	4,459	-4.98	-9.92
Oct-Dec 2020	32,058	-0.50	-2.26	4,328	-2.94	-13.87

Source: ONS Table EMP14 and authors own calculations. All self-employed persons (not seasonally adjusted). Reweighted data. Includes full-time students.

Table 2. Self-employment rate, rate change, percentage change in numbers self-employed and absolute employment numbers, 2020 on previous year total and by region, workers 16 years and older

	Self-Emp Rate 2020	Self-Emp Rate 2019	Self-Emp % Rate Change	Self-Emp % Change	Total Emp % Change
North East	11.64	12.97	-1.33	-10.40	-0.18
North West	14.18	14.74	-0.56	-4.84	-1.04
Yorkshire and Humberside	12.48	13.54	-1.06	-7.01	0.96
East Midlands	14.07	14.39	-0.32	-4.49	-2.38
West Midlands	13.51	14.38	-0.87	-7.29	-1.30
East of England	14.77	16.04	-1.27	-8.48	-0.61
London	16.5	18.86	-2.36	-11.10	1.61
South East	15.06	17.18	-2.12	-12.54	-0.28
South West	16.62	17.91	-1.29	-7.56	-0.34
Wales	14.1	14.98	-0.88	-7.21	-1.41
Scotland	11.9	12.75	-0.85	-8.04	-1.42
Northern Ireland	15.16	16.03	-0.87	-7.57	-2.24
Total	14.42	15.72	-1.3	-8.65	-0.42

Source: Annual Population Survey 2020 & 2019, reweighted data. Excludes full-time students (totals differ from ONS Emp Table 14 & Table 1 above).

Table 3. Percentage change in numbers of different types of self-employed by gender in 2020 on previous year, 16 years and older

	Male	Female	Total
Employment agency	-21.42	-20.58	-21.17
Sole director of own LTD business	-9.69	-4.15	-8.28
Running business or prof practice	3.89	13.37	7.17
Partner in business or prof practice	-6.72	-6.33	-6.58
Working for self	-7.90	-3.18	-6.26
Subcontractor	-9.74	-1.93	-8.69
Freelance Work	-20.49	-9.30	-16.00

Source: Annual Population Survey (APS) January-December 2020 & 2019, reweighted data. Excluding full-time students.

Note: Self-employed persons in the APS are asked to select up to four origins of income for their self-employment ('types' of self-employment). Absolute figures are the sum of all self-employed who selected each type of self-employment.

Table 4. Self-employment exit rates and entry rates, 2020 and 2019, workers 16 years and older

	2020			2019		
	Q1-Q2	Q2-Q3	Q3-Q4	Q1-Q2	Q2-Q3	Q3-Q4
Exit rates:	10.62	11.53	10.49	7.17	6.68	6.78
into inactivity/unemployment	4.93	4.60	4.24	3.31	3.46	2.99
into paid employment	5.37	6.45	5.88	3.65	2.92	3.67
Entry rates:	5.96	5.73	8.02	8.13	7.13	8.86
from inactivity/unemployment	2.50	2.68	3.49	3.33	3.04	3.68
from paid employment	3.08	2.88	4.31	4.32	3.92	4.87

Source: LFS Two-Quarter Longitudinal Dataset January-June, April-September & July-December, 2019 & 2020; reweighted data. Government schemes and family workers not shown.

Regions

Table 5. Regional percentage change in numbers of self-employed and total employment, Q2, 3 & 4 2020 on previous year, workers 16 years and older

