



Department  
for Work &  
Pensions



Government  
Social Research

# Research with self-employed Universal Credit claimants Wave 1

A report of research carried out by Ipsos on behalf of the Department for Work and Pensions.  
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# Contents

**1**

**Introduction & methodology**

**2**

**Nature of self-employed work**

**3**

**Motivations & attitudes**

**4**

**Profits**

**5**

**Plans for the future**

**6**

**Support needs**

**7**

**Segmentation profiling**

**8**

**Conclusions**

# 1. Introduction and Methodology

# Policy context

This slidedeck presents key findings from a survey of self-employed Universal Credit (UC) claimants. Self-employed (SE) workers on a low income may apply for support from Universal Credit. If a claimant is gainfully self-employed (their self-employment is their main activity and is regular, organised, developed and carried out in expectation of profit), UC payments are calculated using an assumed level of earnings called a Minimum Income Floor (MIF). At the time of this research, due to the COVID-19 pandemic, the tests to assess gainful self-employment (i.e. the gateway interviews) were temporarily suspended and the MIF was not applied to UC claims.

# Background and objectives

The aim of this research was to understand claimants' experience of being self-employed and claiming UC. The research focused on two distinct groups of claimants which were kept separate for the purpose of this research:

- 1. Existing claimants who started claiming UC as a self-employed person before 16<sup>th</sup> March.** This group had been assessed by Jobcentre Plus for their self-employment, had attended a gateway interview, and may have had the Minimum Income Floor (MIF) applied.
- 2. New claimants who started claiming UC as a self-employed person on or after 16<sup>th</sup> March.** This group won't have been assessed by Jobcentre Plus for their self-employment as gateway interviews and the Minimum Income Floor (MIF) were suspended due to Covid-19.

**This survey is the first of two waves. The key objectives of this research were to:**

- Understand who the existing and new claimant groups were and the nature of their self-employed work;
- Understand claimants' plans, barriers, and support needs to make the most of their self-employed work, and the differences between groups.

# Sample and method

**5,159 existing UC claimants** and **5,062 new UC claimants** completed the online or telephone survey between 18<sup>th</sup> September and 2<sup>nd</sup> November 2020.

The sample was provided by DWP. The full population of existing claimants were invited to take part in the survey, whilst for new claimants a sample was invited.

Data has been weighted by age, gender, whether they have children, and single/couple claim.

## Segmentation

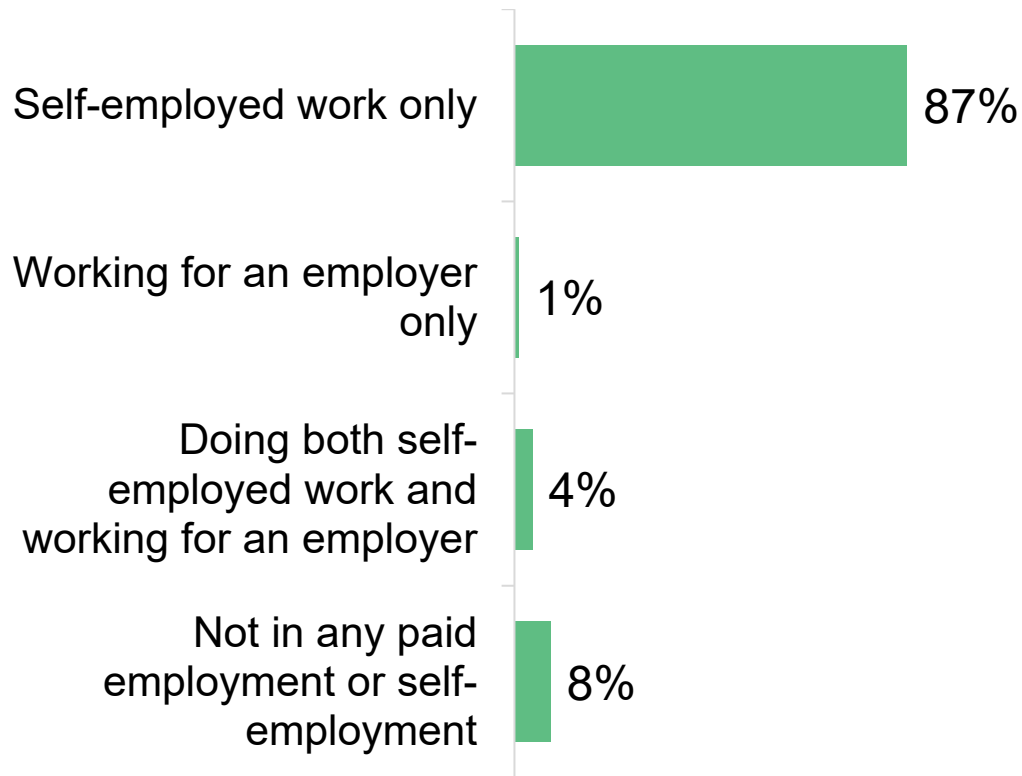
Both **existing** and **new** UC claimants have been segmented into one of five groups. Cluster analysis was undertaken on eight attitudinal statements measuring respondents' interest in self-employment, knowledge of sources of advice and guidance to support self-employment, as well as their own financial health.

## 2. Profile: Nature of self-employed groups

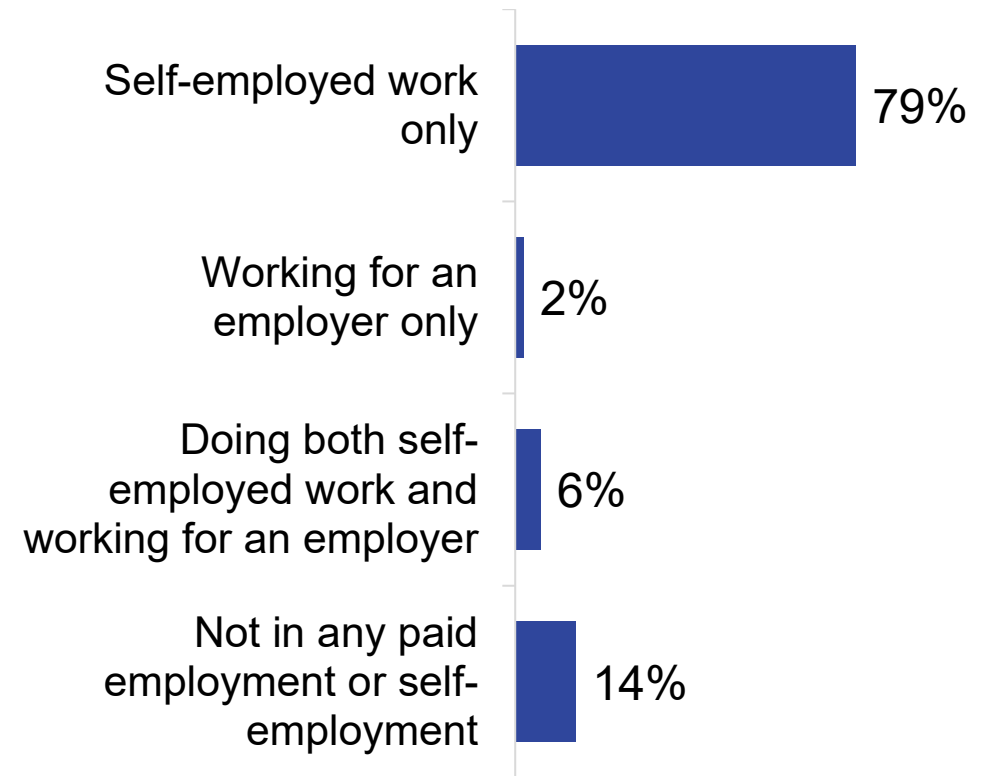
# The main source of earning money for both **existing** and **new** claimants is through their self-employed work.

Which, if any, of the following are you **currently** doing to earn money?

## Existing claimants



## New claimants

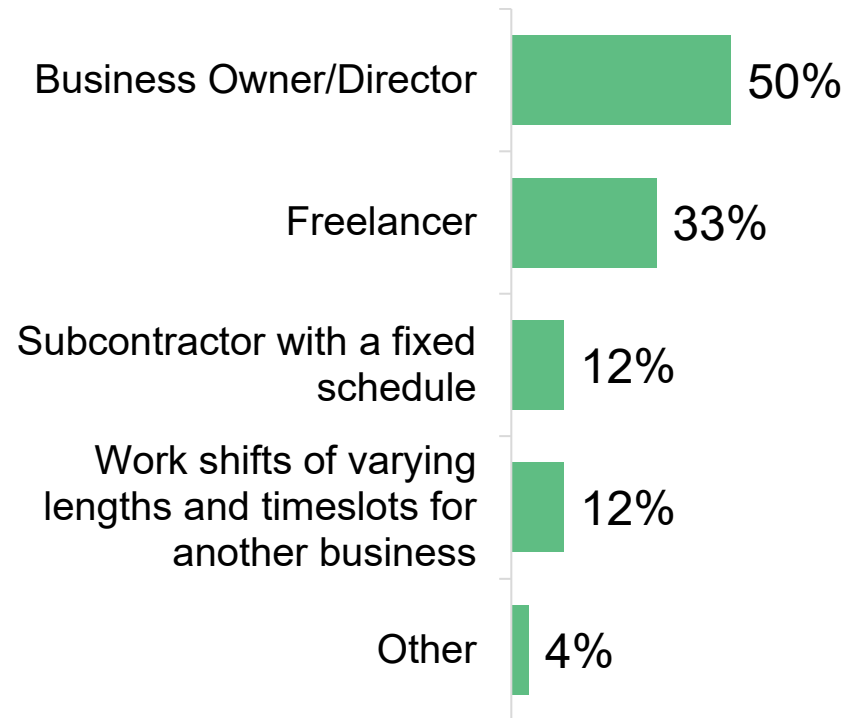


Base: All existing claimants (5,159), all new claimants (5,062).

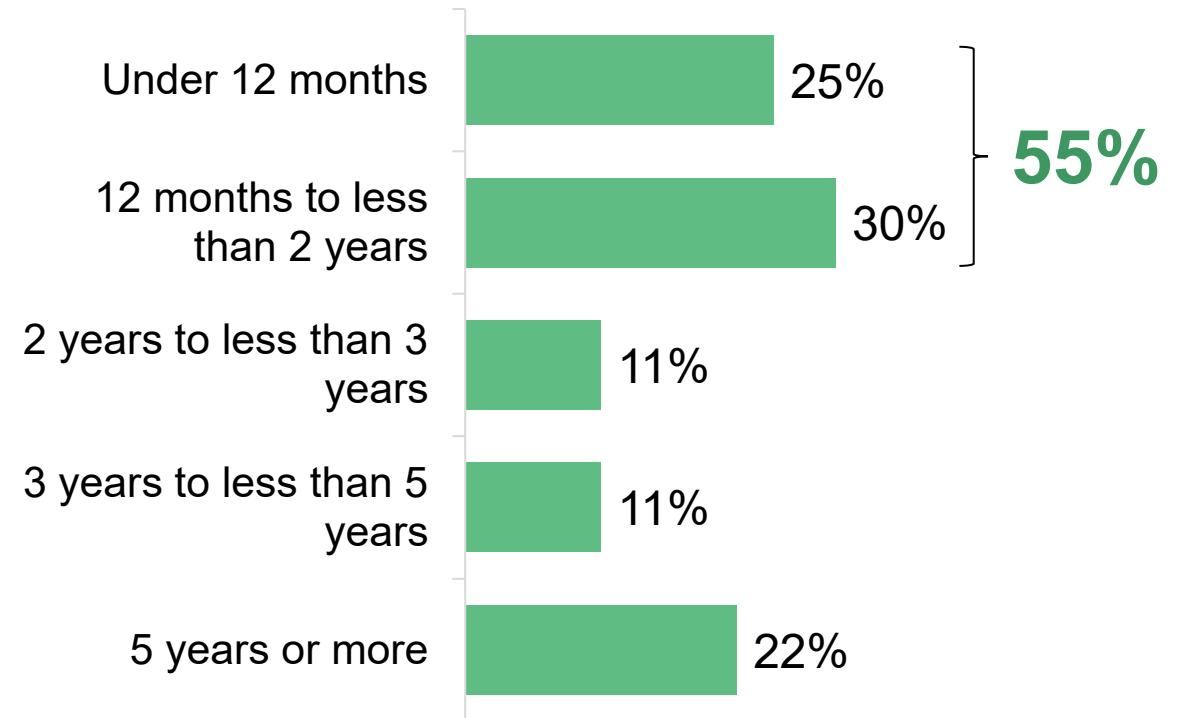


# Half of **existing claimants** are business owners or directors, and the majority are relatively new to self-employment (less than 2 years).

Which of the following describe any self-employed work you do?



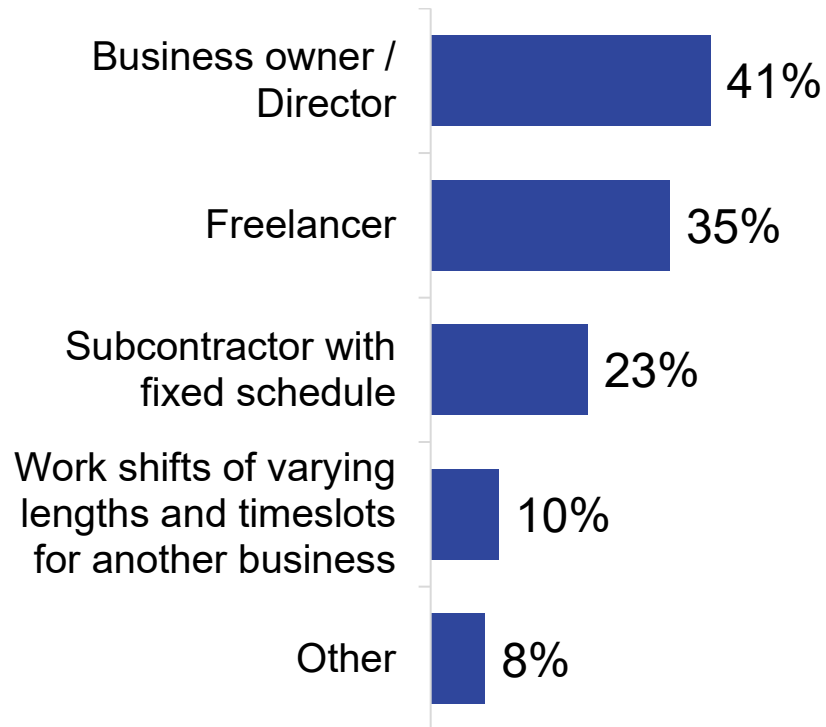
How long have you been self-employed in your current line of work?



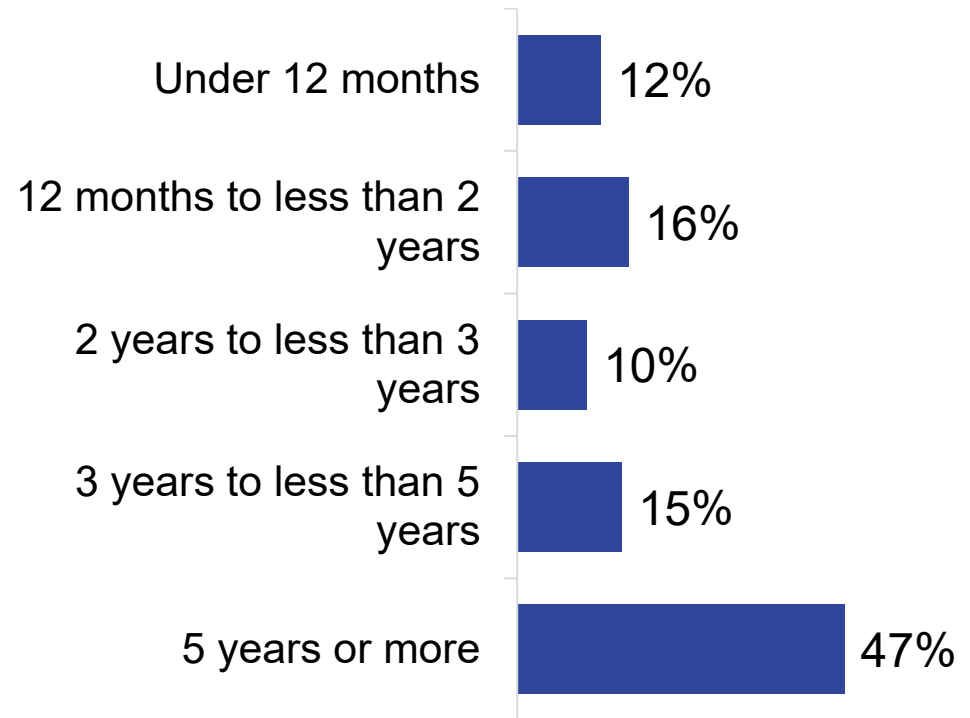
Base: All existing claimants, excluding not started SE work (5,138).

# New claimants are mainly business owners / directors or freelancers, and nearly half have been self-employed for 5+ years.

Which of the following describe any self-employed work you do?



How long have you been self-employed in your current line of work?

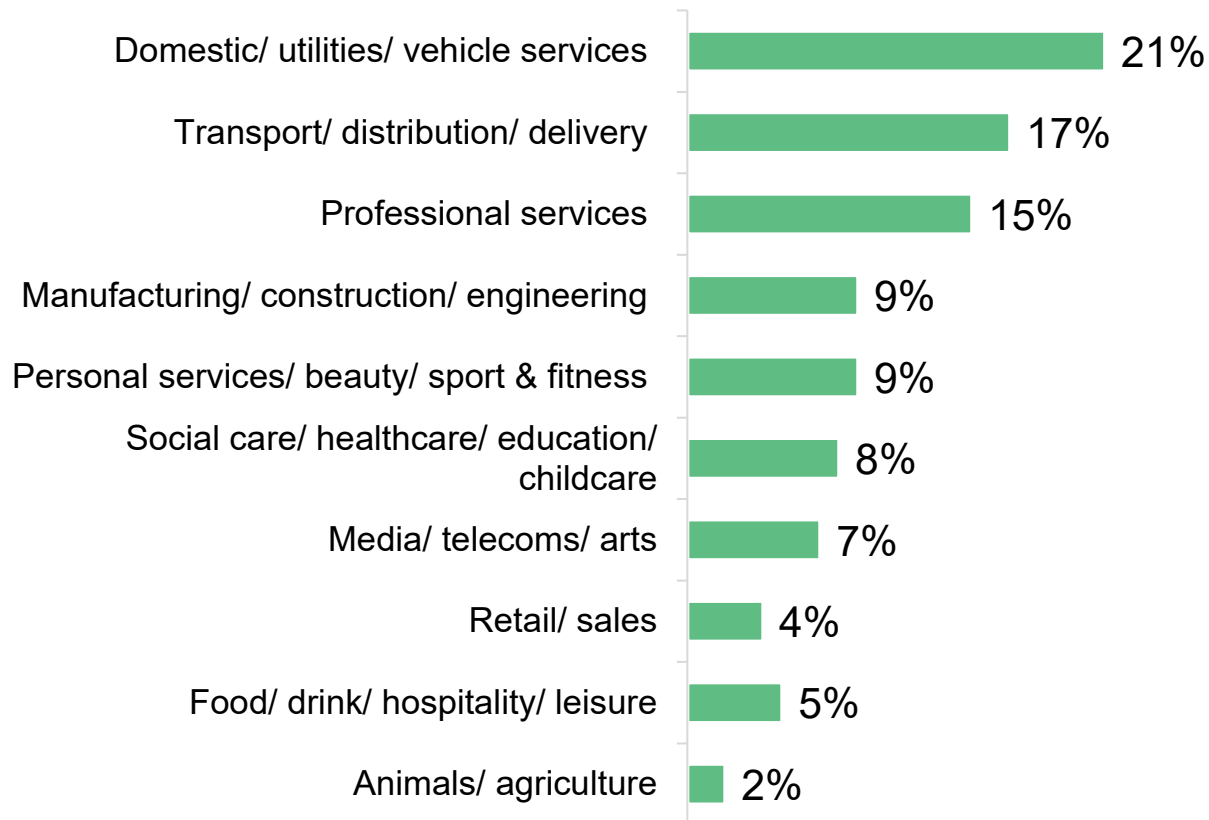


Base: All new claimants, excluding not started SE work (5,044).

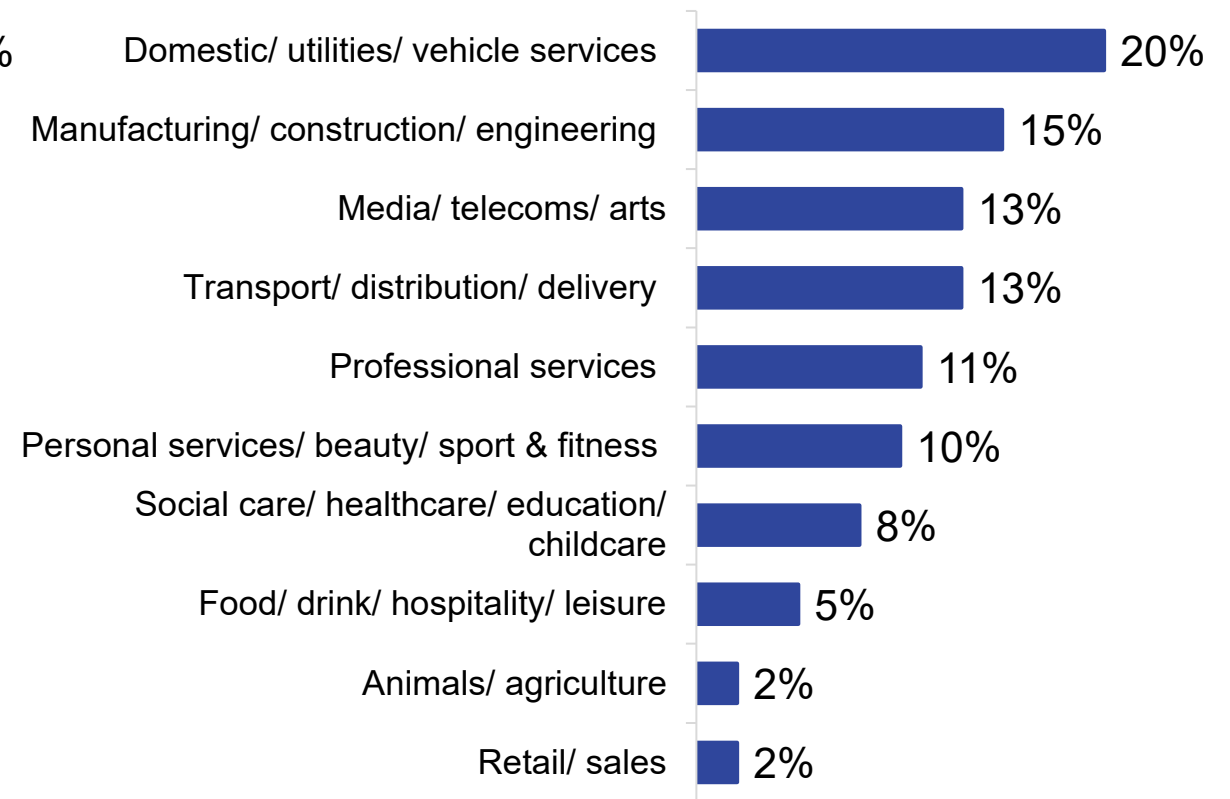
# A fifth of **existing** and **new** claimants are self-employed in domestic, utilities, and vehicle services.

