



Alberta Self-Employment Profile

2016

Alberta 

Self-employment represents the entrepreneurial spirit of Alberta. This spirit is at the heart of Alberta’s vibrant economy. By creating employment, producing goods, or providing a service to people, self-employed people contribute to the province’s overall economic growth and well-being. The Alberta Self-employment Profile provides a snapshot into the demographics surrounding self-employed persons in Alberta, and paints a picture of the regional distribution of self-employed individuals across the province.

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Definition of self-employment

A self-employed individual works for him or herself instead of being employed by another. Self-employed workers are classified as those persons whose job consists mainly of operating an incorporated or unincorporated business, farm, or professional practice. The professional category includes self-employed workers who do not own a business such as babysitters and newspaper carriers.

There are five types of self-employed people: those who are incorporated with paid help, those who are incorporated without paid help, those who are unincorporated with paid help, those who are unincorporated without paid help, and unpaid family workers¹.

Highlights

- In 2016, one in six workers was self-employed.
- On average, self-employed Albertans tend to be older, are more often men, work longer hours, and are less likely to be Indigenous people compared to employees.
- Alberta had the highest growth rate in self-employment across Canada in the last five years.
- More than half of self-employed Albertans worked in four industries: Construction; Professional, Scientific and Technical Services; Agriculture; and Other Services.

¹ Unpaid family workers are persons who work without pay on a farm or in a business or professional practice owned and operated by another family member living in the same dwelling.

Profile of self-employed

Sex

There are substantial variations of self-employed Albertans by sex. In 2016, Alberta ranked seventh in terms of female participation in self-employment among the Canadian provinces, with 33.3% of the proportion of self-employed individuals being women. Women are more likely to be employees than to be self-employed (Figure 1).

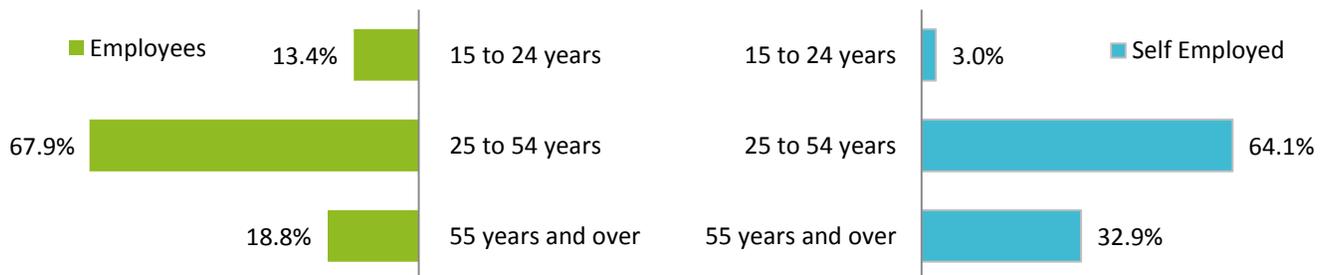
Figure 1: Self-Employment by Sex



Age

Self-employed individuals tend to be older than employees. In 2016, 32.9% of self-employed people were 55 years or older compared to 18.8% of employees (Figure 2).