	% Change Q2		% Change Q3		% Change Q4	
	Self-Emp	Total Emp	Self-Emp	Total Emp	Self-Emp	Total Emp
North East	-9.44	1.47	-8.30	-1.94	-2.00	-0.15
North West	-7.61	-0.33	-10.81	-1.65	-10.13	-4.02
Yorkshire and Humberside	-10.38	-0.10	-7.84	-0.24	-8.98	-0.48
East Midlands	1.70	-1.39	-13.15	-2.53	-18.38	-4.66
West Midlands	-7.41	-0.65	-13.33	-2.88	-16.19	-3.33
East of England	-4.43	-2.64	-1.85	-1.07	-13.15	-1.95
London	-9.04	2.63	-7.25	1.68	-16.77	-0.69
South East	-2.58	0.39	-15.58	-1.40	-19.32	-1.58
South West	-4.51	-2.87	-10.90	-3.94	-13.37	-2.61
Wales	-13.52	0.78	-15.59	-1.90	-11.27	-1.85
Scotland	-5.37	-2.70	-6.47	-1.62	-6.10	-2.22
Northern Ireland	1.75	-2.10	-13.11	-1.82	-15.88	-2.13
Total	-6.02	-0.46	-10.17	-1.36	-14.05	-2.15

Source: Quarterly Labour Force Surveys April-June, July-September, October-December 2020 & 2019, reweighted data. Excludes full-time students (totals differ from ONS Emp Table 14 & Table 1 above).

Table 6. Regional self-employment rate and percentage point change by quarters in 2020 on previous year, workers 16 years and older

	Q2	Rate Change Q2	Q3	Rate Change Q3	Q4	Rate Change Q4
North East	11.4	-1.37	12.0	-0.83	12.3	-0.23
North West	13.1	-1.03	13.0	-1.33	12.4	-0.84
Yorkshire and Humberside	13.3	-1.52	13.1	-1.08	13.2	-1.24
East Midlands	14.2	0.43	13.3	-1.62	12.6	-2.11
West Midlands	14.4	-1.05	12.9	-1.56	12.0	-1.85
East of England	15.9	-0.3	14.9	-0.12	14.3	-1.85
London	17.0	-2.17	16.9	-1.63	16.5	-3.18
South East	15.8	-0.48	14.1	-2.36	14.3	-3.15
South West	16.9	-0.29	16.5	-1.29	15.6	-1.95
Wales	12.7	-2.09	13.0	-2.1	12.2	-1.3
Scotland	12.5	-0.36	12.0	-0.63	12.0	-0.5
Northern Ireland	16.3	0.62	14.6	-1.89	13.9	-2.26
Total	14.8	-0.88	14.2	-1.38	13.8	-1.9

Source: Quarterly Labour Force Surveys, April-June, July-September, October-December 2020 & 2019, reweighted data. Excluding full-time students (totals differ from ONS Emp Table 14 & Table 1 above).

Table 7. Industry by region, percentage change in self-employment numbers, quarters in 2020 on previous year, workers 16 years and older

	Production (C-F)			Food, Transport, Accommodation & Retail (G-J)			Scientific, Professional & Financial Services (K-N)			Health, Education & Other (Personal) Services (O-U)		
	Q2	Q3	Q4	Q2	Q3	Q4	Q2	Q3	Q4	Q2	Q3	Q4
North East	-27.73	-5.63	24.20	-2.94	-19.23	-11.93	-2.68	-20.22	2.38	-8.07	16.16	-8.08
North West	-23.72	-19.50	9.34	2.70	-16.15	-17.87	0.66	2.16	-15.02	-5.75	-9.00	-17.53
Yorkshire and Humberside	-13.78	-0.95	7.87	-13.85	-17.35	-6.44	-3.81	-16.41	-25.02	-0.78	11.66	-15.45
East Midlands	-6.13	-29.01	-19.61	11.31	-11.15	-27.69	14.06	-22.42	-24.97	-3.82	10.32	4.38
West Midlands	-11.69	-22.10	-26.45	-0.11	-23.06	-16.83	-3.54	2.26	2.58	-13.43	-10.07	-20.97
East of England	25.24	19.19	-17.67	-19.53	-9.78	-9.42	-20.90	-21.91	-13.45	9.10	10.84	-8.19
London	-21.07	-26.76	-27.37	-26.28	-22.76	-17.99	-8.87	-2.77	-14.34	14.32	17.86	-14.41
South East	3.17	-9.44	-21.74	-4.10	-14.84	-27.40	-19.77	-23.38	-14.67	17.45	-9.29	-14.57
South West	-0.38	-16.90	-20.48	-6.64	-17.80	-5.45	-9.64	-6.98	-14.14	-9.99	-1.57	-13.16
Wales	-12.77	-25.06	-3.71	-32.27	-4.47	13.00	26.93	-6.25	13.65	-3.01	-25.27	-42.01
Scotland	-24.48	-34.12	-25.36	2.12	-15.80	-8.60	2.67	23.54	16.92	1.80	-1.77	-10.38
Northern Ireland	19.79	-12.83	-22.10	-9.92	-12.75	-17.19	-1.47	-24.17	-31.71	0.48	2.83	-9.32
Total	-7.84	-15.44	-15.79	-10.21	-16.79	-15.43	-7.63	-9.73	-12.08	2.81	1.41	-13.96