What is your main self-employed work? / What was your main self-employed work, when you were last self-employed?

## Existing claimants



## New claimants



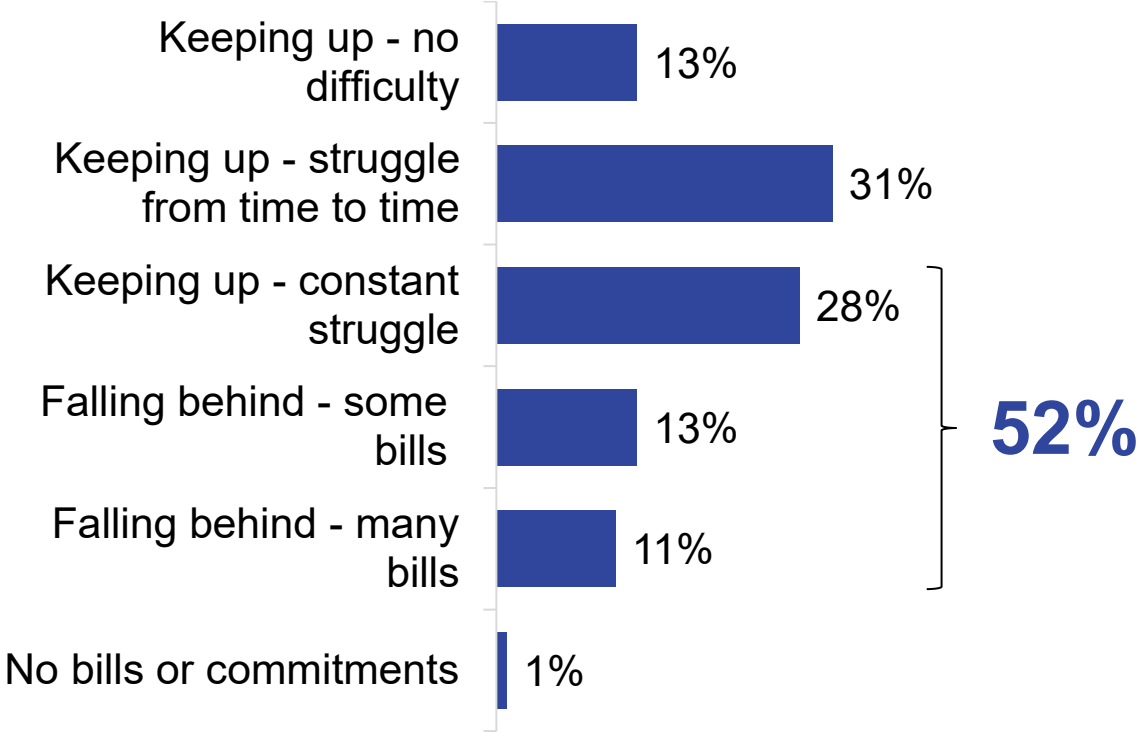
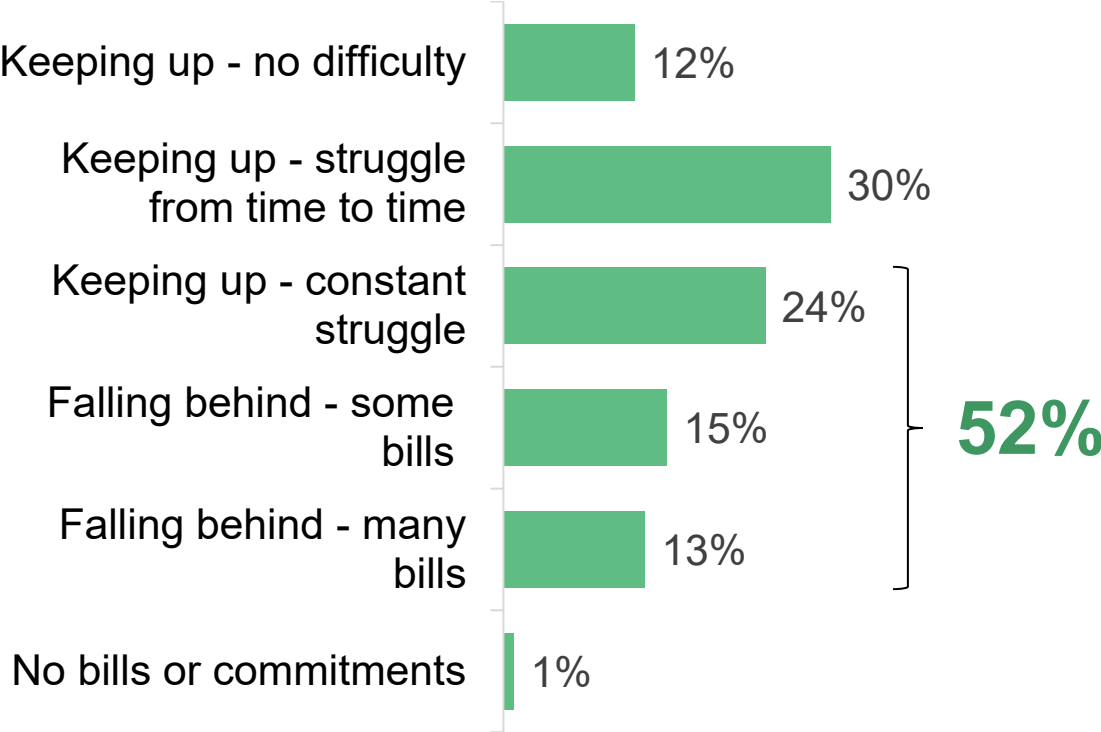
Base: All existing claimants, excluding not started SE work (5,138); all new claimants, excluding not started SE work (5,044).

# Over the last two months, around half of **existing** and **new** claimants have been experiencing a form of financial difficulty.

Thinking about the **last two months**, which one of the following statements best describes how well you have been keeping up with your bills and credit commitments? This is both within and outside your job.

## Existing claimants

## New claimants



Base: All existing claimants (5,159); all new claimants (5,062).

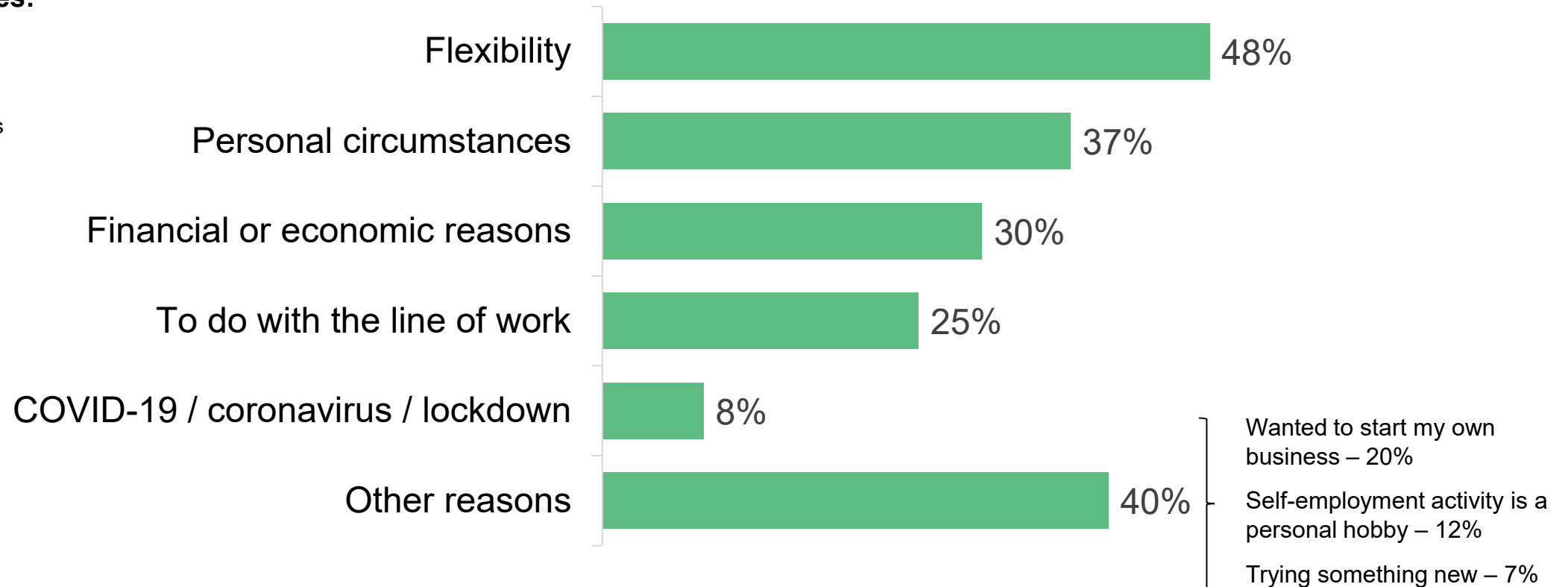
# 3. Motivations & attitudes to self-employed work

# For existing claimants, the most common motivation for self-employed work is flexibility.

What motivated you to take up this self-employed work, rather than doing a different self-employed activity or increasing your employed work? / What motivated you to take up this self-employed work, rather than doing a different activity or working for an employer?

## Top NET values:

Net values:  
percentage values  
for each response  
are summed to  
broader categories



Base: All existing claimants, excluding not started SE work (5,138).

Totals may not sum due to rounding.

# Breakdown of reasons for existing claimants.



*Base: All existing claimants, excluding not started SE work (5,138).*

# Subgroups of **existing claimants** most likely to be motivated by flexibility.

Some groups are more likely to be motivated by flexibility:

**53%**

of female claimants.

**53%**

of 25 – 34-year-olds.

**50%**

of those with children.

**52%**

of those with a mental health condition.



**55%** of those working in transport / distribution / delivery.



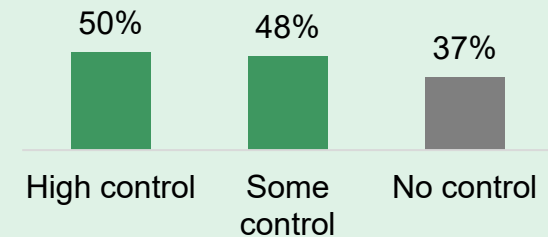
**53%** of those in personal services / beauty / sport & fitness.

**54%**

of those who work shifts for another business.

**53%** of freelancers.

Those with more control over their work.



Base: All existing claimants, excluding not started SE work (5,138).



# Subgroups of **existing claimants** most likely to be motivated by personal circumstances.

Some groups are more likely to be motivated by personal circumstances:

**52%** of female claimants.

**40%** of those with children.

**40%** of 35 – 44 year olds.

**52%** of those with a physical health problem or disability.

**55%** of those with a mental health condition.



**49%** of those working in animals / agriculture.



**45%** of those in personal services / beauty / sport & fitness.

**41%** of business owners / directors.

**41%** of freelancers.

**40%** of those with high control over their work.

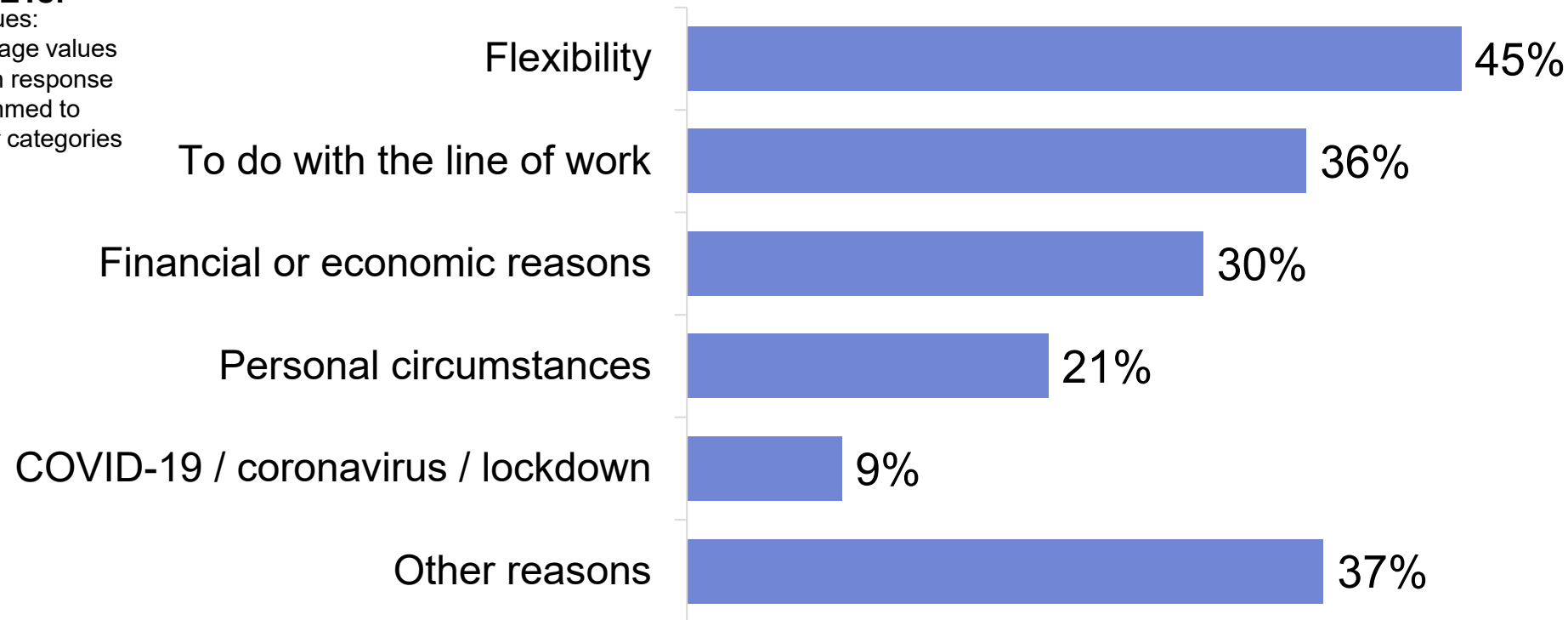
*Base: All existing claimants, excluding not started SE work (5,138).*

# For new claimants, the most common motivation for self-employed work is flexibility.

What motivated you to take up this self-employed work, rather than doing a different self-employed activity or increasing your employed work? / What motivated you to take up this self-employed work, rather than doing a different activity or working for an employer?

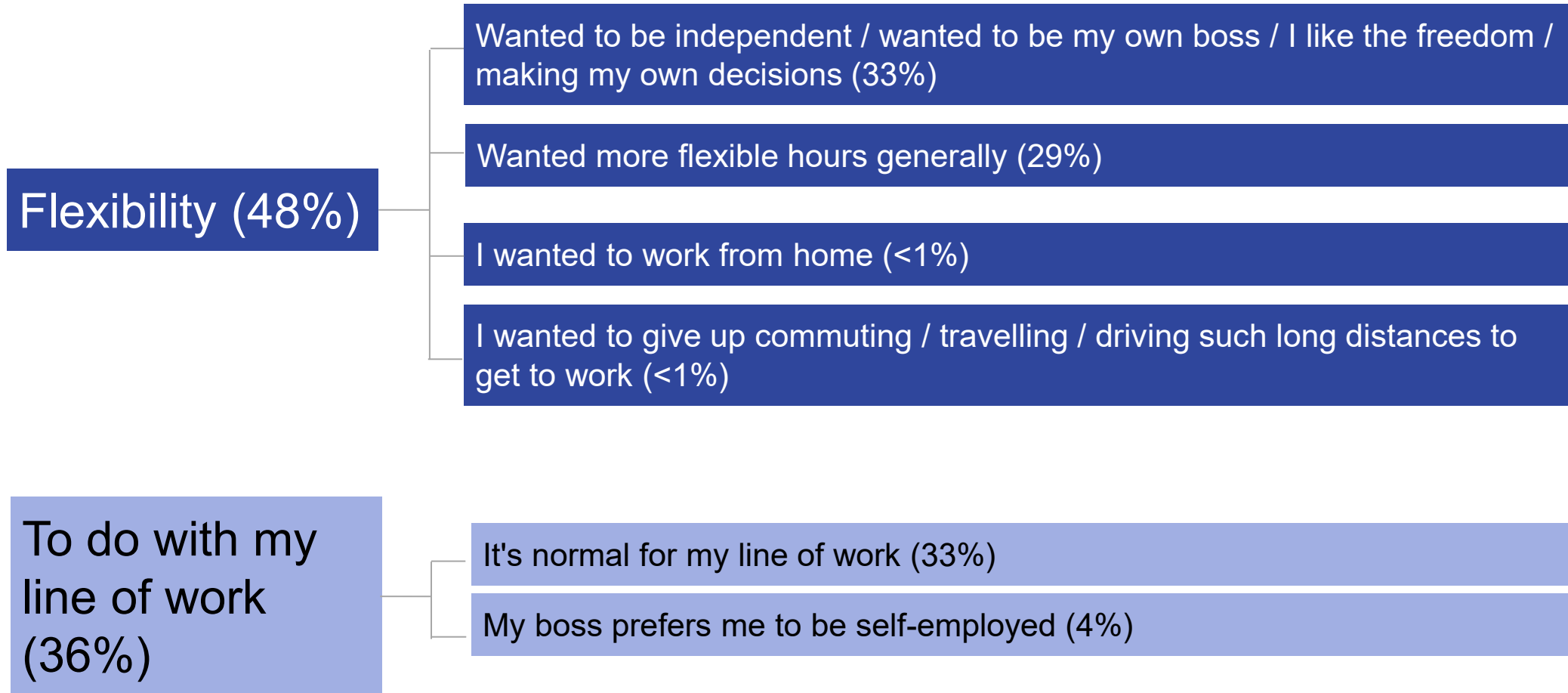
## Top NETs:

Net values:  
percentage values  
for each response  
are summed to  
broader categories



Base: All new claimants, excluding not started SE work (5,044).

# Breakdown of reasons for new claimants.



*Base: All new claimants, excluding not started SE work (5,044).*

# Subgroups of new claimants most likely to be motivated by flexibility.

Some groups are more likely to be motivated by flexibility:

**49%**

of 25 – 34 year olds.

**47%**

of female claimants.

Those with more control over their work:

48%



High control

45%



Some control

28%



No control



**57%** of those working in transport / distribution / delivery.



**52%** of those in professional services.



**52%** of those in personal services / beauty / sport & fitness.

**53%**

of those who work for another business.

**51%** of freelancers.

**47%** of business owners / directors.

Base: All new claimants, excluding not started SE work (5,044).

# Subgroups of new claimants most likely to be motivated due to their line of work.

Some groups are more likely to be motivated by their line of work:

**50%**  
of 17 – 24-year-olds.

**39%**  
with no children.



**64%** of those in  
media, telecoms, arts.



**43%** of those in  
Personal services /  
beauty / sport & fitness.



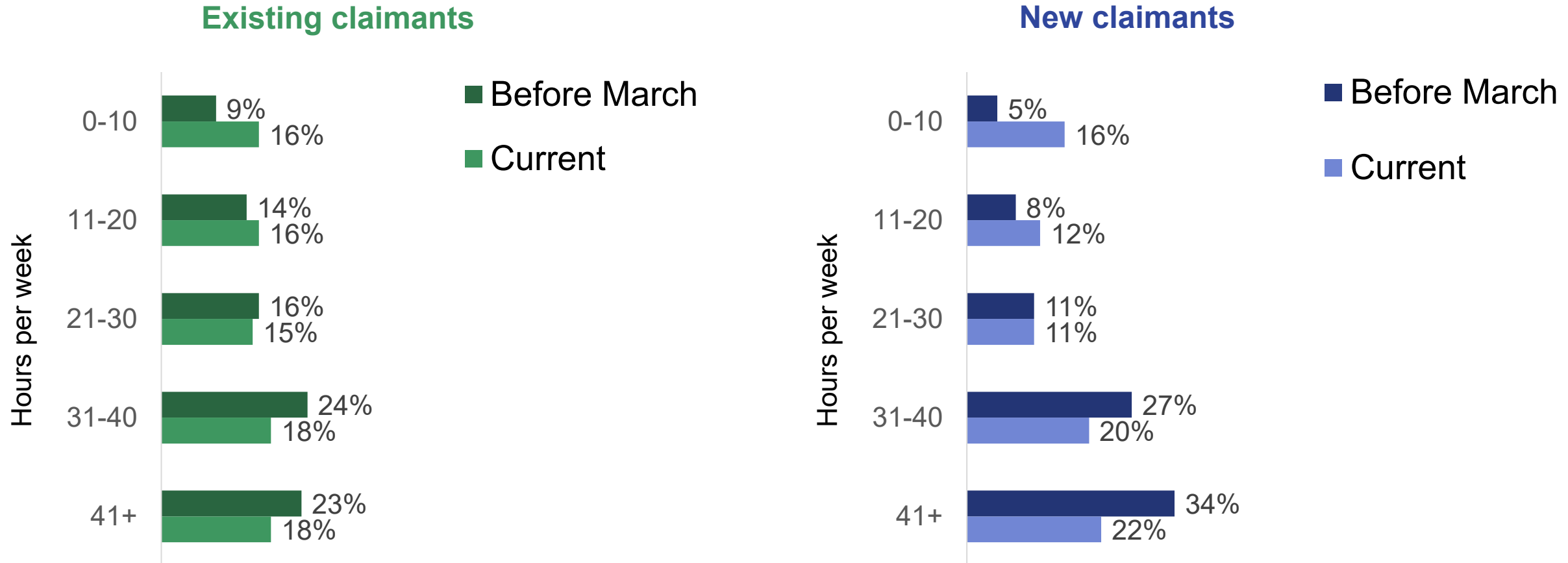
**41%** pre-tax profits  
before lockdown  
£1000+.