Figure 2: Self-employed by Age Group, Alberta 2016

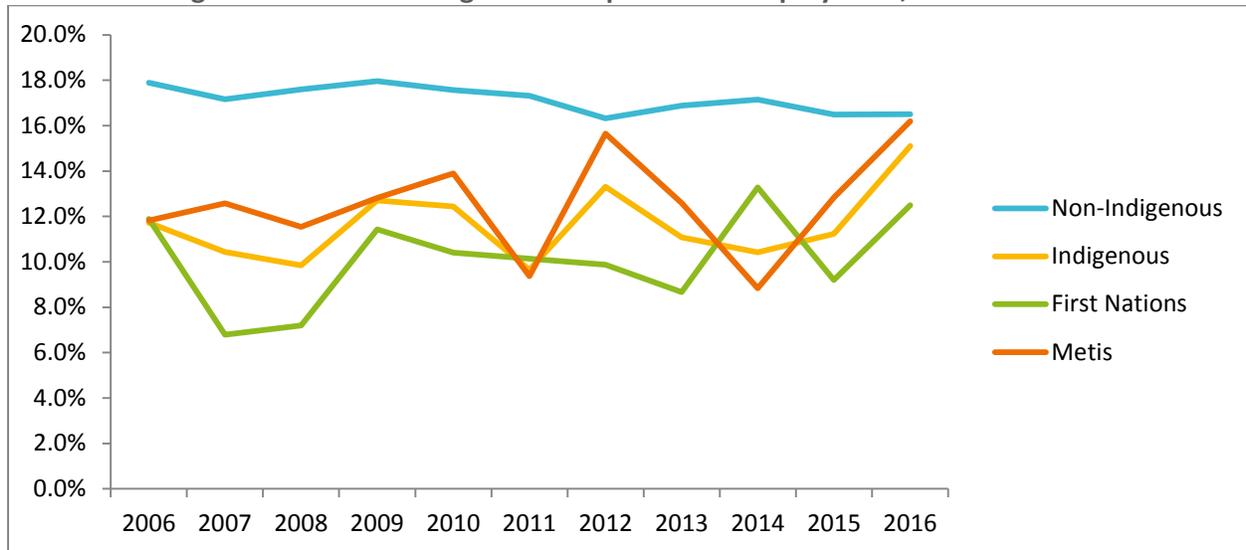


Source: Statistics Canada, Labour Force Survey, Custom

Indigenous People

Indigenous people are less likely to be self-employed compared to non-Indigenous people. In 2016, 15.1% of Indigenous people working off reserve were self-employed, compared to 16.5% of non-Indigenous people. In the last ten years, the proportion of Indigenous people in self-employment has been fluctuating considerably, with a highest proportion in 2016 (Figure 3). From 2006 to 2016, the proportion of working Indigenous people in self-employment has increased by 3.4 percentage points.

Figure 3: Percentage of Off-reserve Indigenous People in Self-Employment, Alberta 2006-2016

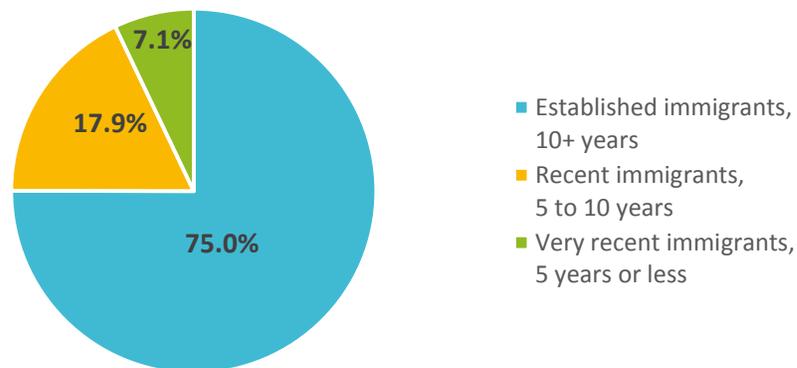


Source: Statistics Canada, Labour Force Survey, Custom

Immigrants

In 2016, landed immigrants accounted for 20.9% of self-employed Albertans. The majority of them were established immigrants with more than 10 years living in Canada (Figure 4). Ten years prior, in 2006, that proportion was 16.2%. Figure 4 highlights the distribution of self-employment among landed immigrants.

Figure 4: Distribution of Self-Employed Landed Immigrants, Alberta 2016



Source: Labour Force Survey, Statistics Canada, Custom

Number of Hours Worked

On average, self-employed people work longer hours than employees. In 2016, the average number of usual hours worked per week by self-employed workers was 39.1 hours, compared to the 36.1 hours worked per week for employees (Figure 5).