Source: Quarterly Labour Force Surveys April-June, July-September, October-December 2020 & 2019, reweighted data. Excludes full-time students.

Note: Industrial sectors are combined due to small sample sizes. Letters A-U denote UK SIC codes 2007. The primary sector (A-B) is excluded due to small sample sizes.

Table 8. Industry by region, percentage change in numbers of self-employed, quarters in 2020 on previous year, workers 16 years and older

	All Services (G-U)			Shutdown Sectors			Creative Sectors		
	Q2	Q3	Q4	Q2	Q3	Q4	Q2	Q3	Q4
North East	-4.86	16.16	-1.29	-7.45	-16.36	-27.83	41.56	79.42	4.71
North West	-1.14	-9.00	-1.91	0.71	-11.15	-18.88	-16.77	-20.14	-19.47
Yorkshire and Humberside	-6.16	11.66	-2.28	-20.53	-15.11	-17.12	-21.93	-1.55	5.59
East Midlands	6.20	10.32	-1.73	-7.65	5.86	-14.79	-14.13	-8.92	-25.40
West Midlands	-5.59	-10.07	-1.48	-8.34	-4.98	-5.09	22.13	42.54	4.38
East of England	-11.23	10.84	-1.53	13.01	13.07	-12.36	13.32	6.76	-4.02
London	-7.30	17.86	-4.99	-32.75	-30.86	-27.07	-2.60	1.63	-13.75
South East	-2.86	-9.29	-2.63	-0.71	-15.10	-14.16	3.81	-19.52	-26.42
South West	-8.87	-1.57	-1.45	-12.60	-19.81	-20.79	-3.84	-4.32	-13.86
Wales	-6.89	-25.27	-1.41	-2.30	-17.11	-17.06	-34.63	-57.10	-2.16
Scotland	2.16	-1.77	-0.18	9.37	-3.76	-12.18	8.06	21.42	11.59
Northern Ireland	-3.99	2.83	-2.38	-18.64	-7.32	-16.88	-30.29	27.57	37.32
Total	-4.78	1.41	-1.9	-9.47	-12.36	-17.56	-1.68	-1.25	-11.13

Source: Quarterly Labour Force Surveys April-June, July-September, October-December 2020 & 2019, reweighted data. Excludes full-time students.

Note: Industrial sectors are combined due to small sample sizes. Letters A-U denote UK SIC codes 2007. Shutdown sectors defined following Joyce and Xu (2020). Creative sectors defined following DCMS classification for creative occupations and creative industries using SOC2010 and SIC 2007 codes. Shaded estimates are based on unweighted cell counts of 3-25 and should be interpreted with caution.