**44%**  
of freelancers.

**43%**  
of subcontractors.

*Base: All new claimants, excluding not started SE work (5,044).*

# Lockdown has impacted the number of hours spent on self-employed work per week for both **existing** and **new claimants**.

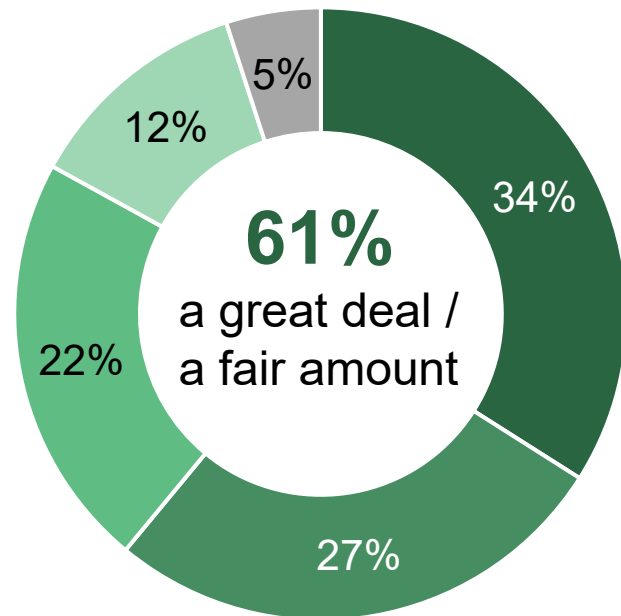


*Base: All existing claimants, excluding not started SE work (5,138); all new claimants, excluding not started SE work (5,044).*

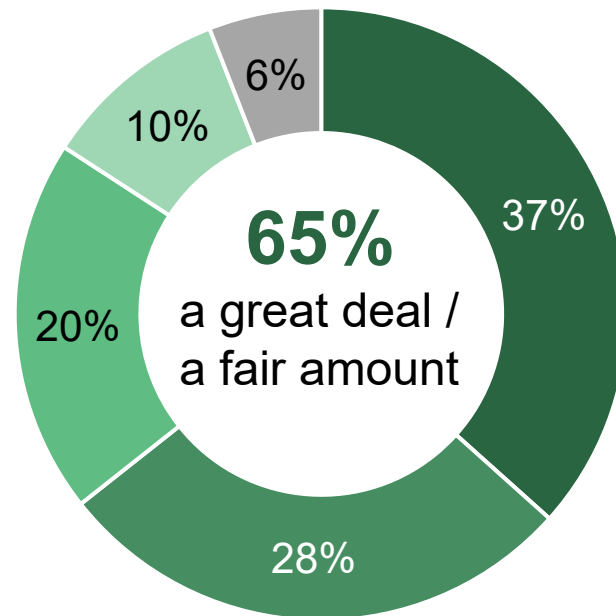
# The majority of **existing claimants** have at least a fair amount of control over their self-employed work.

Currently, how much control do you have over the following in your self-employed work? / When you were most recently self-employed, how much control did you have over the following?

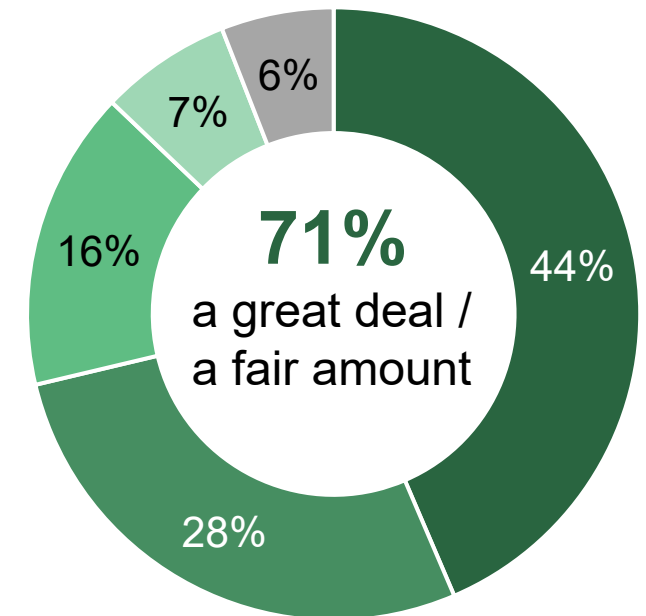
The **number of hours** you work each week



When you undertake your work each week (i.e. the times of day or days of the week)



The **way you work** (e.g. how you can complete tasks or the order you complete them in)



■ A great deal ■ A fair amount ■ A little ■ None at all ■ Don't know

Base: All existing claimants, excluding not started SE work (5,138).  
Totals may not sum due to rounding.

# Subgroups of **existing claimants** most likely to have different levels of control over their work.

## High control (*n* = 1,231)

- Directors (32%) and freelancers (22%)
- SE under 12 months or 1-2 years (both 26%)
- Animals / agriculture (39%), retail / sales (38%)
- Female (27%)

## Some control (*n* = 3,634)

- Those working for another business (86%) and subcontractors (82%)
- Transport / distribution / delivery (82%), social care / healthcare / education / childcare (75%), domestic / vehicle services / utilities (73%)
- SE 2-4 years (77%) and 5+ years (73%)

## No control (*n* = 165)

- Subcontractors (6%)

Three statements: 1. The number of hours you work each week 2. When you undertake your work each week (i.e. the times of day or days of the week) 3. The way you work (e.g. how you can complete tasks or the order you complete them in). **High control** ('a great deal' to all three statements); **No control** ('none at all' to all three statements); **Some control** (different responses across the three statements).

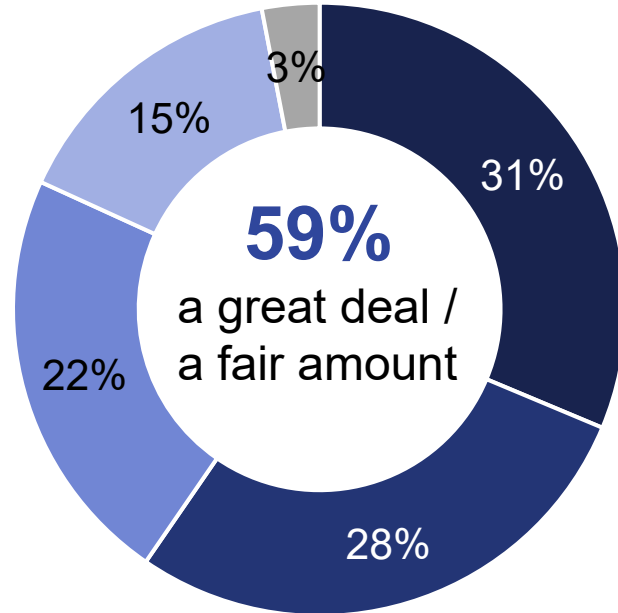
*Base: All existing claimants, excluding not started SE work (5,138).*



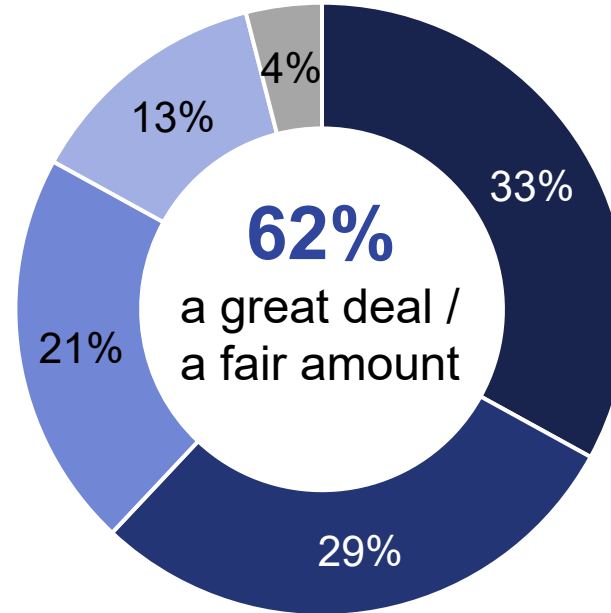
# The majority of new claimants have at least a fair amount of control over their self-employed work.

Currently, how much control do you have over the following in your self-employed work? / When you were most recently self-employed, how much control did you have over the following?

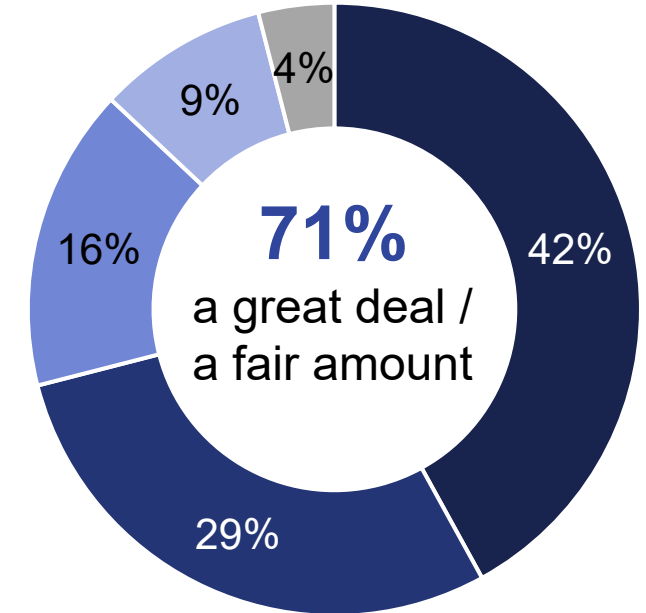
The number of hours you work each week



When you undertake your work each week (i.e. the times of day or days of the week)



The way you work (e.g. how you can complete tasks or the order you complete them in)



■ A great deal ■ A fair amount ■ A little ■ None at all ■ Don't know

Base: All new claimants, excluding not started SE work (5,044).

Totals may not sum due to rounding.

# Subgroups of new claimants most likely to have different levels of control over their work.

## High control ( $n = 1,129$ )

- Directors (30%)
- SE 5+ years (23%)
- Retail / sales (31%), professional services (30%), personal services / beauty / sport & fitness (30%)
- Female (26%)

## Some control ( $n = 3,610$ )

- Those working for another business (81%) and subcontractors (80%)
- London (78%)
- Transport / distribution / delivery (77%), media / telecoms / arts (76%), manufacturing / construction / engineering (75%), domestic / vehicle services / utilities (75%)

## No control ( $n = 244$ )

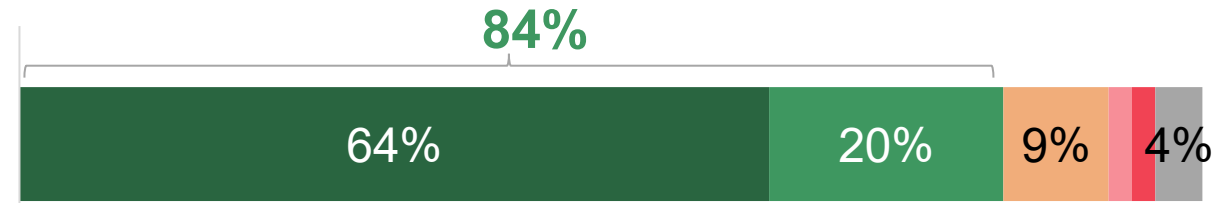
- Media / telecoms / arts (8%)
- Subcontractors (8%)

Three statements: 1. The number of hours you work each week 2. When you undertake your work each week (i.e. the times of day or days of the week) 3. The way you work (e.g. how you can complete tasks or the order you complete them in). **High control** ('a great deal' to all three statements); **No control** ('none at all' to all three statements); **Some control** (different responses across the three statements).

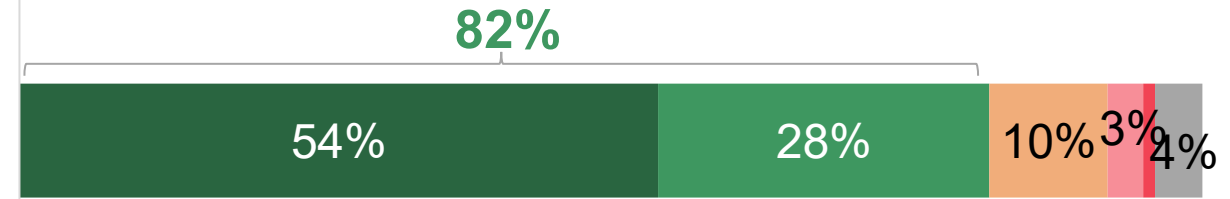
Base: All new claimants, excluding not started SE work (5,044).

# Existing claimants are mainly passionate and confident about their self-employed work.

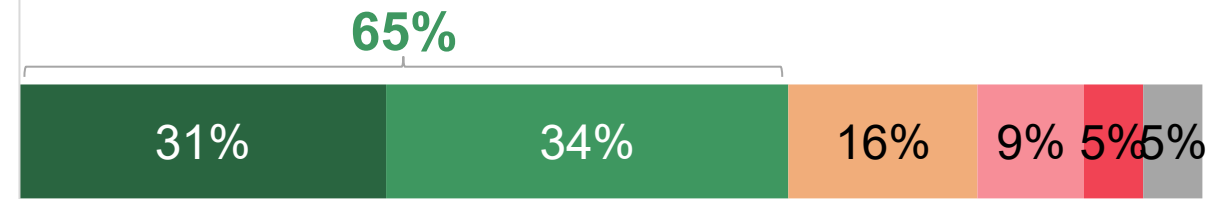
My self-employment activity is something I'm passionate about



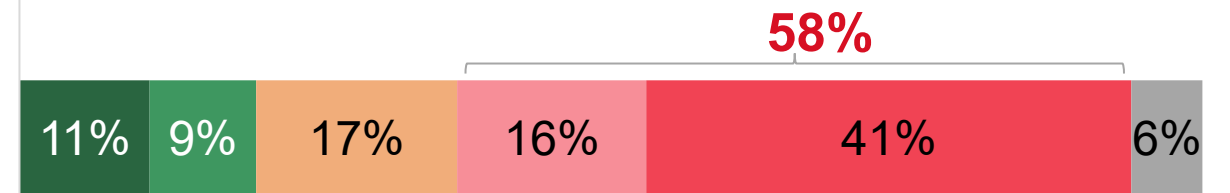
I'm confident in my ability to make a success of my self-employment



I feel confident dealing with finances in general



If I had the opportunity, I would rather work for an employer than be self-employed



■ Strongly agree
■ Tend to agree
■ Neither agree nor disagree
■ Tend to disagree
■ Strongly disagree
■ Don't know

Percentages shown if 3% or more.

Base: Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670).

Totals may not sum due to rounding.

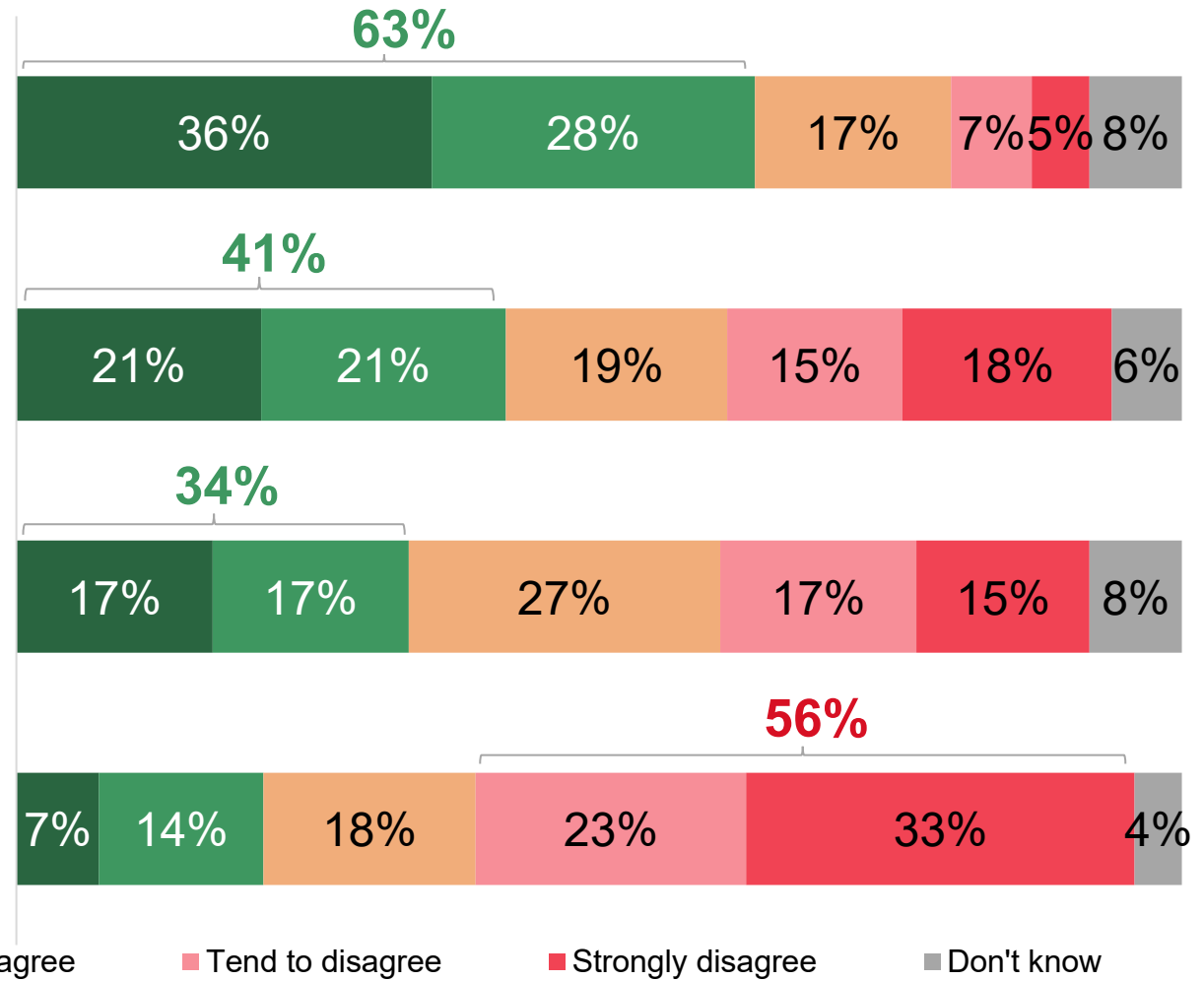
# More than half of **existing claimants** are not comfortable with their financial situation at the moment.

I'm willing to completely rethink my business plan if that helps to increase my earnings from self-employment

Even if I wanted to do something different, I feel unable to change my current self-employment

I have wider life goals that are more important than my self-employment activity at the moment

I'm comfortable with my financial situation at the moment



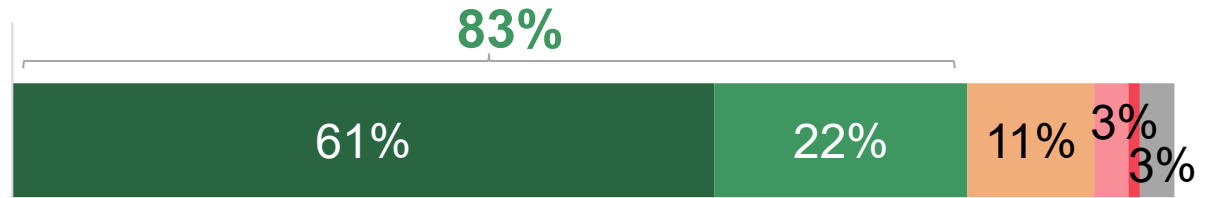
Percentages shown if 3% or more.

Base: Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670).

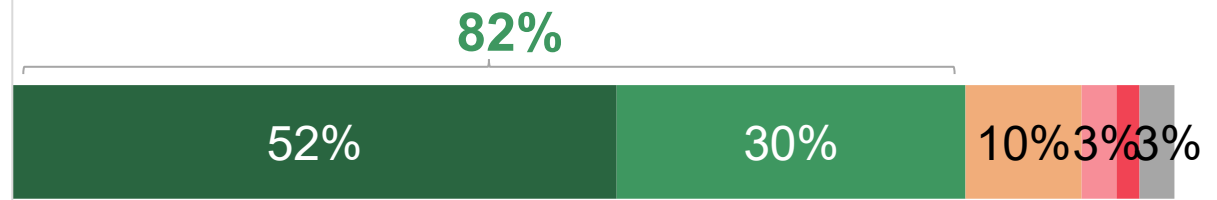
Totals may not sum due to rounding.