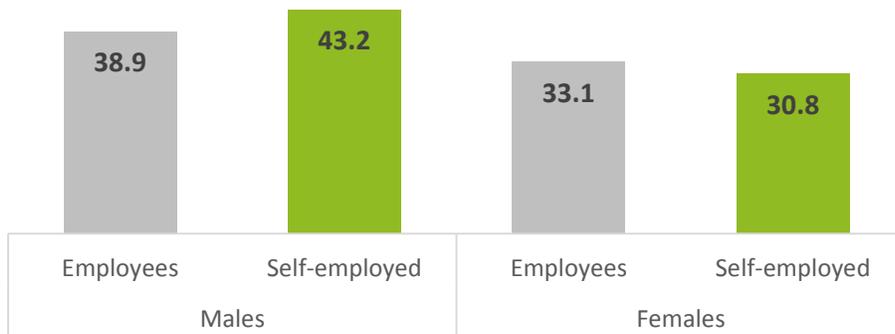
Figure 5: Average Hours Worked



Source: Labour Force Survey, Statistics Canada, Custom

Self-employed men, on average, work 4.3 hours more than their employed counterparts. Self-employed women, on the other hand, work 2.3 hours less than their employed counterparts (Figure 6).

Figure 6: Average Hours worked by Sex



Source: Labour Force Survey, Statistics Canada, Custom

Self-employment trends

In 2016 there were 372,600 self-employed people out of the 2,263,800 that were working. This means roughly one in every six workers was self-employed. In the same year, Alberta had the third highest percentage of self-employed people, at 16.5% after Saskatchewan's at 18.4%, and British Columbia's 17.7%. The Canadian average was 15.3% (Figure 7).

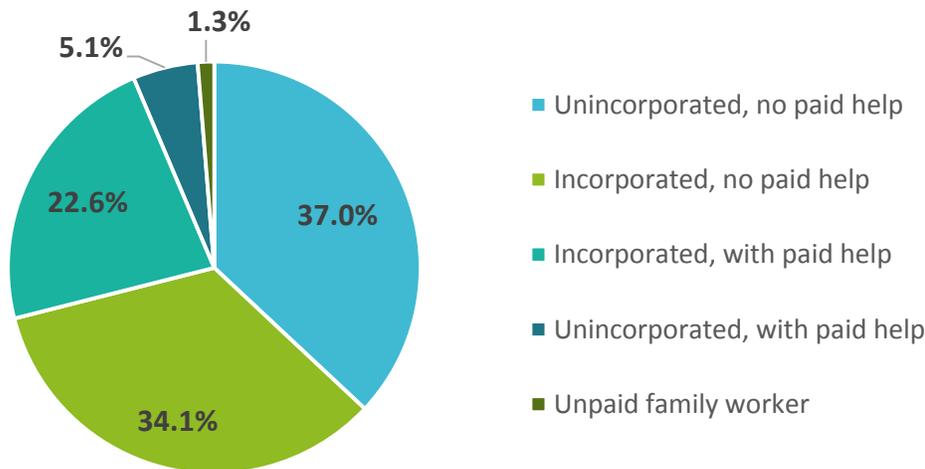
Figure 7: Provincial Comparison of Self-Employment as a Percentage of Total Employment, 2016



Source: Labour Force Survey, Statistics Canada, CANSIM 282-0012

In 2016, the largest proportion of self-employed workers were unincorporated without paid help, representing 37.0% of all self-employed workers (Figure 8). This was followed by 34.1% of self-employed that were incorporated without paid help. This means that over 70% of self-employed workers did not have paid help. Incorporated workers with paid help comprise of only 22.6% of all self-employed individuals.