Table 9. Industry as a proportion of total employment and percentage change in numbers of self-employed by region, 2020 on previous year, workers 16 years and older

	Production (C-F)			Food, Transport, Accommodation & Retail (G-J)			Scientific, Professional & Financial Services (K-N)			Health, Education & Other (Personal) Services (O-U)			Total Services (G-U)		
	Total Emp		Self	Total Emp		Self	Total Emp		Self	Total Emp		Self	Total Emp		Self
	2020	2019	% +-	2020	2019	% +-	2020	2019	% +-	2020	2019	% +-	2020	2019	% +-
North East	18.2	20.2	-23.6	24.3	25.4	-23.6	14.5	13.6	4.1	42.4	40.1	2.5	81.2	79.2	-6.4
North West	18.6	18.9	-12.6	26.7	27.3	-5.9	16.9	16.5	-1.5	36.8	36.2	0.8	80.4	80.0	-2.2
Yorkshire and Humberside	19.2	19.9	4.2	25.3	26.2	-11.4	15.9	15.5	-3.2	39.0	37.6	-13.0	80.2	79.3	-9.5
East Midlands	22.6	22.9	-8.9	26.6	27.0	5.4	14.5	14.1	-11.7	35.0	34.9	-3.3	76.0	76.0	-3.2
West Midlands	21.0	22.1	-14.8	25.8	26.5	-2.6	15.6	15.3	-10.3	36.9	34.9	8.1	78.3	76.7	-1.7
East of England	18.5	18.1	6.3	26.3	27.2	-22.1	19.3	18.8	-22.2	35.0	35.0	6.6	80.6	80.9	-12.5
London	9.6	11.2	-21.0	26.2	26.9	-18.8	28.1	27.3	-9.2	36.0	34.5	0.0	90.3	88.7	-9.3
South East	16.6	17.2	-17.9	25.7	27.0	-21.7	20.2	19.1	-6.6	36.8	35.9	-5.3	82.7	81.9	-10.2
South West	18.2	18.9	-2.7	25.3	24.9	-13.2	17.3	16.7	-8.0	37.8	37.8	-8.7	80.4	79.5	-9.8
Wales	18.8	20.2	-14.2	23.1	23.9	-6.6	14.5	13.7	-2.6	41.8	40.2	-5.7	79.3	77.8	-5.1
Scotland	18.4	19.9	-25.1	23.7	25.0	-11.4	16.2	15.3	4.5	40.2	38.4	-0.3	80.1	78.7	-2.4
Northern Ireland	19.2	20.5	-1.2	24.0	23.6	-0.4	14.7	14.4	-23.0	39.6	38.7	-0.2	78.2	76.7	-5.9
Total	17.5	18.4	-11.3	25.5	26.3	-13.2	18.6	17.9	-8.2	37.5	36.4	-2.1	81.6	80.6	-7.6

Source: Annual Population Survey, 2019 & 2020, reweighted data. Excludes full-time students. Proportions do not add up to 100% as the primary sector (AB) is excluded due to small sample sizes.

Note: Industrial sectors are combined due to small sample sizes. Letters A-U denote UK SIC codes 2007.

Gender and intersections of self-employment

Table 10. Percentage point change in self-employment rate and % change in numbers of self-employed, quarters in 2020 on same quarter in previous year, workers 16 years and older

	% Change in self-employment rate			% Change in numbers of self-employed		
	Q2	Q3	Q4	Q2	Q3	Q4
Female	-0.03	-0.45	-1.3	-0.23	-4.49	-12.84
Male	-1.59	-2.14	-2.39	-8.92	-12.93	-14.67
Age:						
16-29	-0.89	-0.88	-1.54	-13.92	-17.11	-24.38
30-44	-0.78	-1.98	-2.69	-4.31	-13.21	-18.89
45-54	-0.52	-1.3	-1.79	-5.59	-10.20	-13.69
55+	-1.55	-1.47	-1.46	-5.65	-5.05	-6.16
Education:						
Degree or Higher Education	-0.38	-0.78	-1.82	3.96	0.91	-5.90
A-Levels or Further Education	-1.09	-1.78	-1.2	-6.56	-13.92	-13.37
Below A-Level or None	-1.17	-1.44	-2.45	-14.25	-16.34	-22.65
Ethnicity:						
White	-0.82	-1.41	-1.82	-6.62	-10.79	-14.03
Asian	-0.72	-1.52	-3.31	1.29	-5.10	-17.38
Black	-2.49	-2.08	-1.35	-16.33	-17.77	-15.63
Disability	-1.21	-0.88	-1.82	-5.90	-3.59	-10.51

Source: Quarterly Labour Force Surveys April-June, July-September, October-December 2020 & 2019, reweighted data. Excludes full-time students.