# New claimants are also passionate and confident about their self-employed work.

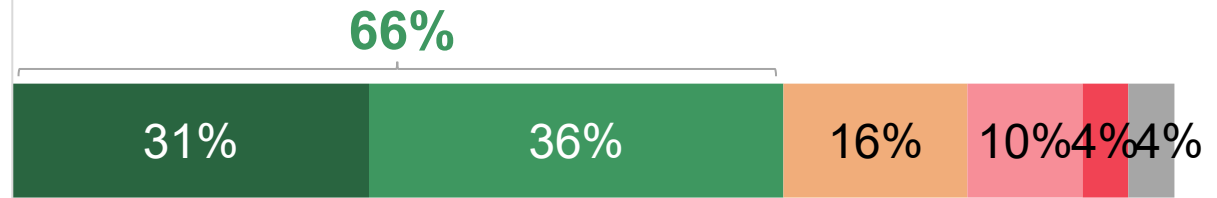
My self-employment activity is something I'm passionate about



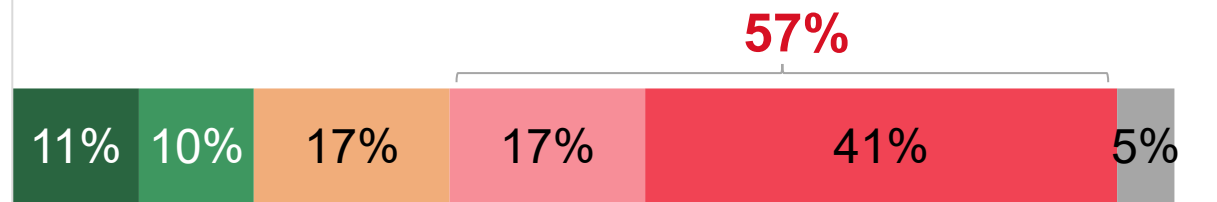
I'm confident in my ability to make a success of my self-employment



I feel confident dealing with finances in general



If I had the opportunity, I would rather work for an employer than be self-employed



■ Strongly agree
■ Tend to agree
■ Neither agree nor disagree
■ Tend to disagree
■ Strongly disagree
■ Don't know

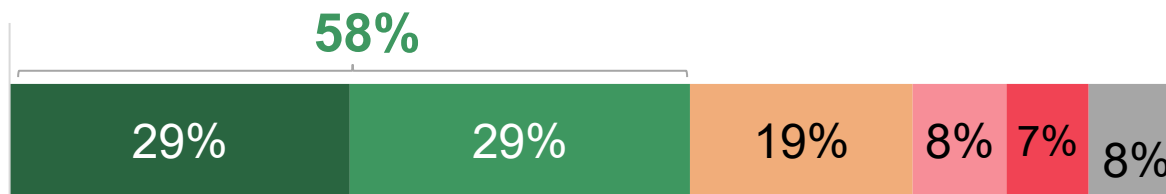
Percentages shown if 3% or more.

Base: New claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,235).

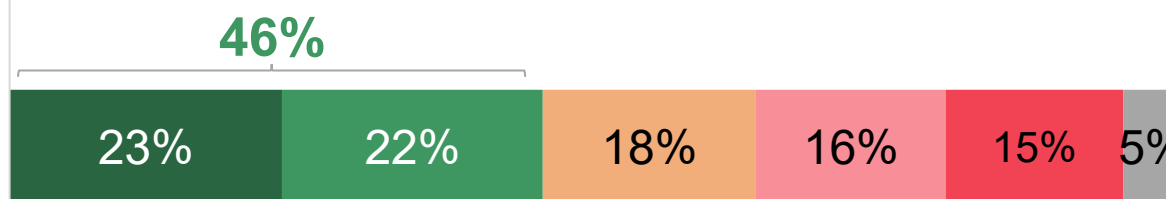
Totals may not sum due to rounding.

# More than half of new claimants are not comfortable with their financial situation at the moment.

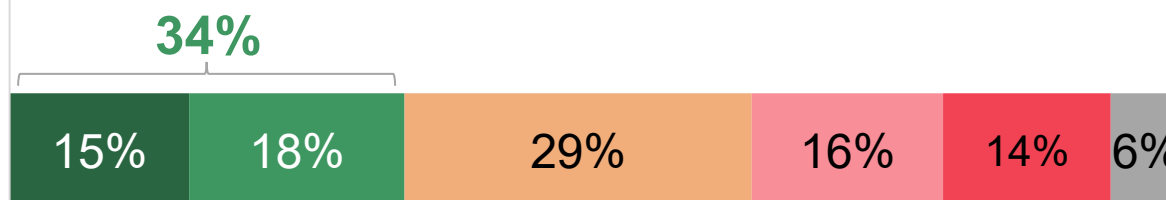
I'm willing to completely rethink my business plan if that helps to increase my earnings from self-employment



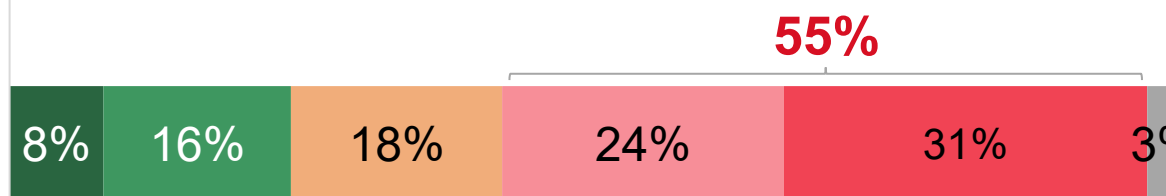
Even if I wanted to do something different, I feel unable to change my current self-employment



I have wider life goals that are more important than my self-employment activity at the moment



I'm comfortable with my financial situation at the moment



■ Strongly agree   
 ■ Tend to agree   
 ■ Neither agree nor disagree   
 ■ Tend to disagree   
 ■ Strongly disagree   
 ■ Don't know

Percentages shown if 3% or more.

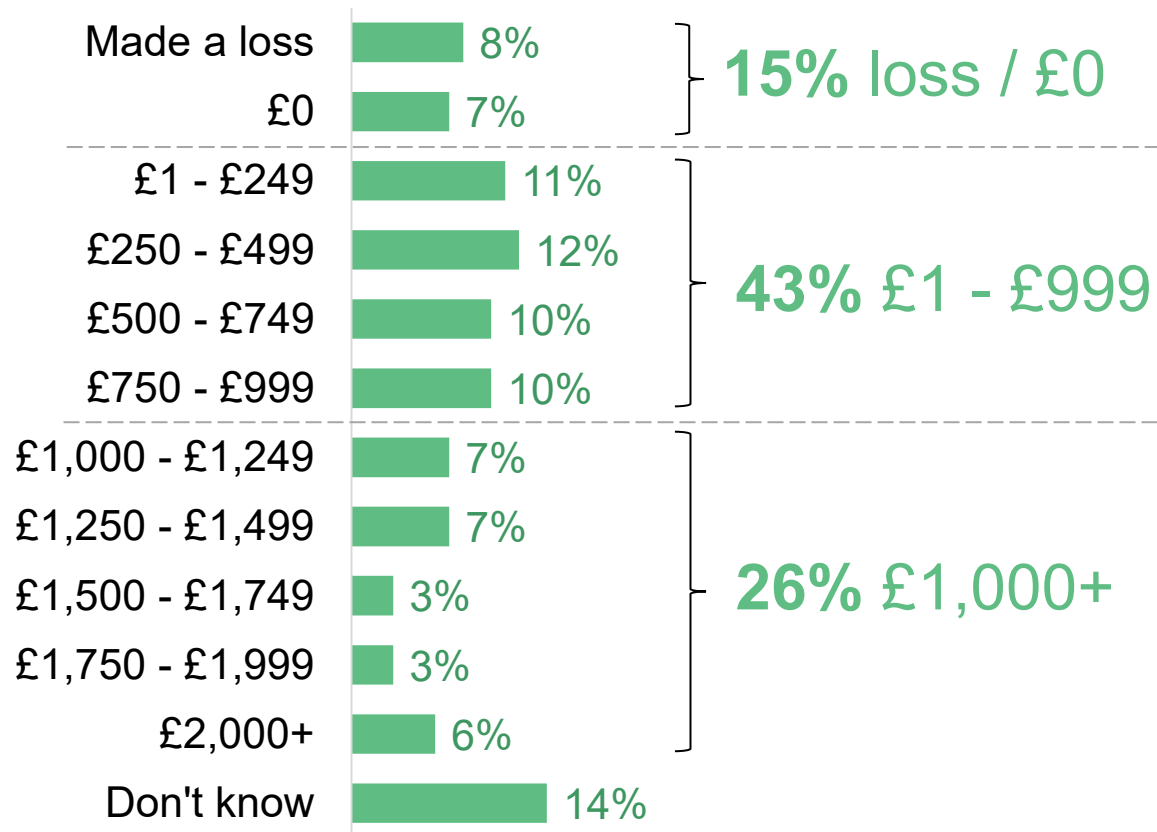
Base: New claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,235).

Totals may not sum due to rounding.

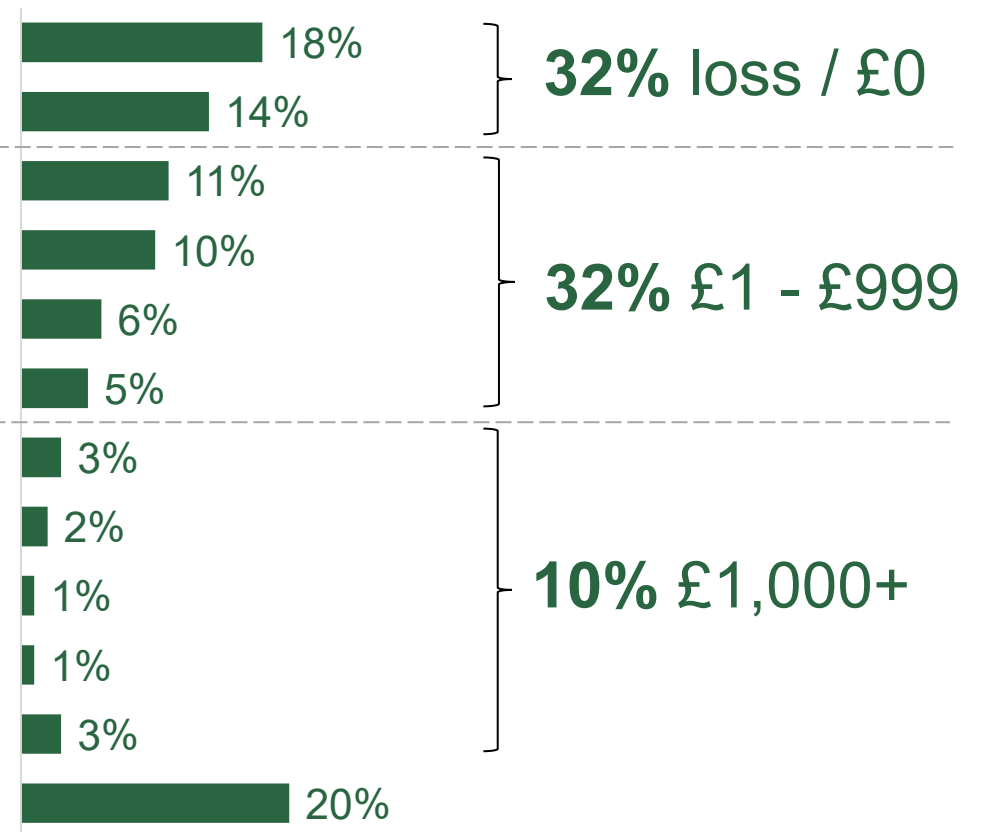
## 4. Profits from self-employed work

# In August, nearly a third of existing claimants made a loss or no profit pre-tax for their self-employed work.

## Typical monthly pre-tax profit before lockdown



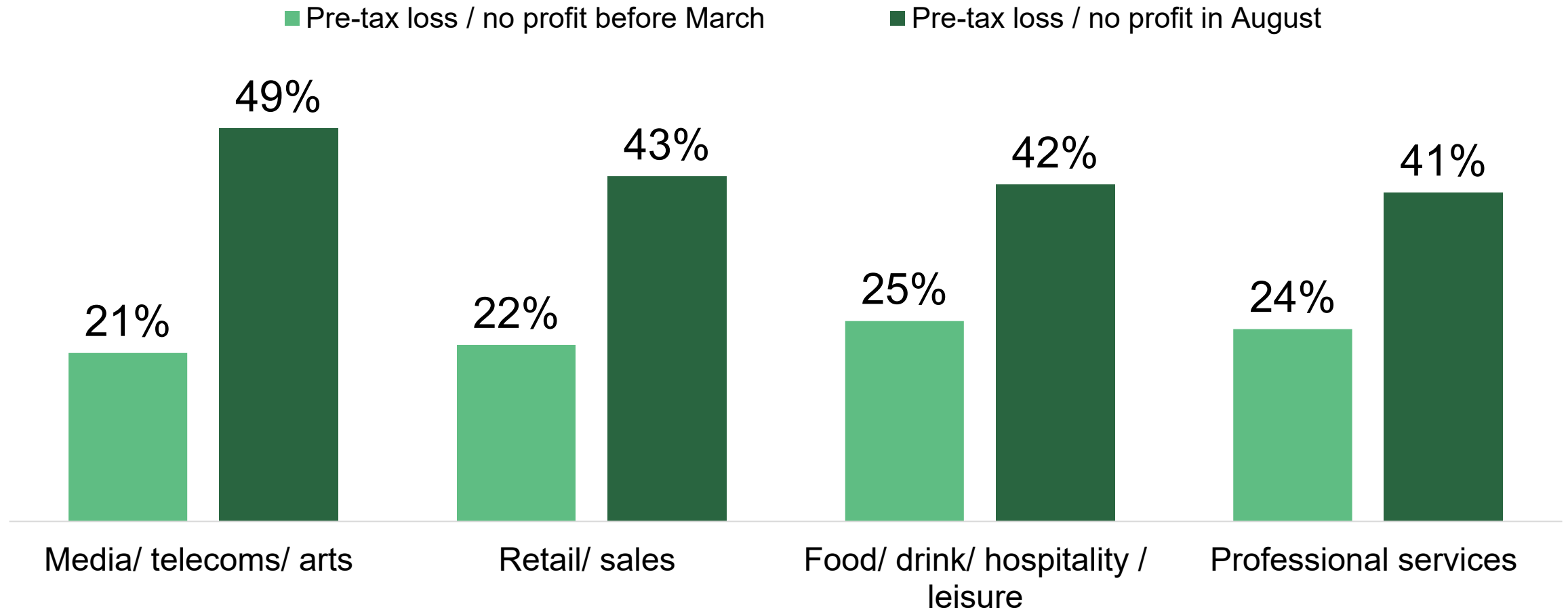
## Monthly pre-tax profit in August 2020



Base: All existing claimants, excluding not started SE work (5,138). 'Prefer not to say' and 'not self-employed before March / in August' codes not shown.



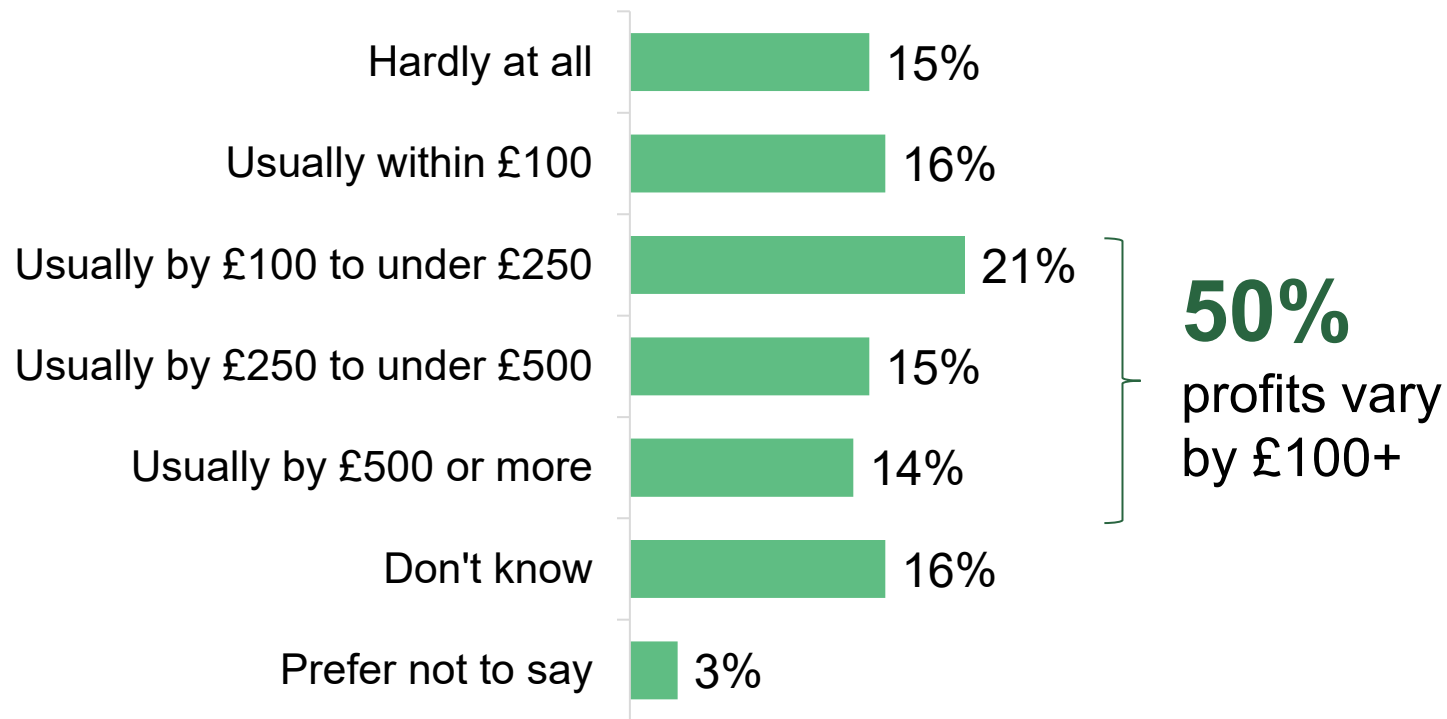
# Sectors for **existing claimants** most likely to have made a loss or no profit pre-tax for their self-employed work in August 2020.



Base: All existing claimants, excluding not started SE work (5,138).

# Half of existing claimants who typically made a profit before lockdown say their profits varied by more than £100 from month to month.

**Before the UK went into lockdown in March, how much did your profits from self-employment vary from month to month?**



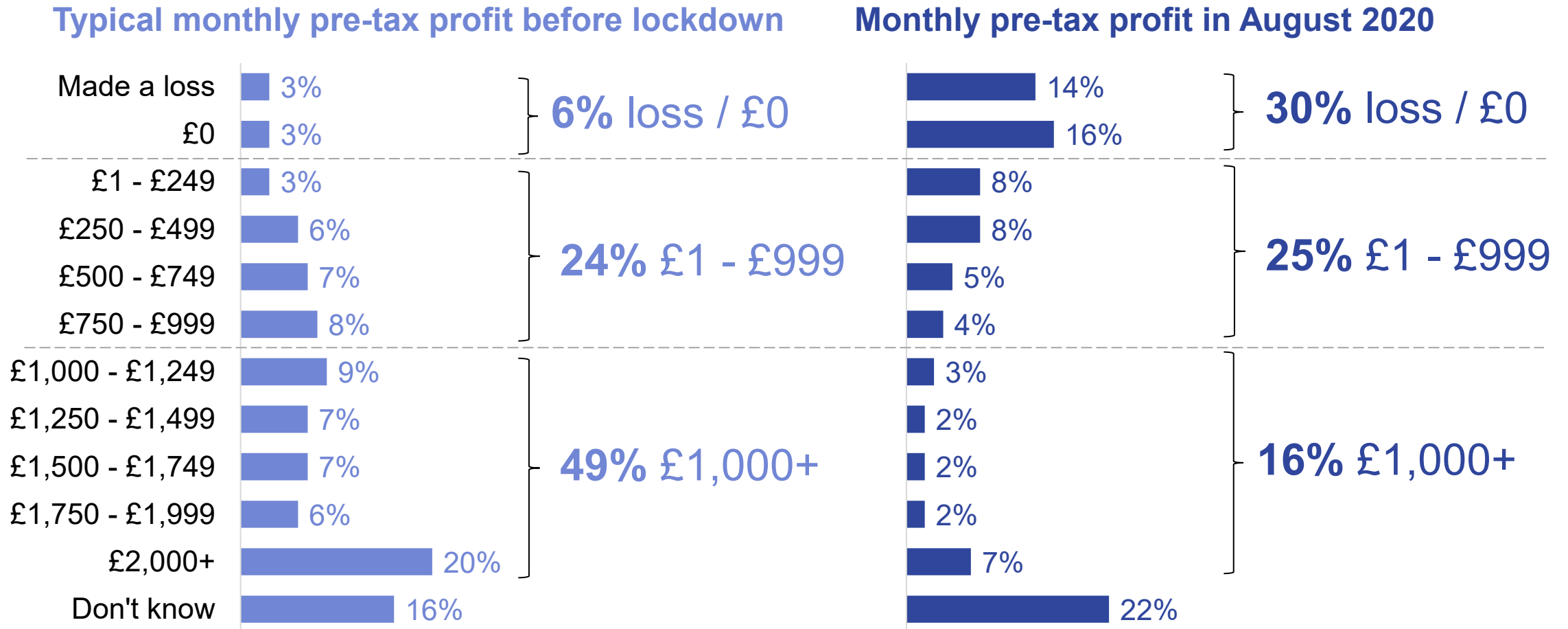
For those who say their profits vary, reasons include:

- Number of customers or clients / sales (46%)
- Number of hours worked (28%)
- Seasonal changes in demand (27%)
- Demand has slowed over time (17%)
- Investing money back into the business (11%)

Greatest variation by £250 per month in **Media, Telecom, Arts** (35%), **Professional Services** (34%), **Transport/distribution/delivery** (33%)

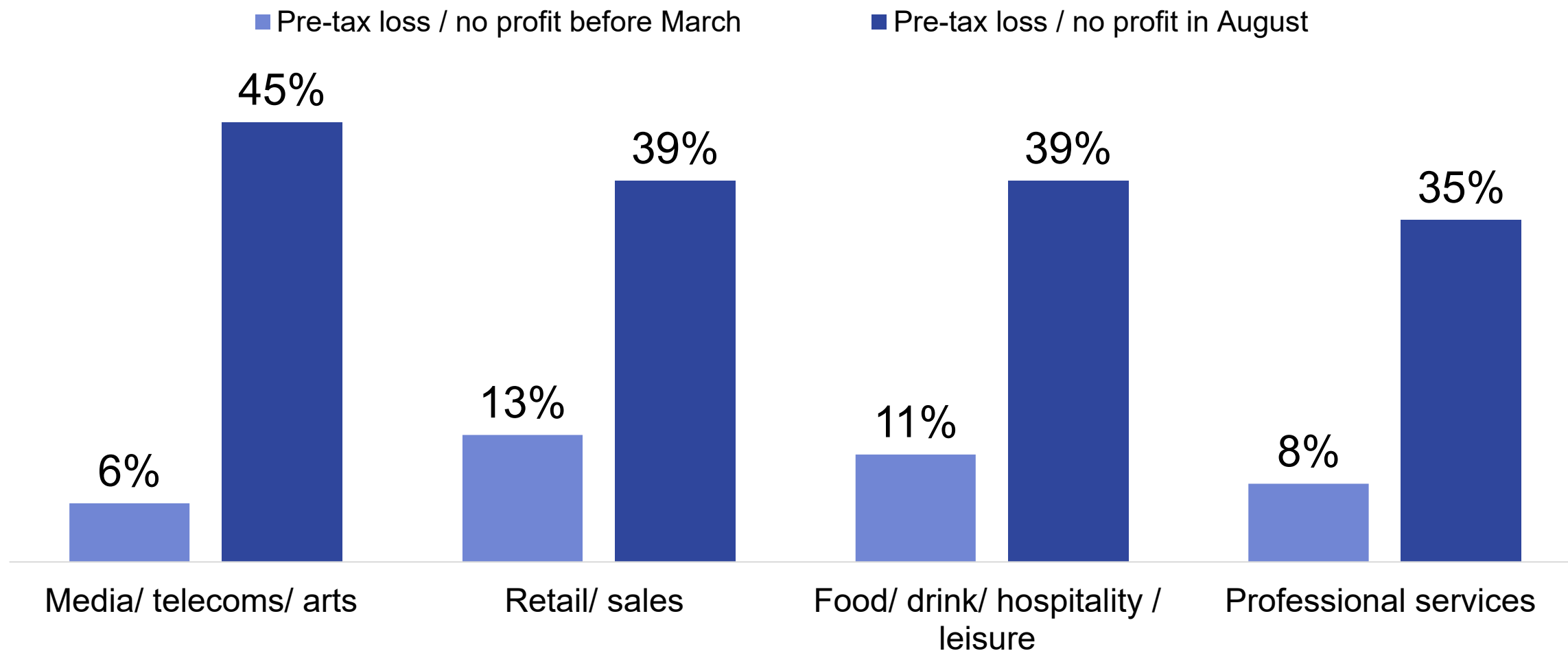
*Base: All existing claimants who were self-employed before March and typically made a monthly profit before lockdown (4,179); existing claimants who say their profits varied from month to month before lockdown (2,776).*

# Pre-tax profit among new claimants dropped significantly between before lockdown and August.



Base: All new claimants, excluding those who haven't started SE work (5,044). 'Prefer not to say' and 'not self-employed before March / in August' codes not shown.