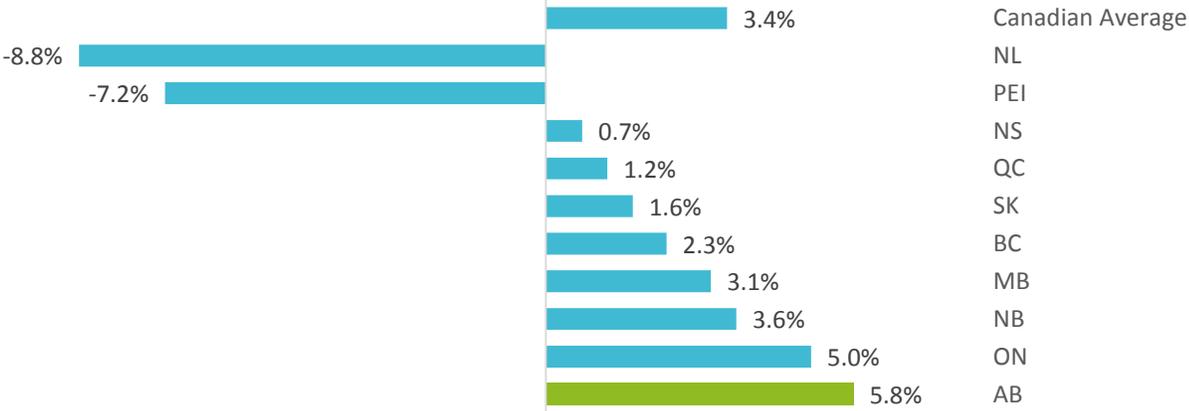
Figure 8: Self-Employment by Class of Worker, 2016



Source: Labour Force Survey, Statistics Canada, CANSIM 282-0012

Over a five year period, Alberta had the highest average growth rate in self-employment across Canada, at 5.8%. Nationally, the rate was 3.4%. Only Ontario and New Brunswick had higher growth rates than the national average during the same period, at 5.0% and 3.6% respectively (Figure 9)

Figure 9: Provincial Comparison of 5-Year Growth, 2012-2016



Source: Labour Force Survey, Statistics Canada, CANSIM 282-0012

Self-employment in Boom and Bust Cycles

Some studies suggest that individuals are “pushed” into self-employment because they are unable to find paid employment, while others contend individuals are “pulled” into it because they enjoy the comparative advantages of being their own boss (e.g., independence, flexible work schedule).² An examination of 10 years of self-employment trends demonstrate that the share of self-employment has been trending downwards, while annual Gross Domestic Product has been trending upwards (Figure 10). In times of recession, such as between 2009 and 2010, we observe an upward trend in self-employment coupled with a simultaneous downward trend in GDP. The more recent recession, however, shows a different pattern. Between 2014 and 2015, both self-employment and GDP dropped.

Figure 10: Boom and Bust Cycles and Self-Employment, 2005 - 2015³



Source: Labour Force Survey and Gross Domestic Product at basic prices, Statistics Canada, CANSIM 282-0012 and 379-0030.

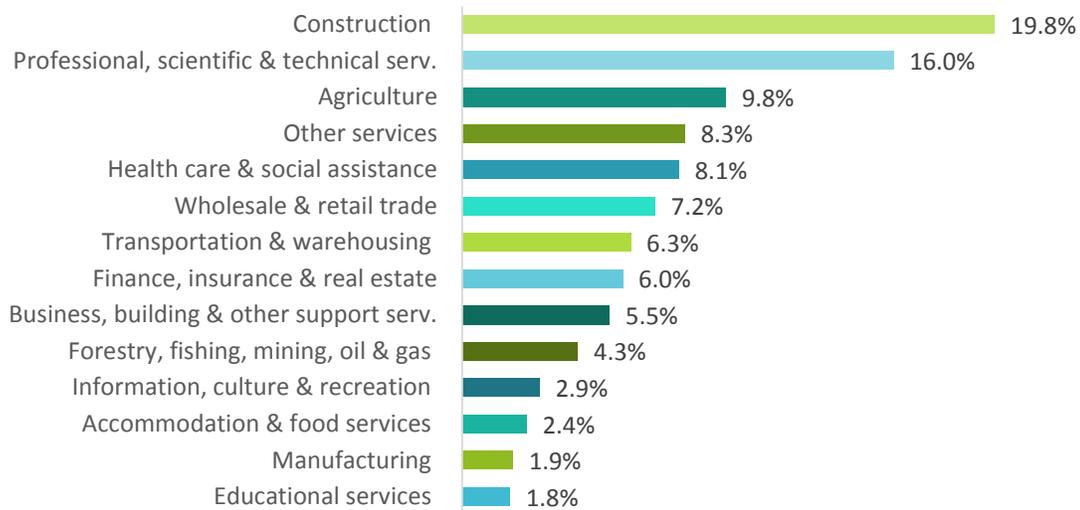
² Douglas, Evan and Shepherd, Dean (2002) Self-employment as a Career Choice: Attitudes, Entrepreneurial Intentions, and Utility Maximization . *Entrepreneurial Theory and Practice* 26(3):pp. 81-90.