Note: Disability denotes a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on ability of a person to do normal daily activities, as defined under the Equality Act 2010.

Not shown: ethnic group 'other'.

Table 11. Percentage change in numbers of male and female self-employed by social groups, quarters in 2020 to same quarter in previous year, workers 16 years and older

	% Change Q2			% Change Q3			% Change Q4		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Age Groups:									
16-29	-18.90	-1.50	-13.92	-20.78	-9.10	-17.11	-24.17	-24.88	-24.38
30-44	-5.59	-1.77	-4.31	-15.45	-8.56	-13.21	-19.04	-18.59	-18.89
45-54	-10.79	-3.91	-5.59	-8.99	-7.21	-10.20	-7.49	-12.71	-13.69
55+	-6.53	5.03	-5.65	-11.83	3.67	-5.05	-14.24	-3.51	-6.16
Education:									
Degree or Higher Education	-0.03	9.14	3.96	-3.04	6.38	0.91	-6.81	-4.72	-5.90
A-Level or Further Education	-8.89	-1.23	-6.56	-15.80	-9.61	-13.92	-13.66	-12.74	-13.37
Below A-Level or None	-15.73	-10.41	-14.25	-17.34	-13.73	-16.34	-21.93	-24.52	-22.65
Ethnicity:									
White	-10.30	0.58	-6.62	-13.83	-4.65	-10.79	-14.56	-13.01	-14.03
Asian	0.66	3.15	1.29	-4.95	-5.49	-5.10	-20.02	-10.38	-17.38
Black	-27.44	11.05	-16.33	-26.75	1.45	-17.77	-12.28	-20.91	-15.63
Disability	-13.88	6.68	-5.90	-8.47	3.88	-3.59	-10.40	-10.65	-10.51
Total	-8.92	-0.23	-6.02	-12.93	-4.49	-10.17	-14.67	-12.84	-14.05

Source: Quarterly Labour Force Surveys April-June, July-September, October-December 2020 & 2019, reweighted data. Excludes full-time students.

Note: Disability denotes a physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on ability of a person to do normal daily activities, as defined under the Equality Act 2010.

Not shown: ethnic group ‘other’.

Table 12. Self-employment exit rates and entry rates by gender, 2020 and 2019, workers 16 years and older

	2020			2019		
	Q1-Q2	Q2-Q3	Q3-Q4	Q1-Q2	Q2-Q3	Q3-Q4
Men:						
Exit rates:	10.05	10.9	9.25	7.07	5.14	5.98
into inactivity/unemployment	4.75	3.8	3.09	3.03	2.58	2.51
into paid employment	5.09	6.64	5.82	4.04	2.56	3.47
Entry rates:	5.54	4.72	7.49	6.92	6.02	8.32
from inactivity/unemployment	2.28	2.13	2.97	2.86	2.74	3.23
from paid employment	2.95	2.55	4.32	4.06	3.28	5.09
Women:						
Exit rates:	11.62	12.6	12.46	6.74	8.62	7.86
into inactivity/unemployment	5.24	5.95	6.07	3.82	5.05	3.84
into paid employment	5.85	6.14	5.98	2.92	3.57	4.02
Entry rates:	6.71	7.43	8.87	8.97	8.66	8.99
from inactivity/unemployment	2.89	3.61	4.33	4.17	3.57	4.51
from paid employment	3.31	3.44	4.28	4.8	5.09	4.48

Source: LFS Two-Quarter Longitudinal Dataset January-June, April-September & July-December, 2019-2020; reweighted data.