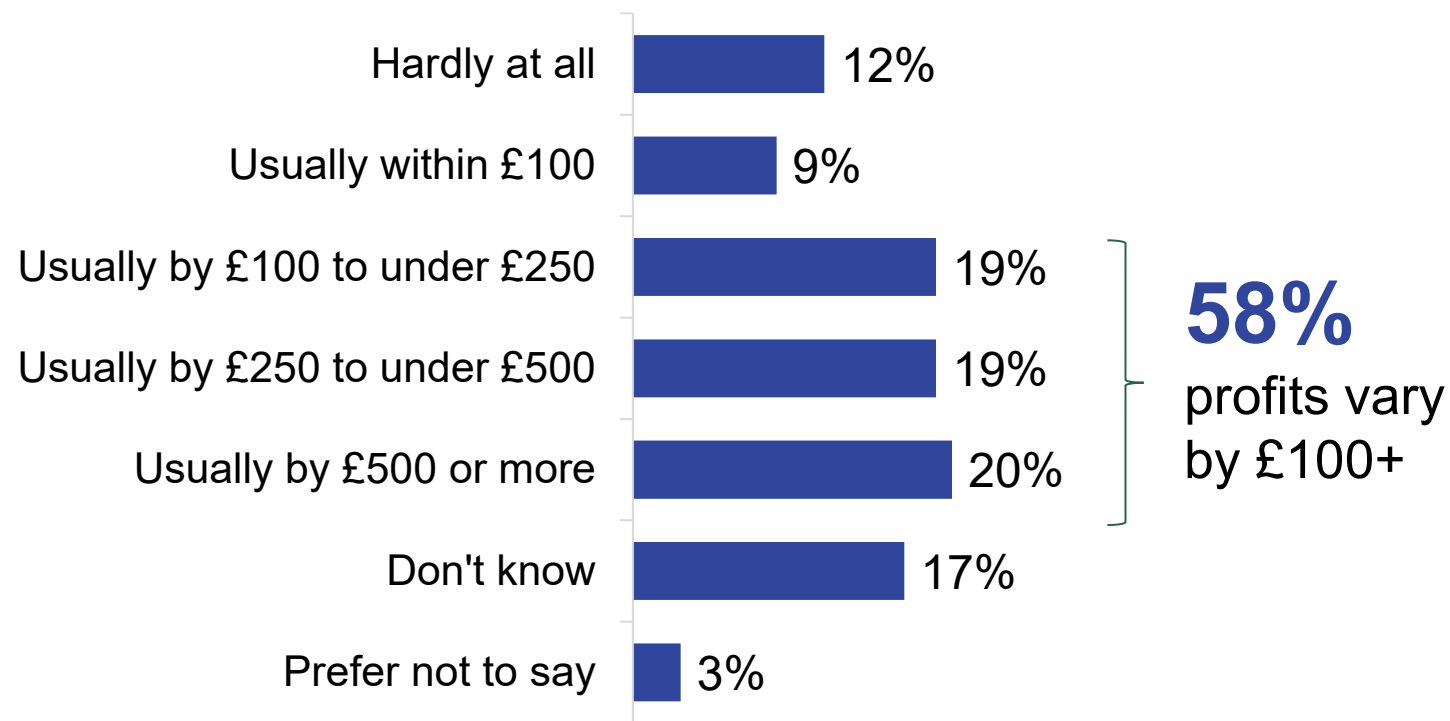
# Sectors for new claimants most likely to have made a loss or no profit pre-tax for their self-employed work in August.



Base: All new claimants, excluding those who haven't started SE work (5,044).

# Nearly three in five new claimants who typically made a profit before lockdown say their profits varied by more than £100 from month to month.

**Before the UK went into lockdown in March**, how much did your profits from self-employment vary from month to month?



For those who say their profits vary, reasons include:

- Number of customers or clients / sales (45%)
- Seasonal changes in demand (34%)
- Number of hours worked (34%)
- Demand has slowed over time (14%)
- Late payment by customers (9%)

Greatest variation by £250 per month in **Media, Telecom, Arts** (57%), **Professional Services** (49%) **Food, hospitality and drink** (46%)

*Base: All new claimants who were self-employed before March and typically made a monthly profit before lockdown (5,672); new claimants who say their profits varied from month to month before lockdown (3,156).*

# 5. Plans for the future

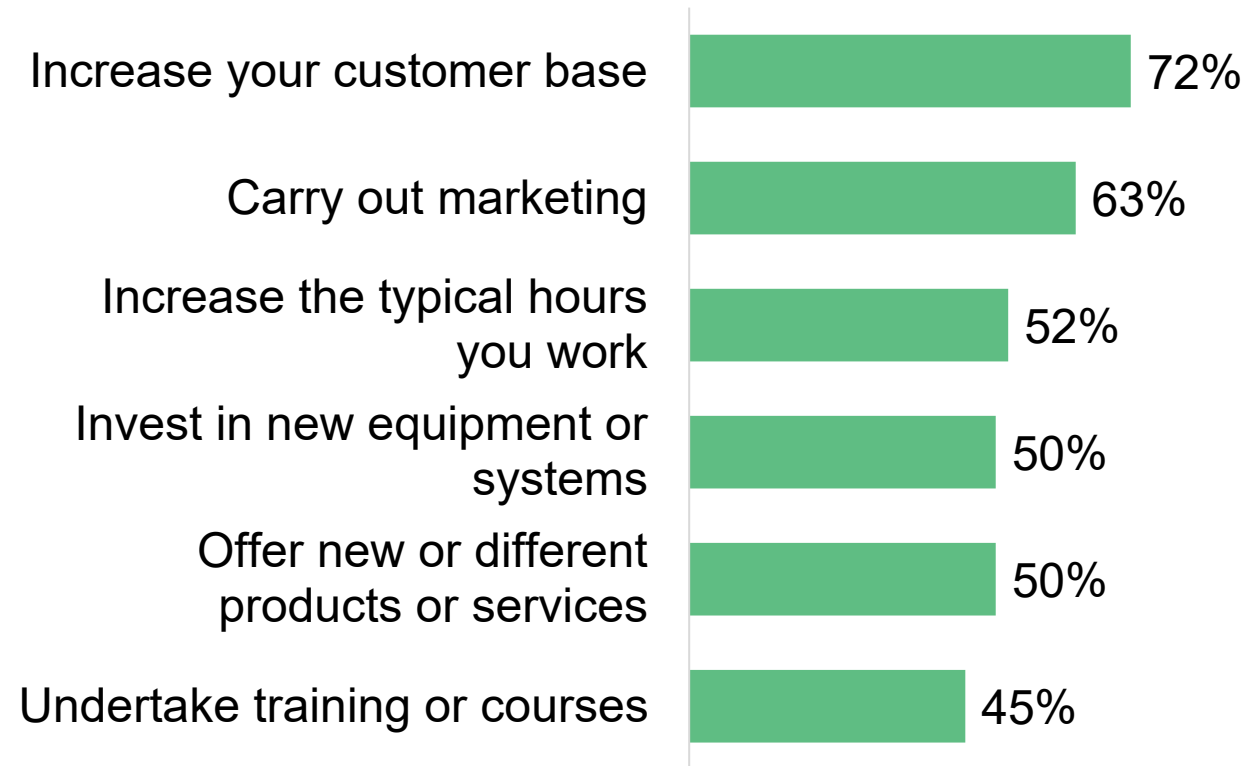
# Most existing claimants plan to stay self-employed in 6 months' time, and aim to increase their customer base, marketing, and hours.

In 6 months' time...

**84%** plan to still be doing the same self-employed work

**7%** plan to be self-employed but in a different line of work

Which of the following, if any, are you planning to do over the next 6 months? Top 6 mentions



Base: All existing claimants (5,159); Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670).

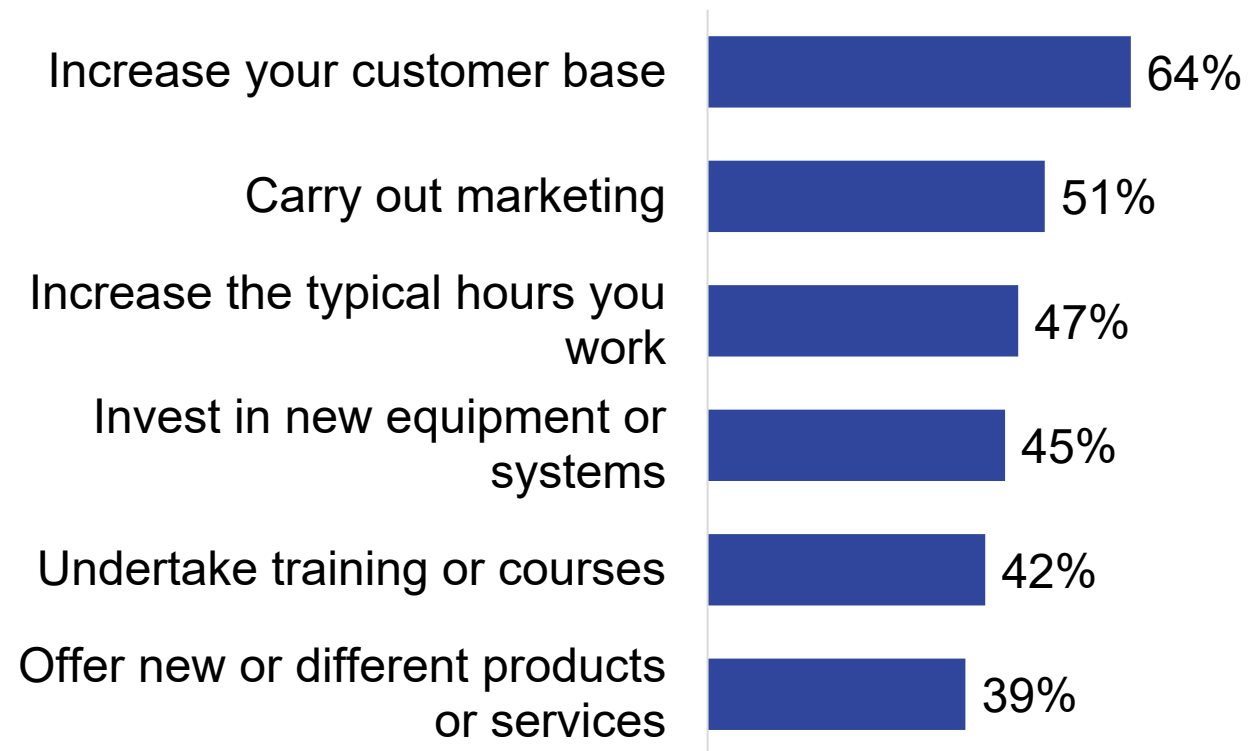
# New claimants have similar plans for the next 6 months.

In 6 months' time...

**86%** plan to still be doing the same self-employed work

**6%** plan to be self-employed but in a different line of work

Which of the following, if any, are you planning to do over the next 6 months? Top 6 mentions



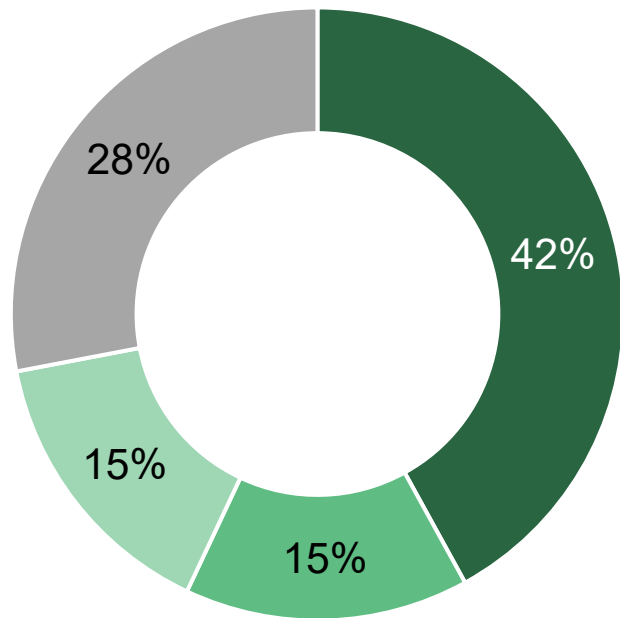
Base: All new claimants (5,062); New claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,235).



# Just over two fifths of existing claimants expect growth in profits, but more than a quarter are uncertain.

Compared to your current situation, what do you expect to happen to your typical monthly profit from self-employment in 6 months from now - that is, around February 2021?

■ Grow ■ Stay the same ■ Decline ■ Don't know

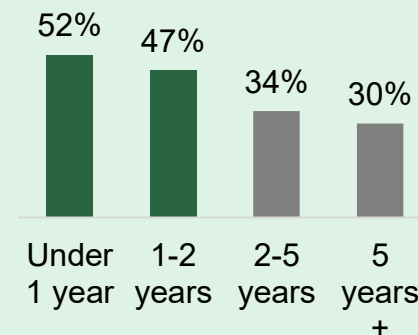


Some groups are more likely to expect growth:

**48%**  
of directors

**42%**  
of freelancers

Those new to self-employed work



**53%** of those working in media / telecoms / arts



**49%** of those working in professional services



**52%** of those with high control over work



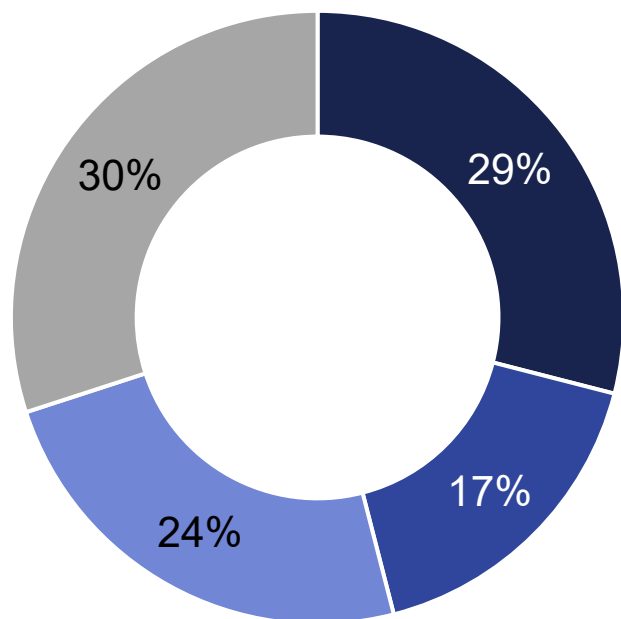
**60%** of those who made a loss / no profit just before lockdown

Base: Existing claimants who expect to be self-employed in 6 months or don't know (4,903).

# Nearly a quarter of new claimants expect profits to decline in 6 months' time, and nearly a third don't know.

Compared to your current situation, what do you expect to happen to your typical monthly profit from self-employment in 6 months from now - that is, around February 2021?

■ Grow ■ Stay the same ■ Decline ■ Don't know



Similar subgroups of new claimants are most likely to expect growth as for existing claimants:

- Directors and freelancers;
- Those new to self-employment (less than 2 years);
- Those with high control over their work;
- Those who made a loss / no profit just before lockdown;
- Those working in professional services, and those working in social care / healthcare / education / childcare.

Those most likely to expect decline in profits include:



**41%** of those working in food / drink / hospitality



**34%** Scotland  
**32%** Wales

*Base: New claimants who expect to be self-employed in 6 months or don't know (4,824).*

# For the small number of claimants planning to leave self-employment, COVID-19 and affordability are the most common reasons behind this decision.

**4%**

of both **existing** and **new** claimants plan to **work for an employer** in 6 months' time.

What are your reasons for aiming to leave self-employment within the **next 6 months?**

| COVID-19 / lockdown | Income / affordability | Market conditions | Personal circumstances |
|---------------------|------------------------|-------------------|------------------------|
| EXISTING: 54%       | EXISTING: 51%          | EXISTING: 30%     | EXISTING: 28%          |
| NEW: 59%            | NEW: 52%               | NEW: 29%          | NEW: 15%               |

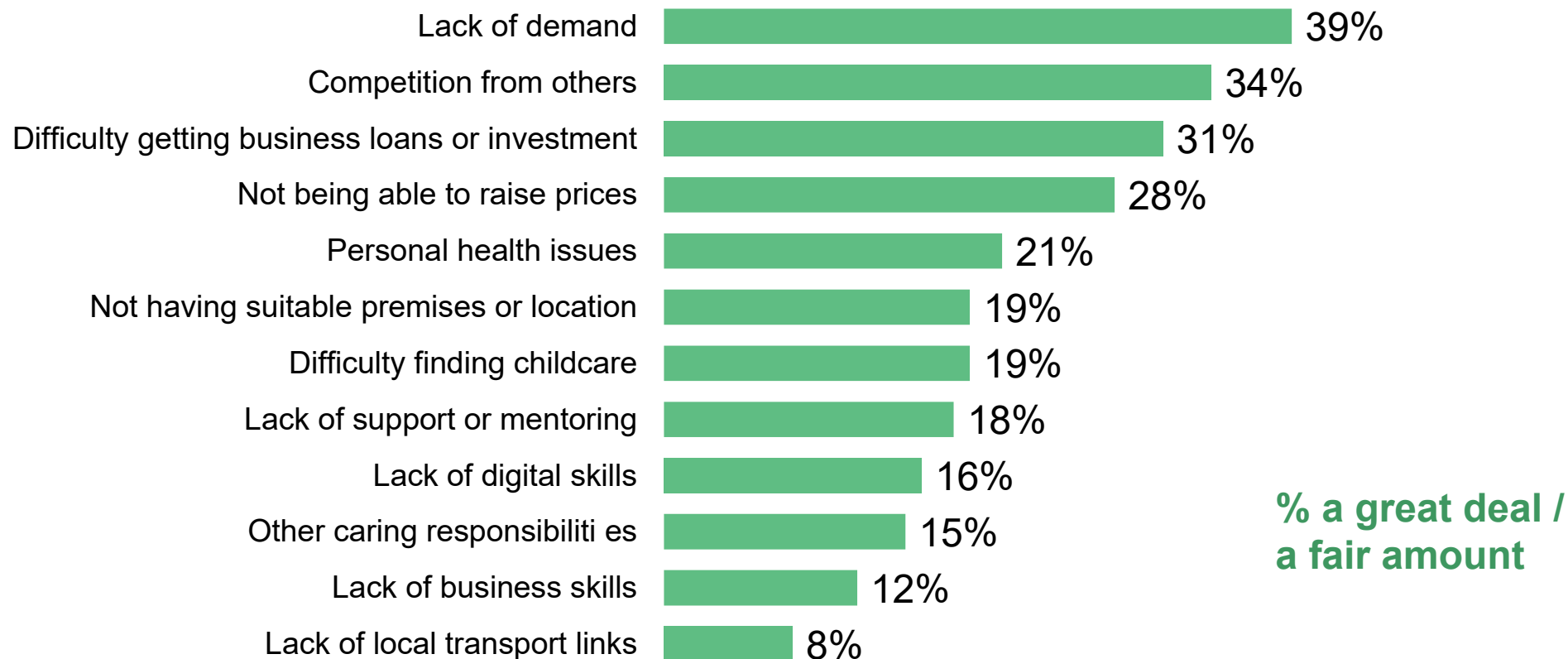
*Base: All existing claimants (5,159); all new claimants (5,062).*

*Base: All existing claimants who expect to be working for an employer as their main activity in 6 months, or not in paid work, nor retired in 6 months (230); All new claimants who expect to be working for an employer as their main activity in 6 months, or not in paid work, nor retired in 6 months (208).*

# 6. Support needs

# Existing claimants see external factors as key barriers to making the most of their work.

To what extent, if at all, are each of the following stopping you from making the most of your self-employed work?



Base: Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670).