³ Linear trend line for self-employment, exponential trend line for GDP.

Self-employment by industry

In 2016, more than half of self-employed Albertans worked in four industries: construction at 19.8%, professional, scientific and technical services at 16.0%, agriculture at 9.8%, and other services at 8.3%. Within these industries, agriculture had the highest percentage of self-employed, as close to 72% of agricultural workers were self-employed. This was followed by professional, scientific and technical services with 33.3% of self-employed in this sector (Figure 12).

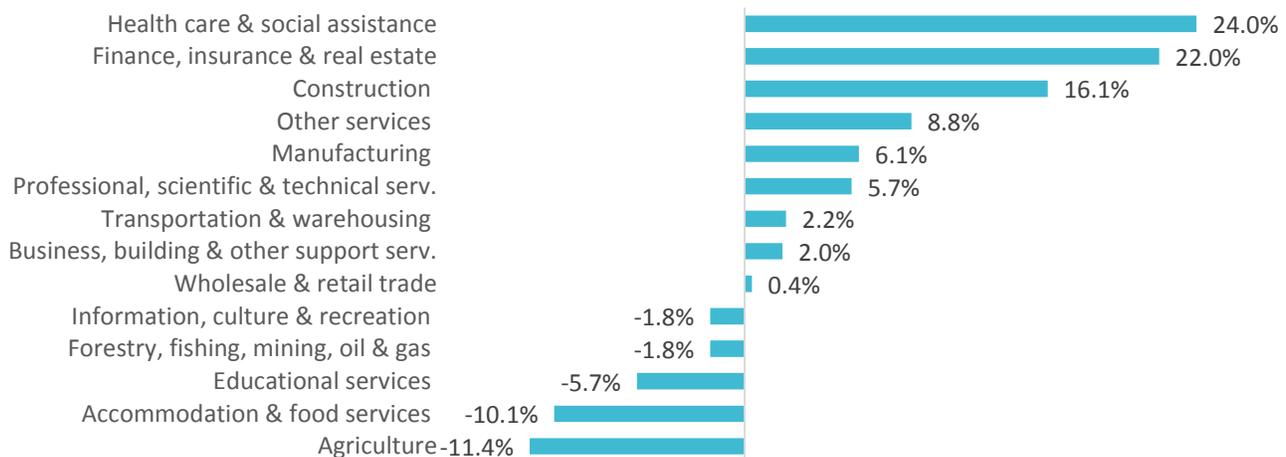
Figure 12. Share of Self-employed by Industry Sector, Alberta, 2016



Source: Statistics Canada, CANSIM table 282-0012

In the last five years, health care and social assistance was the industry with the highest growth in self-employment, at 24.0%, followed by finance, insurance, and real estate at 22.0%, and construction at 16.1%. On the other hand, agriculture and accommodation and food services had the largest decline, with 11.4% and 10.1% decrease respectively (Figure 13).