Table 13. Regional percentage change in numbers of self-employed by gender, Q2, 3 & 4 on previous year, workers 16 years and older

	% Change Q2		% Change Q3		% Change Q4	
	Men	Women	Men	Women	Men	Women
North East	-19.16	12.13	-17.16	9.22	10.93	-21.79
North West	-9.29	-4.03	-13.29	-5.61	-10.00	-10.39
Yorkshire and Humberside	-12.76	-4.96	-15.51	9.56	-14.82	4.02
East Midlands	5.79	-4.59	-18.33	-3.50	-23.23	-9.27
West Midlands	-9.19	-2.97	-13.81	-12.12	-14.31	-20.28
East of England	-4.49	-4.30	-7.27	10.34	-16.74	-5.23
London	-15.53	4.52	-7.95	-5.72	-14.96	-20.16
South East	8.51	-1.62	-16.48	-14.01	-19.70	-18.66
South West	-9.29	4.19	-12.81	-7.35	-15.34	-9.66
Wales	-23.94	11.77	-14.64	-17.64	-3.64	-26.08
Scotland	-8.26	-0.46	-10.69	0.94	-8.53	-2.04
Northern Ireland	5.95	-9.73	-18.55	3.42	-23.30	8.25
Total	-8.92	-0.23	-12.93	-4.49	-14.67	-12.84

Source: Quarterly Labour Force Surveys April-June, July-September, October-December 2020, reweighted data. Excludes full-time students.

Table 14. Male-dominated and female-dominated sectors, percentage change in numbers of self-employed on previous year, workers 16 years and older

Type of sector	% Change Q2		% Change Q3		% Change Q4	
	Men	Women	Men	Women	Men	Women
Equal Sector	-12.28	-0.54	-12.79	-6.13	-11.82	-12.27
Male-dominated	-9.56	-8.24	-13.73	-16.57	-14.73	-17.32
Female-dominated	18.07	4.78	-8.84	6.55	-32.13	-12.92
Total	-0.23	-8.92	-4.49	-12.93	-12.84	-14.67

Source: Quarterly Labour Force Surveys April-June, July-September, October-December 2020 & 2019, reweighted data. Excludes full-time students.
Note: A male-dominated sector has 60% or more male employment, an equal sector has 41-59% either male or female employment and a female-dominated sector has 60% or more female employment, based on pre-COVID-19 estimates.

Table 15. Industry by gender, percentage change in numbers of self-employed, quarters in 2020 on previous year, workers 16 years and older

	% Change Q2			% Change Q3			% Change Q4		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Production (C-F)	-20.67	-16.05	-19.78	-19.38	1.06	-15.53	-12.65	-7.29	-11.67
Food, Transport, Accommodation & Retail (G-J)	-7.96	-6.53	-7.84	-14.67	-23.48	-15.44	-16.09	-12.18	-15.79
Scientific, Professional & Financial Services (K-N)	-13.72	0.85	-10.21	-17.55	-14.52	-16.79	-16.04	-13.71	-15.43
Health, Education & Other (Personal) Services (O-U)	-9.92	-4.04	-7.63	-10.24	-8.87	-9.73	-11.66	-12.73	-12.08
Total Services (G-U)	1.96	3.33	2.81	-3.66	4.66	1.41	-14.96	-13.31	-13.96
Shutdown Sectors	-18.17	-0.65	-9.47	-13.08	-11.65	-12.36	-16.50	-18.58	-17.56
Creative Sectors	-11.89	17.43	-1.68	-11.72	19.31	-1.25	-11.22	-10.99	-11.13

Source: Quarterly Labour Force Surveys April-June, July-September, October-December 2020 & 2019, reweighted data. Excludes full-time students.

Note: Industrial sectors are combined due to small sample sizes. Letters A-U denote UK SIC codes 2007. Shutdown sectors defined following Joyce and Hu (2020). Creative sectors defined following DCMS classification for creative occupations and creative industries using SOC2010 and SIC 2007 codes.

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