# Existing claimant subgroups most likely to report key barriers.

**Lack of demand** is most likely to affect:

- Freelancers (42%)
- Professional services (45%) and transport / distribution / delivery (44%)

**Competition from others** is most likely to affect:

- Professional services (42%)

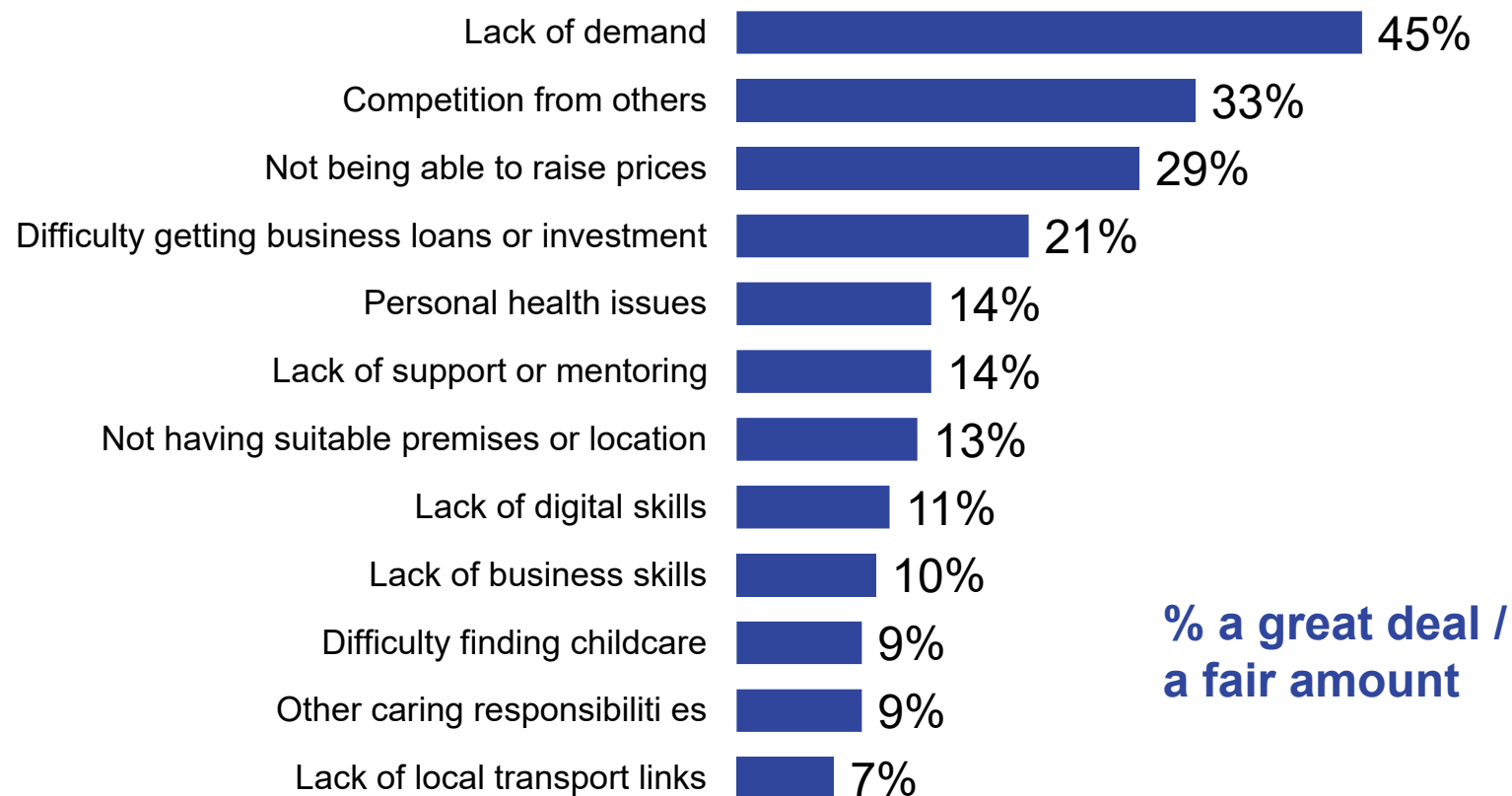
**Difficulty getting business loans or investment** is most likely to affect:

- Directors / business owners (37%)
- Those new to self-employment (35% under 12 months; 35% 12 months to less than 2 years)
- Food / drink / hospitality / leisure (41%) and retail / sales (39%)

*Base: Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670).*

# New claimants face similar barriers to making the most of their work.

To what extent, if at all, are each of the following stopping you from making the most of your self-employed work?



New claimants who **expect their profits to decline in 6 months' time** are more likely to mention the following key barriers:

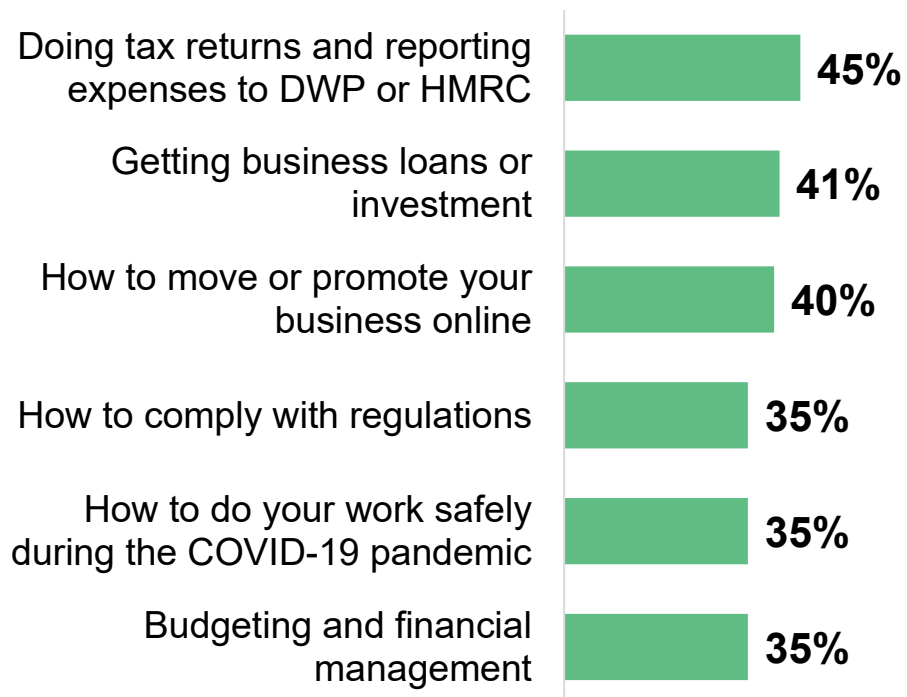
- Lack of demand (56%)
- Competition from others (38%)
- Not being able to raise prices (33%)

Base: New claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,235).

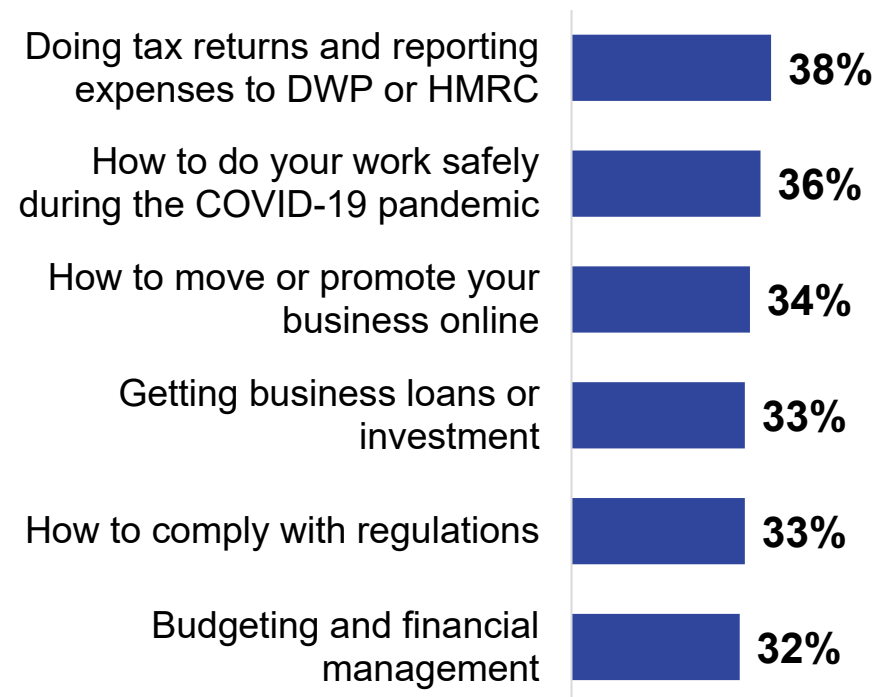
# Both **existing** and **new** claimants would find it helpful to receive guidance on doing tax returns and reporting expenses.

In which of the following areas, if any, would you find it helpful to receive advice and guidance for your self-employed work? Top 6 mentions

## Existing claimants



## New claimants



*Base: Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670); New claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,235).*



# Existing claimant subgroups most likely to want support.

**45%**

## Doing tax returns and reporting expenses to DWP or HMRC

- Those who have been self-employed less than 12 months (55%) and 1-2 years (52%).

**41%**

## Getting business loans or investment

- Director / business owner (48%)
- Under 12 months and 1-2 years (both 46%)
- Plan to move to a different line of SE work (54%)
- Made a loss in August (56%) and before lockdown (58%)

**40%**

## How to move or promote your business online

- Director / business owner (49%)
- Under 12 months and 1-2 years (46%, 44%)
- Plan to move to a different line of SE work (50%)
- Made a loss in August (52%) and before lockdown (58%)
- Personal services / beauty / sport and fitness (55%)

*Base: Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670).*

# New claimant subgroups most likely to want support.

**38%**

**Doing tax returns and reporting expenses to DWP or HMRC**

- Those who work for another business (46%)
- Those who have been SE less than 12 months (56%) and 1-2 years (51%)
- Those who expect their business to grow (42%)
- London (45%)

**36%**

**How to work safely during the COVID-19 pandemic**

- Those who work for another business (46%)
- Those who expect their business to decline (42%)
- Food / drink / hospitality / leisure (45%), transport / distribution / delivery (44%), personal services / beauty / sport & fitness (44%), social care / healthcare / education / childcare (43%), media / telecoms / arts (42%)

**34%**

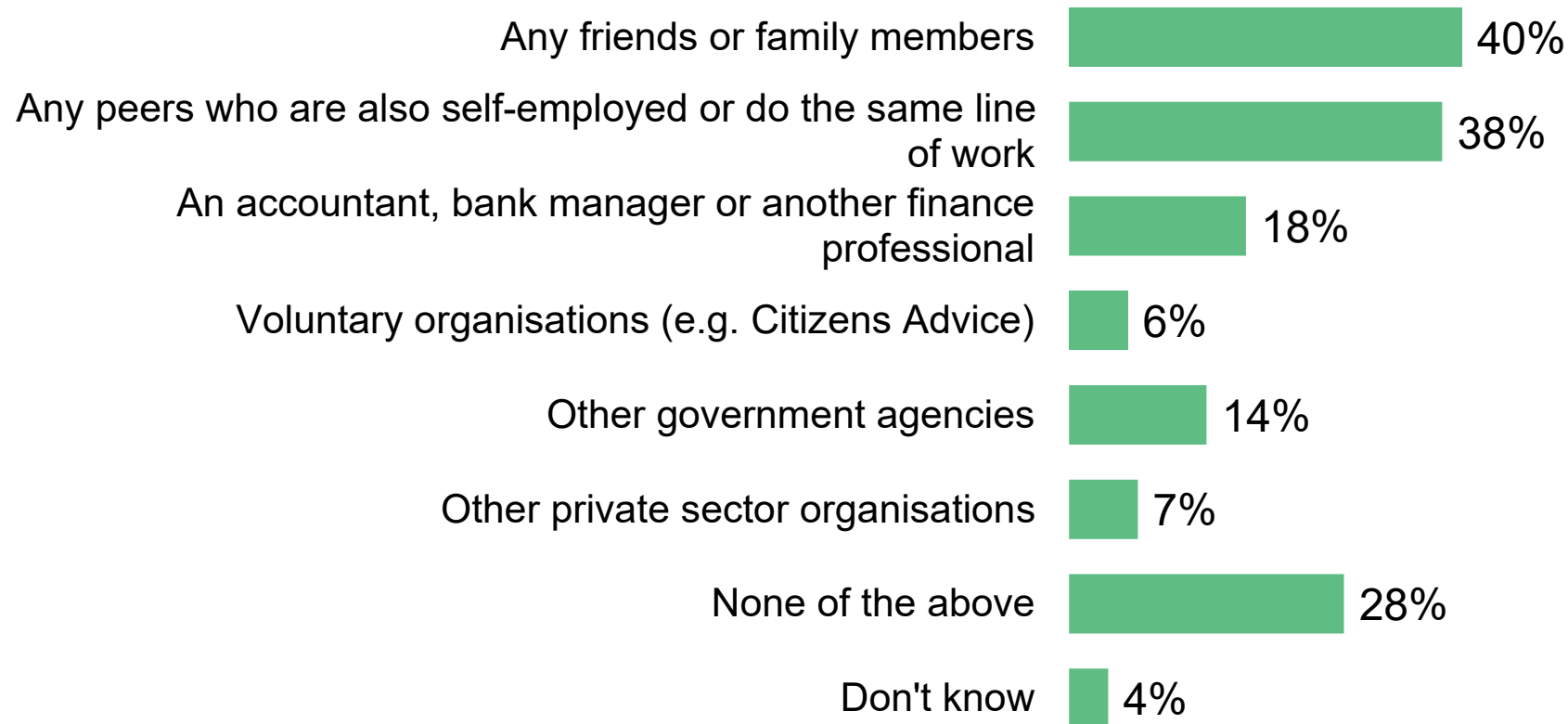
**How to move or promote your business online**

- Directors (41%) and freelancers (39%)
- Those who have been SE less than 12 months (43%)
- London (39%)

Base: New claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,235).

# Existing claimants are more likely to go to friends, family, or self-employed peers for advice than to professional sources.

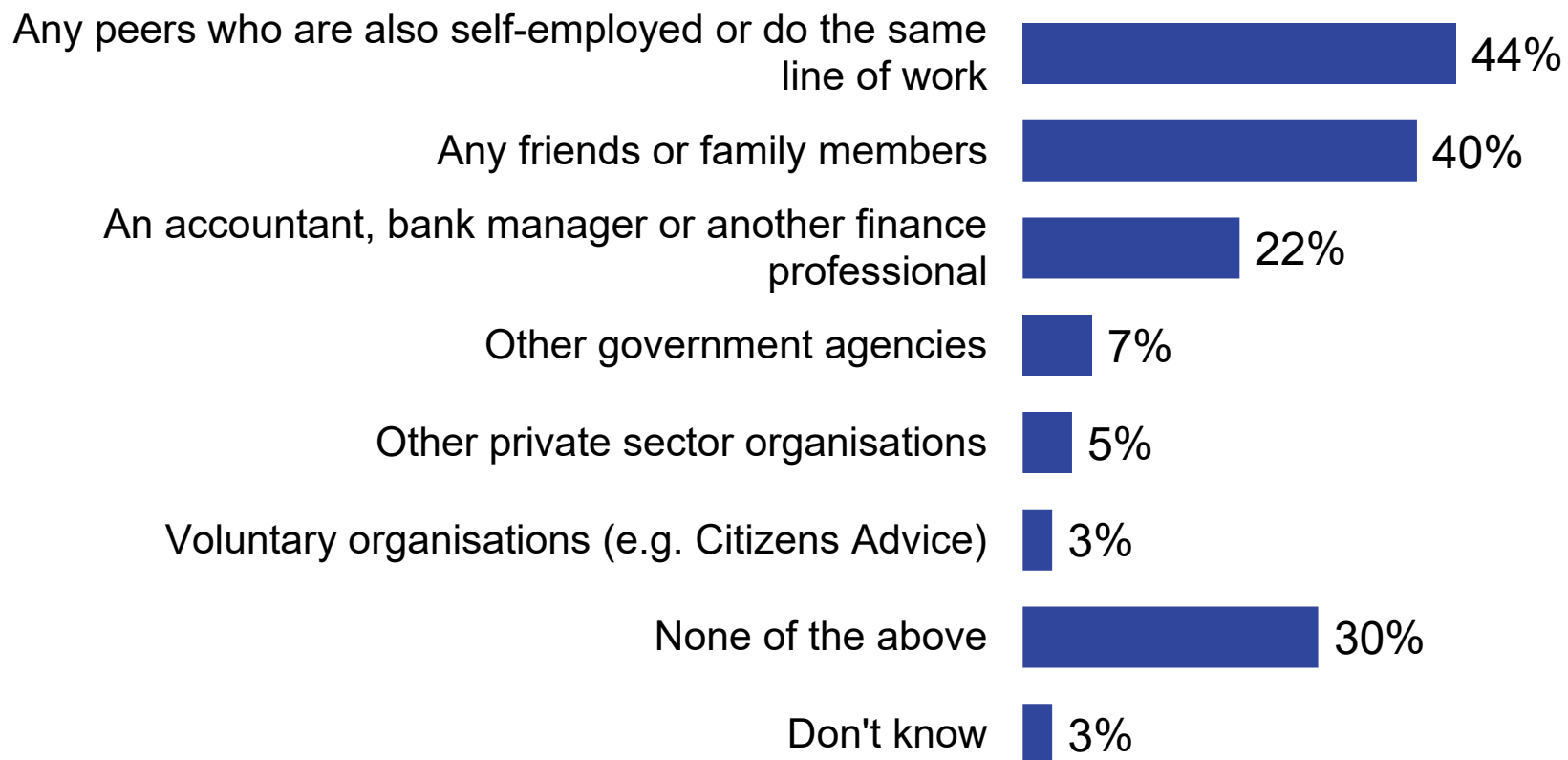
In the **last 12 months**, have you had any advice, guidance or support from any of the following to help you achieve your self-employment goals?



Base: Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670).

# New claimants are more likely to go to friends, family or self-employed peers for advice than to professional sources.

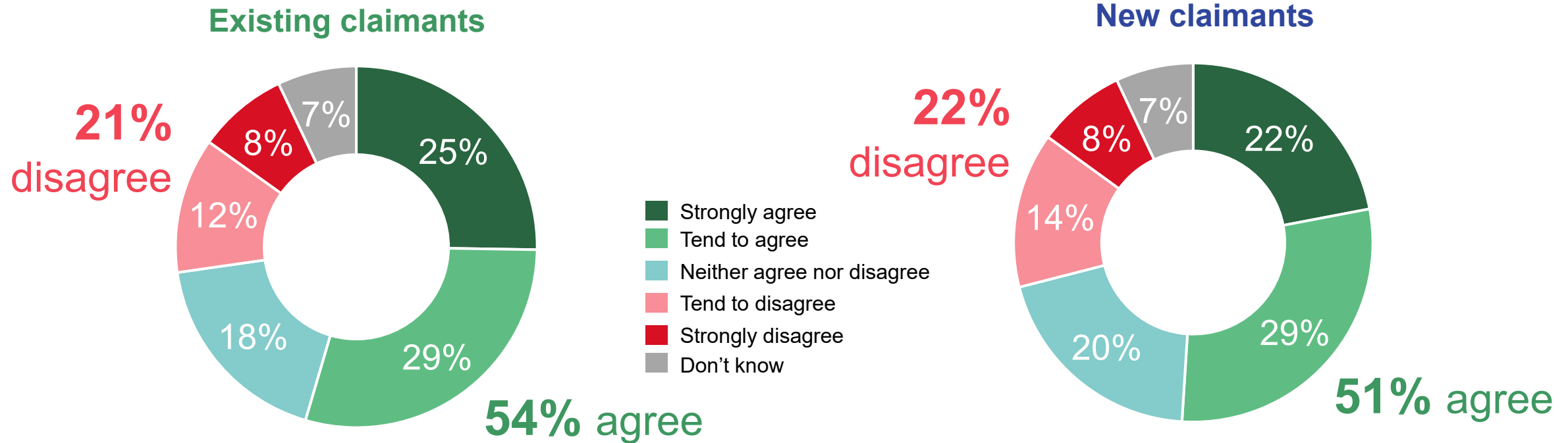
In the **last 12 months**, have you had any advice, guidance or support from any of the following to help you achieve your self-employment goals?



*Base: New claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,235).*

# Most **existing** and **new** claimants agree that they know where to go for advice and guidance, but a notable minority disagree.

**‘I know where I can go for advice and guidance to help me achieve my self-employment goals’**



For both groups, those who expect their profits to decline 6 months from now were more likely to say they don't know where to go for advice and guidance.

*Base: Existing claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,670); New claimants who are currently doing self-employed work, excluding those who haven't started SE work (4,235).*

# Both **existing** and **new** claimants who do not know where to go for advice and guidance would most welcome support in doing tax returns and moving business online.