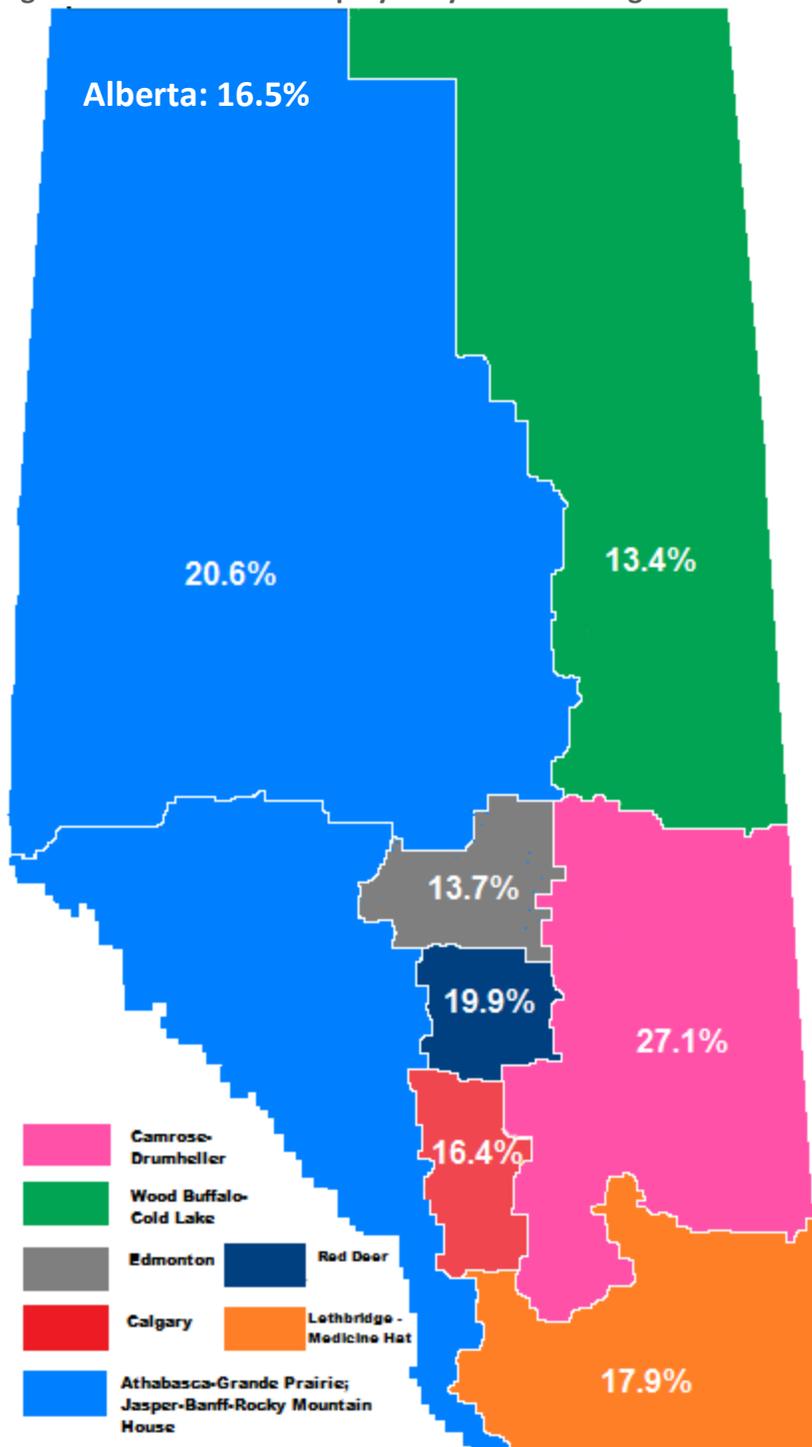
Figure 13. Growth in Self-Employment by Industry in Alberta, 2012-2016



Source: Statistics Canada, CANSIM table 282-0012

Regional profile

Figure 14: Per cent Self Employed by Economic Region



Self-employment in Alberta varies considerably, with higher density economic regions (Edmonton, Red Deer and Calgary) observing a lower proportion of self-employed persons than less dense regions.

The highest rate of self-employment can be found in the Camrose-Drumheller economic region, with 27.1% of total employment classified as self-employed.

The lowest rate of self-employed was observed in the Wood Buffalo-Cold Lake economic region, with 13.4% of total employment classified as self-employed.

Wood Buffalo-Cold Lake, Edmonton, and Calgary fall below the provincial average rate of self-employment.

Resources

- [Alberta Small Business Resources](#)
- [Alberta Self-Employment](#)
- [Self-Employment Training](#)
- [Canada Business Network Self-Employment Program](#)

Call us or visit our website for more information or to find the following publications:

- 2016 Annual Alberta Labour Market Review
- Monthly Alberta Labour Force Statistics Highlights and Packages
- Alberta's Occupational Demand and Supply Outlook
- Alberta Labour Force Profiles
- Alberta Industry Profiles

www.work.alberta.ca/labour.html (see Labour Market Information)

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