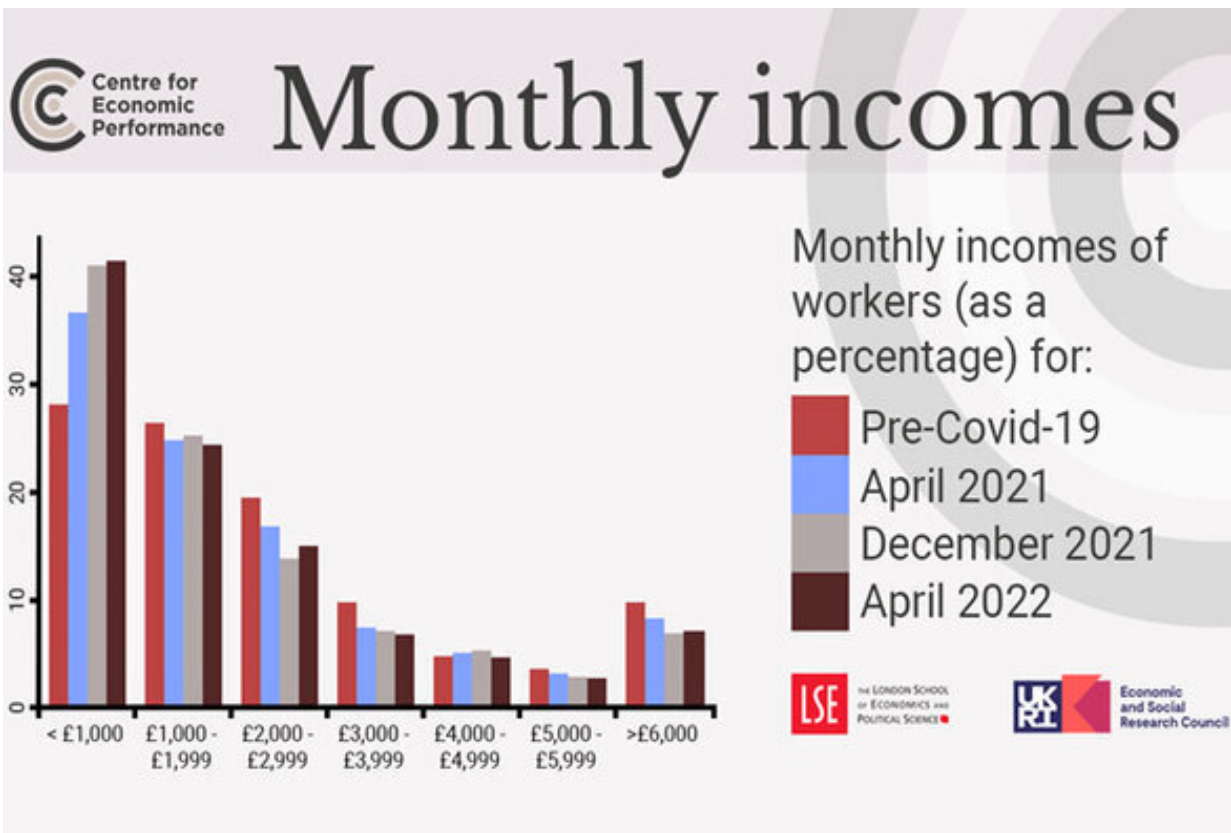


Self-employed among hardest hit by pandemic

August 2 2022



Credit: University of Liverpool

Self-employed workers in the U.K. were among the hardest hit by the pandemic and their incomes and businesses have still not recovered.

These are the central findings of new research from the Center for Economic Performance (CEP) at the London School of Economics and Political Science.

The report "COVID-19 and the self-employed: a two-year update"—which draws on a new survey of 1,500 people, a representative sample of the self-employed population—reveals that the incomes and profits of self-employed workers are worse now than one year ago.

The authors also find that a third of the self-employed report difficulties meeting basic expenses—the same proportion as in August 2020. Within this, more than two-thirds (67%) of health care support workers reported financial difficulties about four times as many as those working in education (17%).

Stephen Machin, co-author and director of CEP, said: "The current cost-of-living crisis is exacerbating the challenges for self-employed workers, whose incomes and profits have not fully recovered from the pandemic shock. The impact of COVID-19 restrictions has lightened, but recovery has stalled in the face of the high costs of energy and raw materials. These are contributing to the [financial difficulties](#) of the self-employed, particularly small businesses."

The report also finds that:

- Around 800,000 workers left self-employment during the pandemic.
- More than 40% of self-employed surveyed had monthly incomes of less than £1,000 in April 2022—compared with 27% at this [income](#) level pre-COVID-19.
- A third say the cost of energy is their most challenging issue.

Robert Blackburn, co-author of the [report](#) and professor of

entrepreneurship at the University of Liverpool, said: "While the [number](#) of employees in the U.K. has steadily grown and is now above pre-pandemic levels, the numbers in self-employment are lower than they were in 2019. There was an increase in the number of people leaving self-employment during the COVID-19 crisis, but as the economy has picked up, the numbers going into [self-employment](#) have remained relatively low."

Maria Ventura, co-author and research assistant at CEP, said: "Our findings suggest that the slow recovery of the self-employed from the effects of COVID-19 and its associated lockdown and support measures, is in jeopardy because of new challenges. The condition of the self-employed is already precarious and any major new challenges may tip many of them over the brink into severe financial hardship. From a policy perspective, this may require [specific interventions](#) to help them through the new adverse and unstable economic climate."

The fifth LSE-CEP Survey of Self-employment was carried out from 12 May to 7 June 2022. The results are based on 1,500 responses. The responses are weighted to represent the population of self-employed workers.

More information: COVID-19 and the self-employed: a two-year update: cep.lse.ac.uk/pubs/download/cepcovid-19-028.pdf

Provided by University of Liverpool

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