## Existing claimants



## New claimants



*Base: Existing claimants who are currently doing self-employed work and don't know where to get advice (963);  
New claimants who are currently doing self-employed work and don't know where to get advice (891).*

# 7. Segmentation profiling – attitudes to self-employed work

# Segment overview – Existing claimants





# Segment overview – Existing claimants

## Passionate, knowledgeable and successful (22%)

- Passionate about their self-employment activity and want to be self employed
- Confident dealing with finances
- Knowledgeable about sources of advice & guidance
- Most likely to expect profits to grow
- Most likely to be business owner/director
- Have highest level of control over hours work

## Passionate, knowledgeable and struggling (20%)

- Passionate about their self-employment activity and want to be self employed
- Not comfortable with their financial situation at the moment, but expect future profits to grow
- Knowledgeable about sources of advice & guidance
- More likely to feel unable to change their situation
- Negatively impacted by COVID-19

## Passionate and struggling (19%)

- Passionate about their self-employment activity and want to be self employed
- Not comfortable with their financial situation at the moment
- Lacking financial confidence
- Lacking awareness of advice & guidance
- Most negatively impacted by COVID-19, but expect future profits to grow
- Personal health issues stopping them making the most of SE activity

## Content with other priorities (16%)

- Less ambitious – more likely to expect profits to remain the same
- Confident dealing with finances and comfortable with their financial situation at the moment
- Least impacted financially by COVID-19
- Prioritising life goals
- More likely to have a family

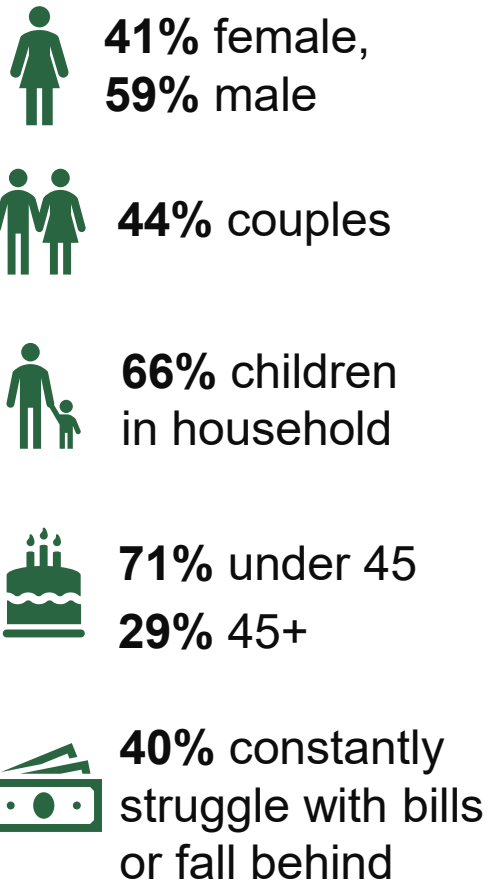
## Discontented (23%)

- Lack confidence and passion in SE activity
- More likely to prefer to be employed by employer
- More likely to expect profits to decline or uncertainty of future profits
- More likely to work varying shift patterns for another business
- Have least control over hours worked

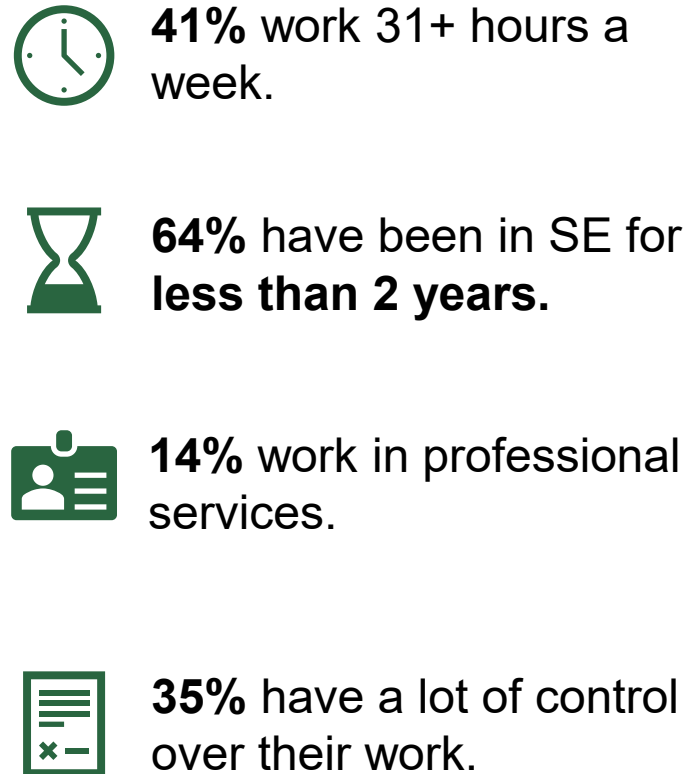
# Passionate, knowledgeable & successful - Existing claimants

Likely to be younger, with families. Been in self-employment less than 2 years. Over a third have a lot of control over their work. Aiming to invest in increasing customer base and marketing.

## Family and home



## Work



## Future Goals

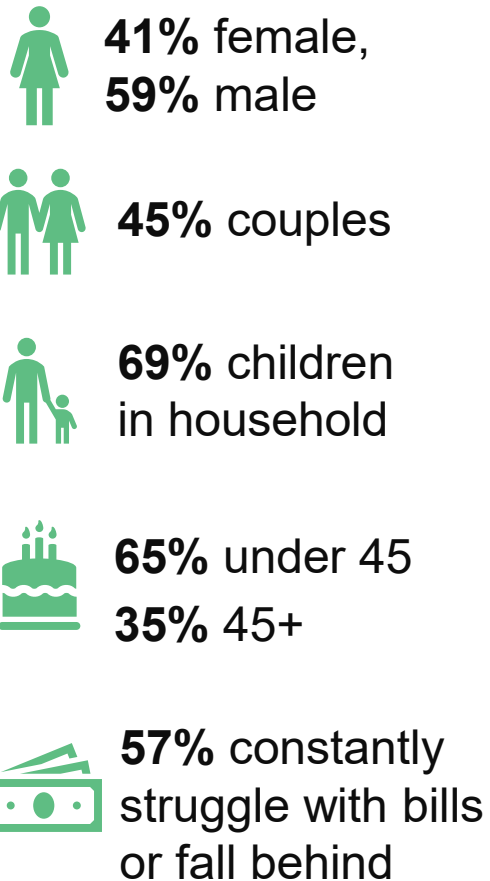


Base: 1,046

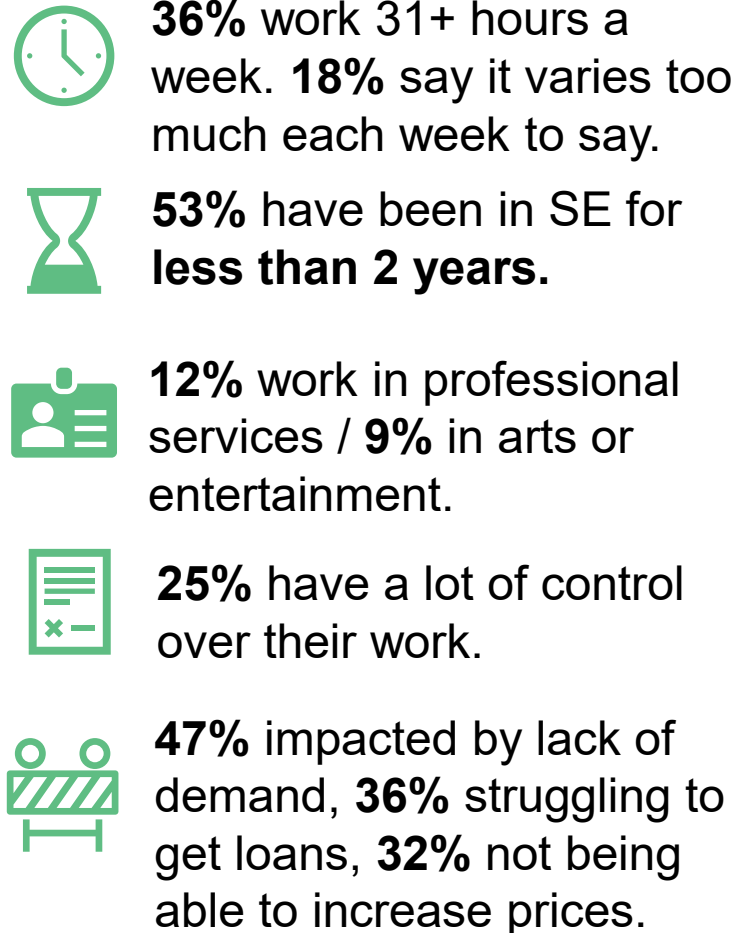
# Passionate, knowledgeable & struggling - Existing claimants

Just over a third over 45, with families. Greater variation in hours worked and less control. Struggling financially. Aiming to invest in increasing customer base and marketing.

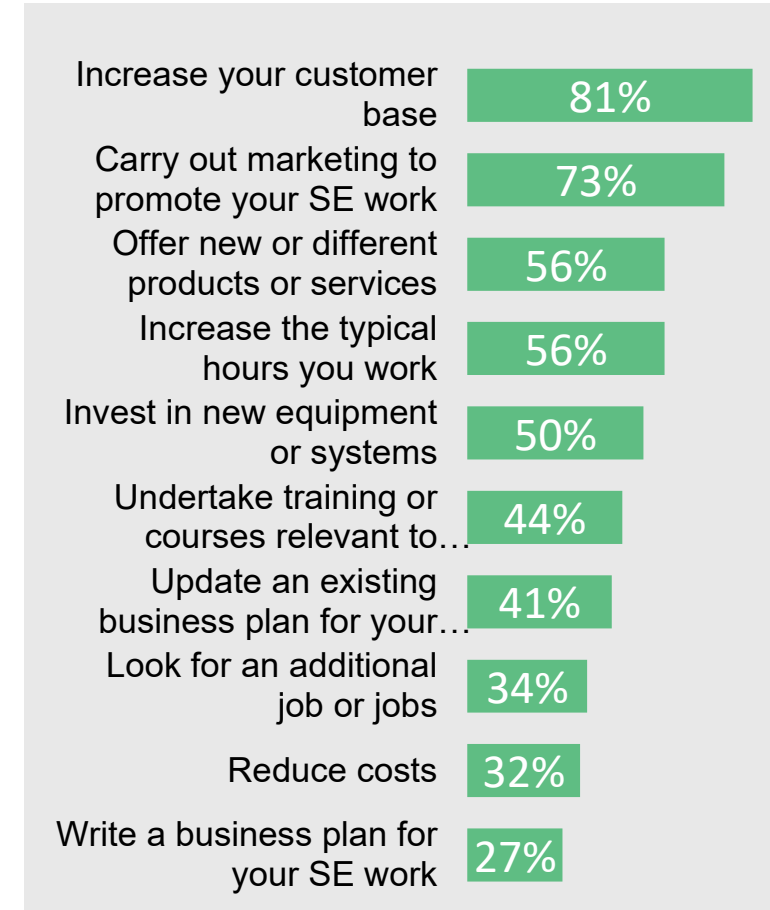
## Family and home



## Work



## Future Goals

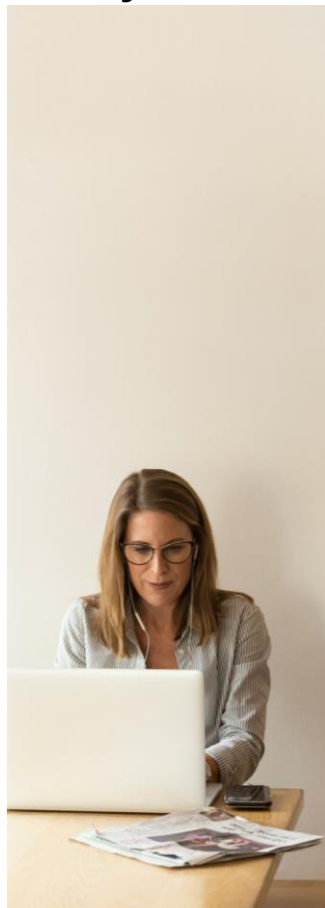


Base: 935

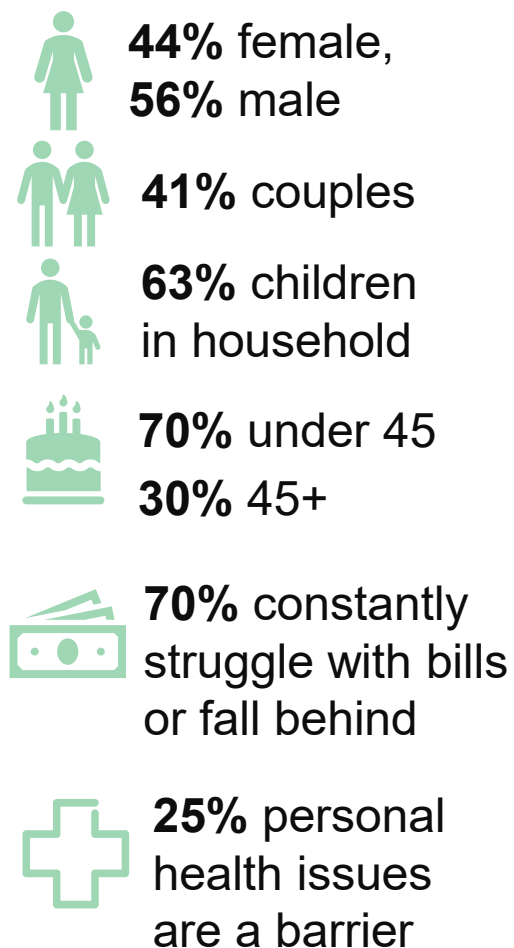
# Passionate and struggling - Existing claimants

Likely to be younger, with families. Been in self-employment less than 2 years Greater variation in hours worked. Struggling financially. Aiming to invest in increasing customer base.

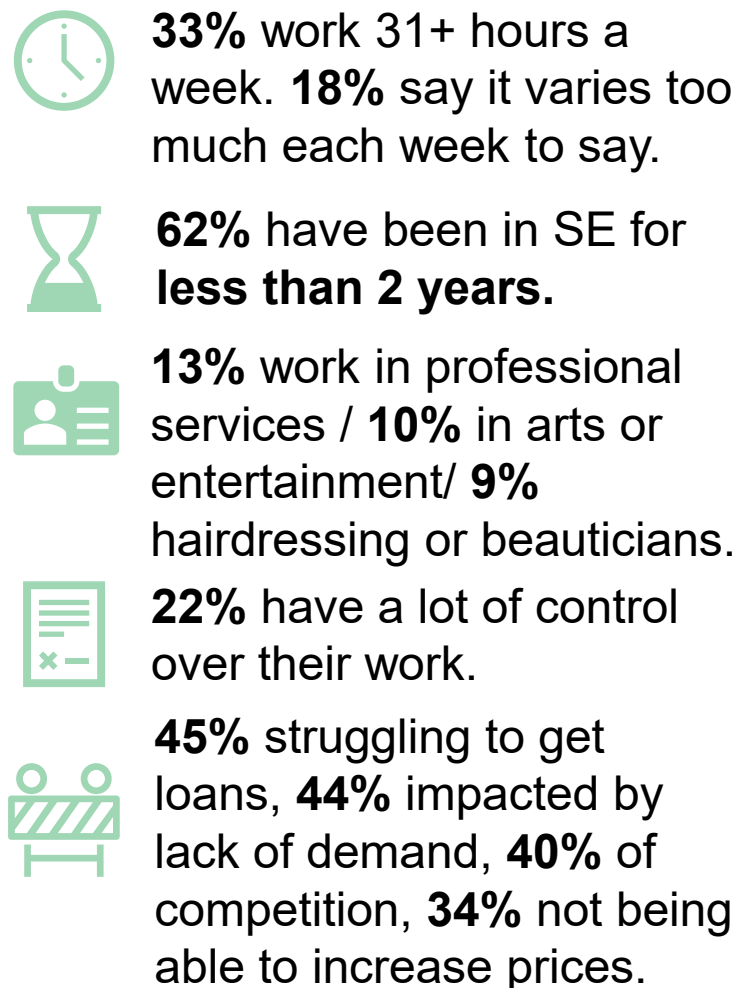
## Family and home



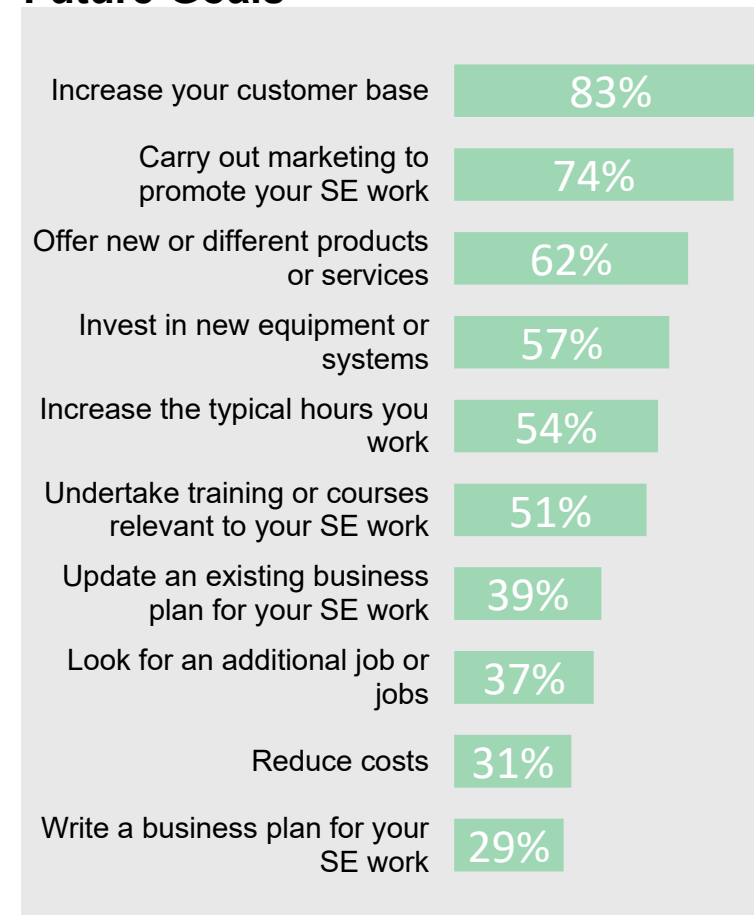
Base: 870



## Work



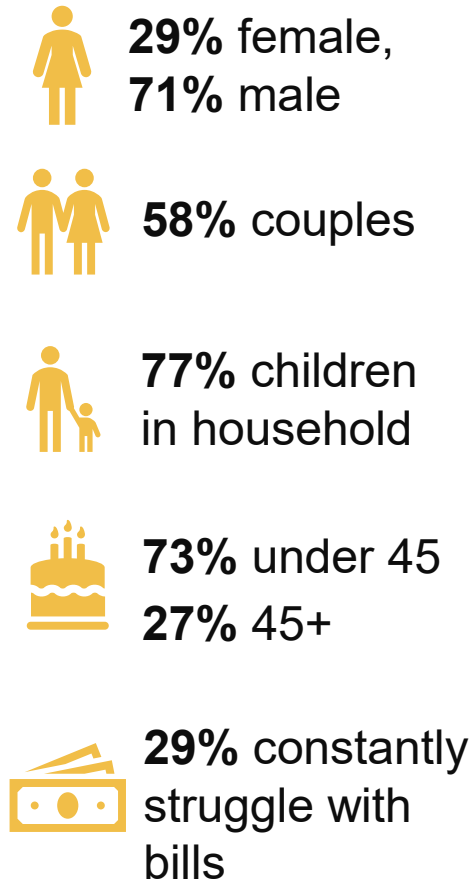
## Future Goals



# Content with other priorities - Existing claimants

More likely to be younger males with families. Greater spread in length of time in SE work. A fifth have control over their work. Key aim is to increase customer base in the future.

## Family and home



## Work



**38%** work 31+ hours a week.



**49%** have been in SE for **more than 2 years.**

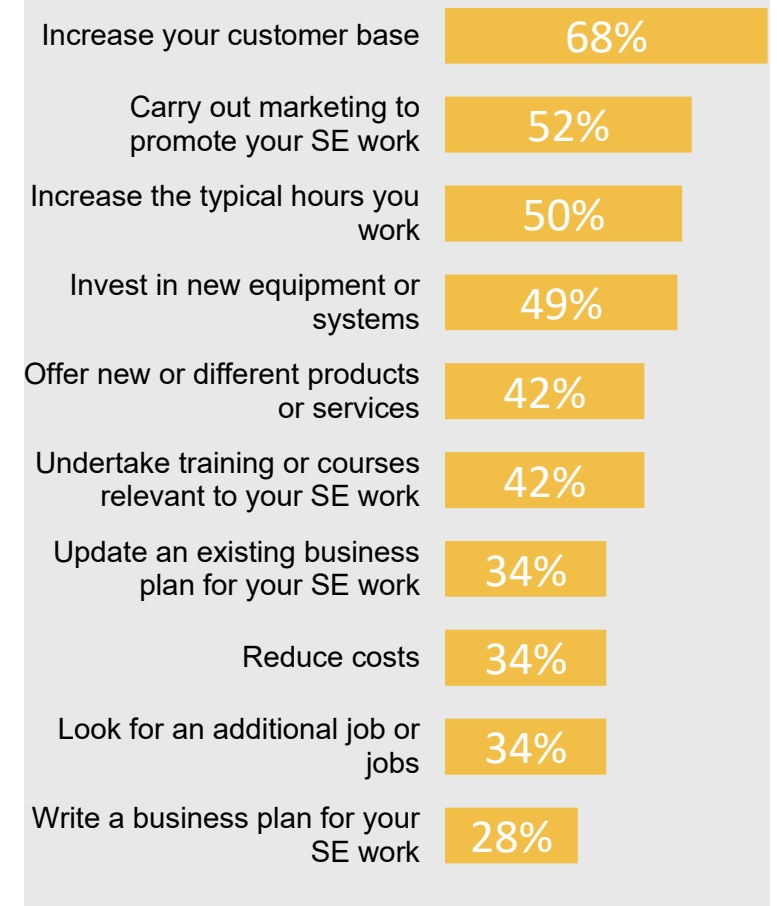


**12%** construction workers and builders, **11%** taxi driving or private hire, **11%** professional services.



**21%** have a lot of control over their work.

## Future Goals

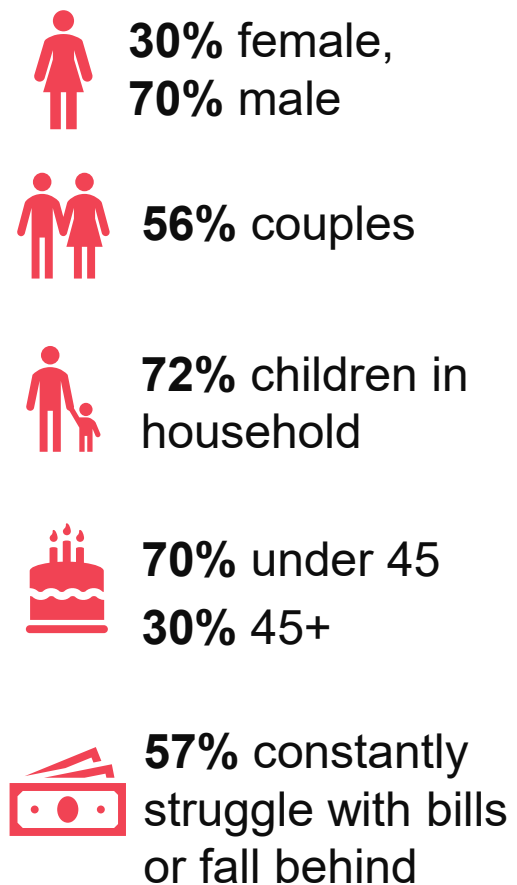


Base: 762

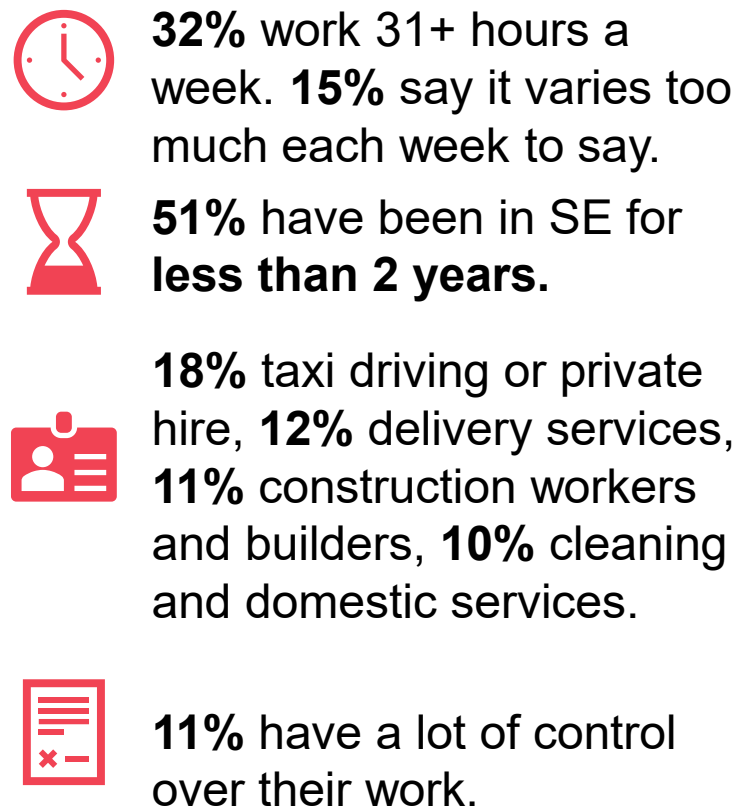
# Discontented - Existing claimants

Likely to be younger males with families. Greater spread in length of time in SE work, but have limited control over their work. Struggling financially. Looking for additional work.

## Family and home



## Work



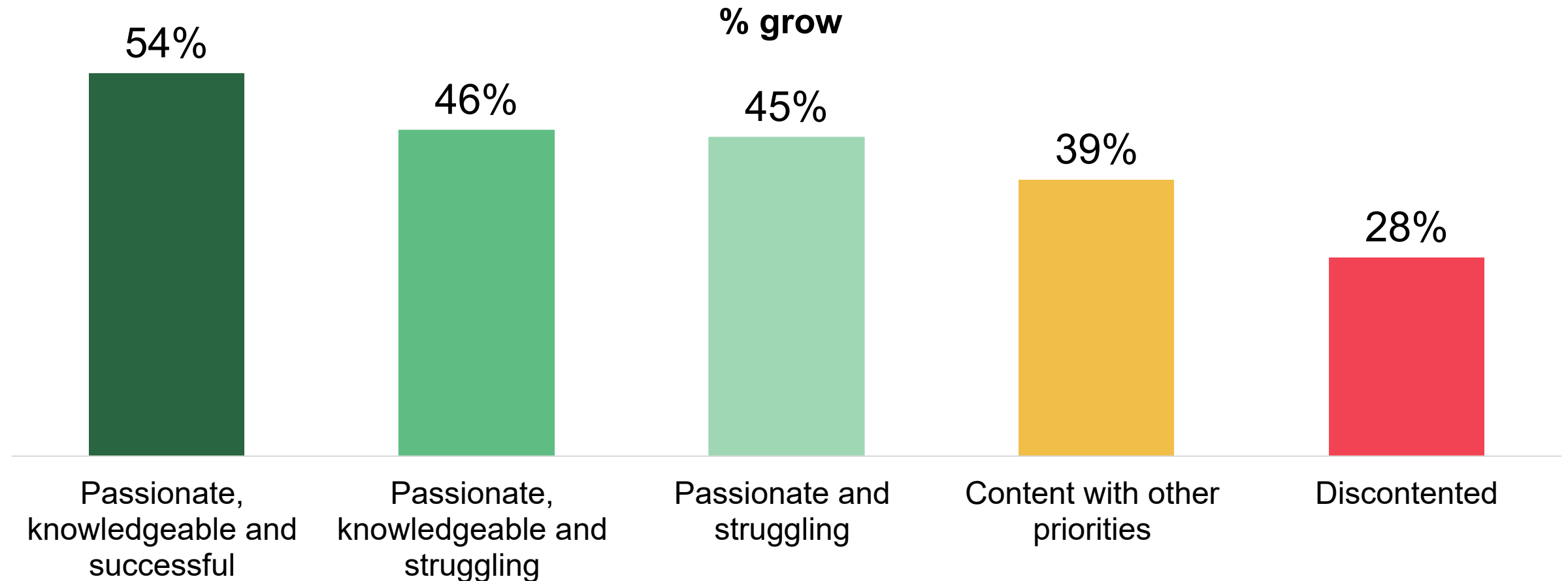
## Future Goals



Base: 1,057

# Expected profits reflect how content **existing claimants** are in their self-employed work.

Compared to your current situation, what do you expect to happen to your typical monthly profit from self-employment in 6 months from now - that is, around February 2021?



# Top three support needs by cluster for existing claimants.

## Passionate, knowledgeable and successful

**41%**

doing tax returns and reporting expenses to DWP or HMRC

**40%**

getting business loans or investment

**37%**

how to move or promote your business online

## Passionate, knowledgeable and struggling

**42%**

getting business loans or investment

**40%**

how to move or promote your business online

**38%**

doing tax returns and reporting expenses to DWP or HMRC

## Passionate and struggling

**62%**

how to move or promote your business online

**59%**

doing tax returns and reporting expenses to DWP or HMRC

**58%**

getting business loans or investment

## Content with other priorities

**42%**

doing tax returns and reporting expenses to DWP or HMRC

**40%**

how to do your work safely during the COVID-19 pandemic

**36%**

how to comply with regulations

## Discontented

**46%**

doing tax returns and reporting expenses to DWP or HMRC

**40%**

how to do your work safely during the COVID-19 pandemic

**35%**

how to move or promote your business online

**35%**

budgeting and financial management



# Segment overview – New claimants



# Segment overview – New claimants

## Passionate and successful (23%)

- Passionate about their self-employment activity and want to be self employed
- Confident dealing with finances and comfortable with their financial situation
- Knowledgeable about sources of advice & guidance
- Have highest level of control over work
- Most likely to expect profits to grow – although negatively impacted by COVID-19

## Passionate and struggling (26%)

- Passionate about their self-employment activity and want to be self employed
- Not financially comfortable & lacking confidence in dealing with finances
- Lacking awareness of advice & guidance
- Most negatively impacted by COVID-19 - but expect profits to grow
- Most likely to be business owner/director

## Content with other priorities (17%)

- Passionate about their self-employment activity
- Financially comfortable and confident dealing with finances
- Knowledgeable about sources of advice & guidance
- Prioritising life goals
- Even if wanted to, feel unable to change
- More likely to have been SE 5+ years
- Most likely to be chief income earner

## Dispassionate with other priorities (17%)

- Less passionate about their self-employment activity
- Prioritising life goals
- More likely to prefer to be employed by employer
- High level of uncertainty of future profits
- Most likely to have been SE 2 years or less
- More likely to be contractor/contract worker

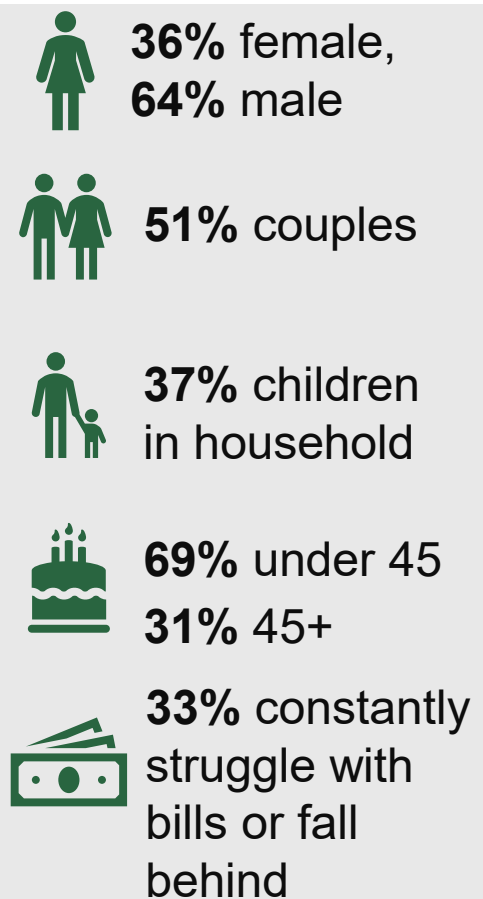
## Dispassionate and stuck (17%)

- More likely to prefer to be employed by employer
- Lack confidence in self-employment activity
- Lacking confidence dealing with finances
- More likely to expect profits to decline or uncertain of profit
- Even if wanted to, feel unable to change
- Personal health issues stopping them making the most of SE activity

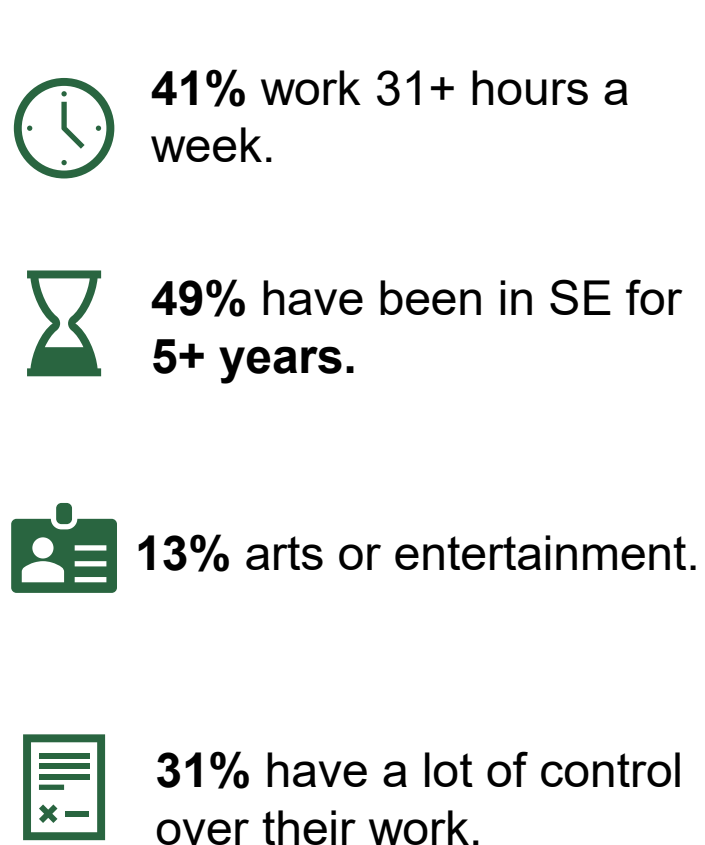
# Passionate and successful – New claimants

Likely to be younger. Been in self-employment for 5+ years. Just under a third have a lot of control over their work. Aiming to increase customer base and promote their work.

## Family and home



## Work



## Future Goals

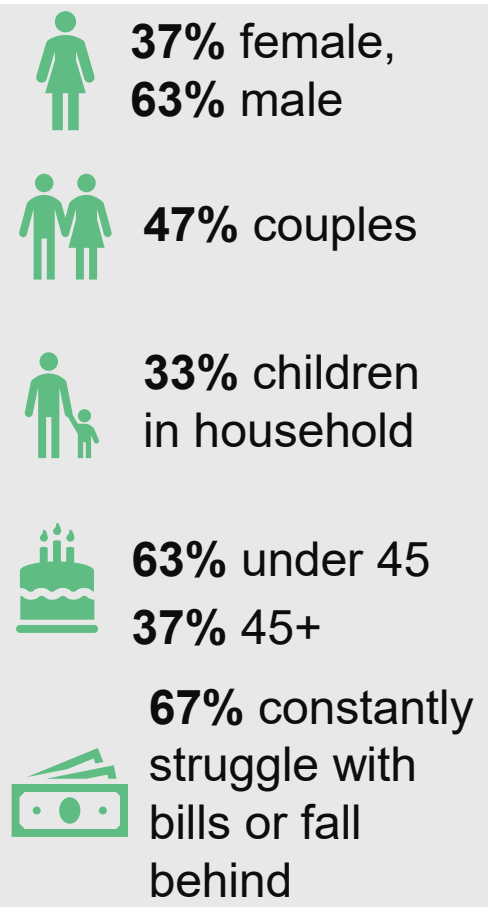


Base: 983

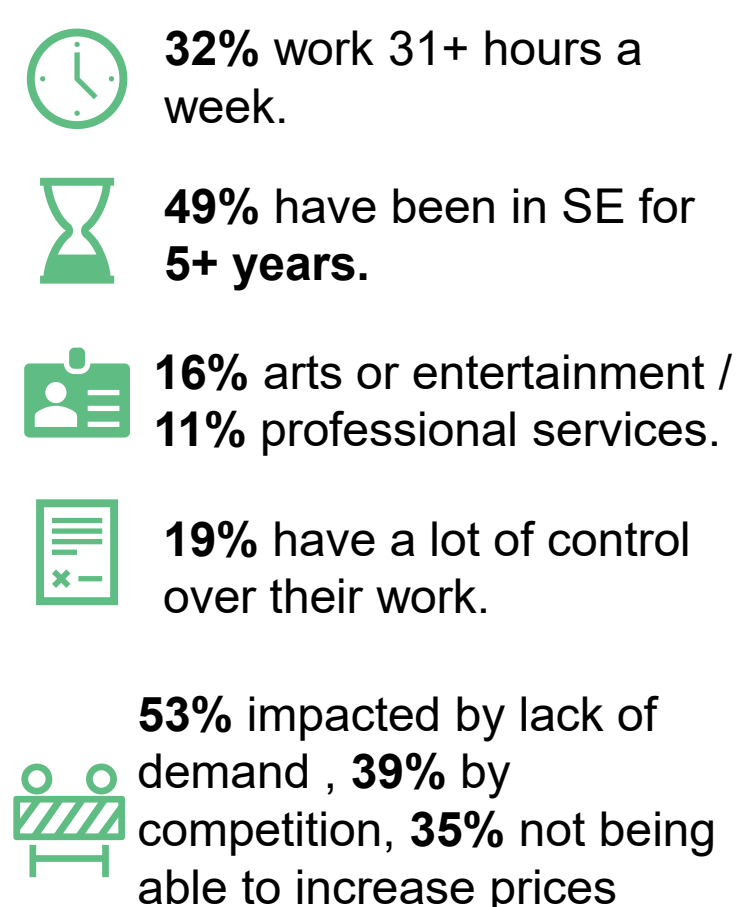
# Passionate and struggling – New claimants

Likely to be younger. Been in self-employment for 5+ years. Struggling financially. Aiming to increase customer base and promote self-employment work in the future.

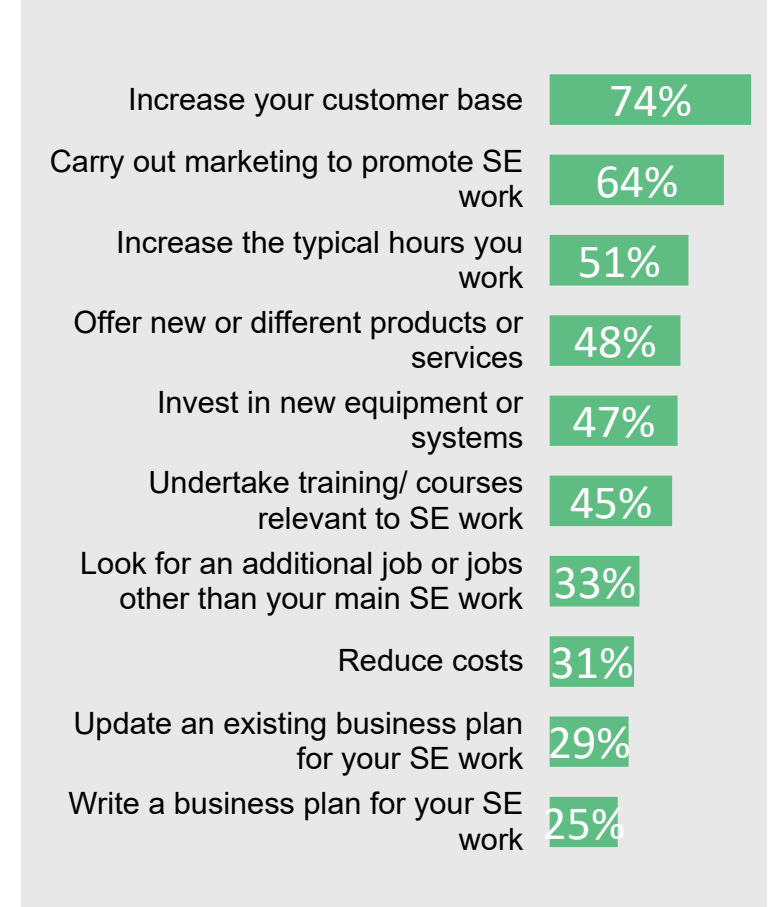
## Family and home



## Work



## Future Goals

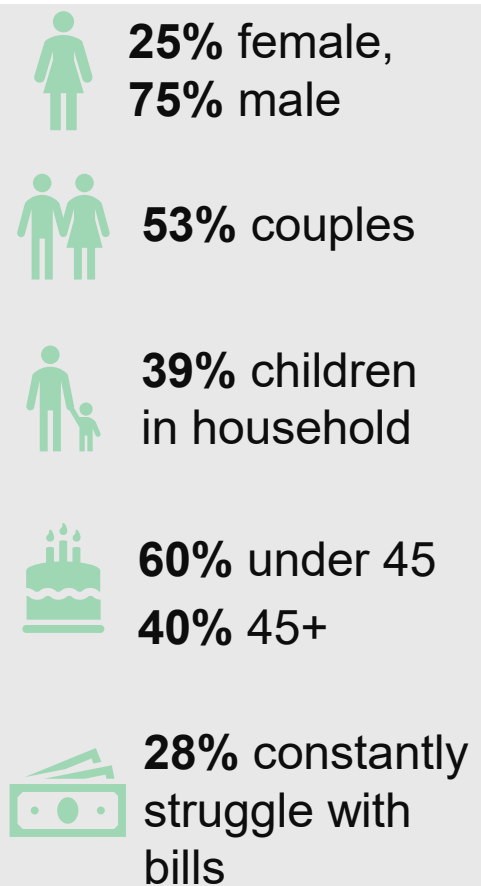


Base: 1,094

# Content with other priorities – New claimants

Likely to be older. Been in self-employment for 5+ years. Nearly a quarter have control over their work. Aiming to increase customer base and promote self-employment work in the future.

## Family and home



## Work



**45%** work 31+ hours a week.



**53%** have been in SE for **5+ years.**

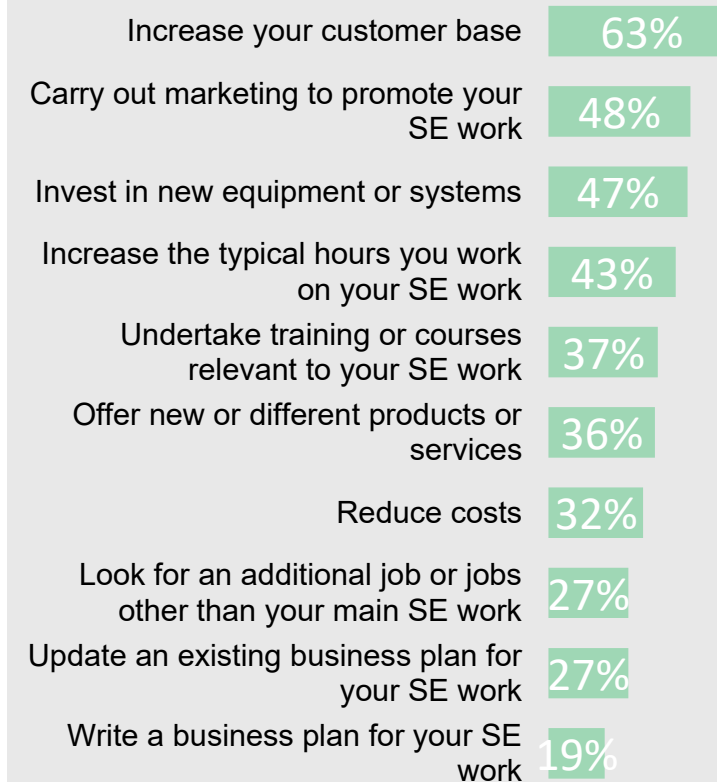


**17%** construction workers and builders / **14%** other skilled trades (e.g. carpenters, decorators).



**23%** have a lot of control over their work.

## Future Goals

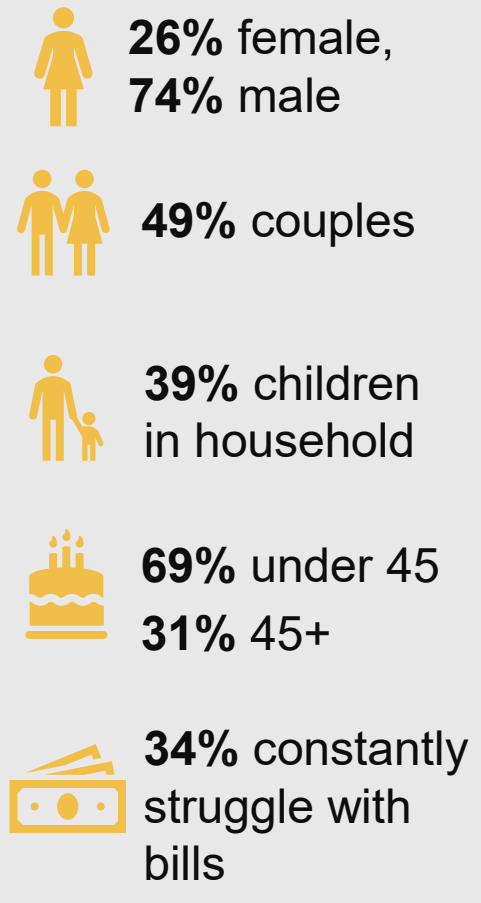


Base: 727

# Dispassionate with other priorities – New claimants

Likely to be younger, with families. Less control over their work and newer to self employment. Aiming to increase customer base and look for an additional job.

## Family and home



## Work



**47% work 31+ hours a week.**



**34% have been in SE for less than 2 years.**

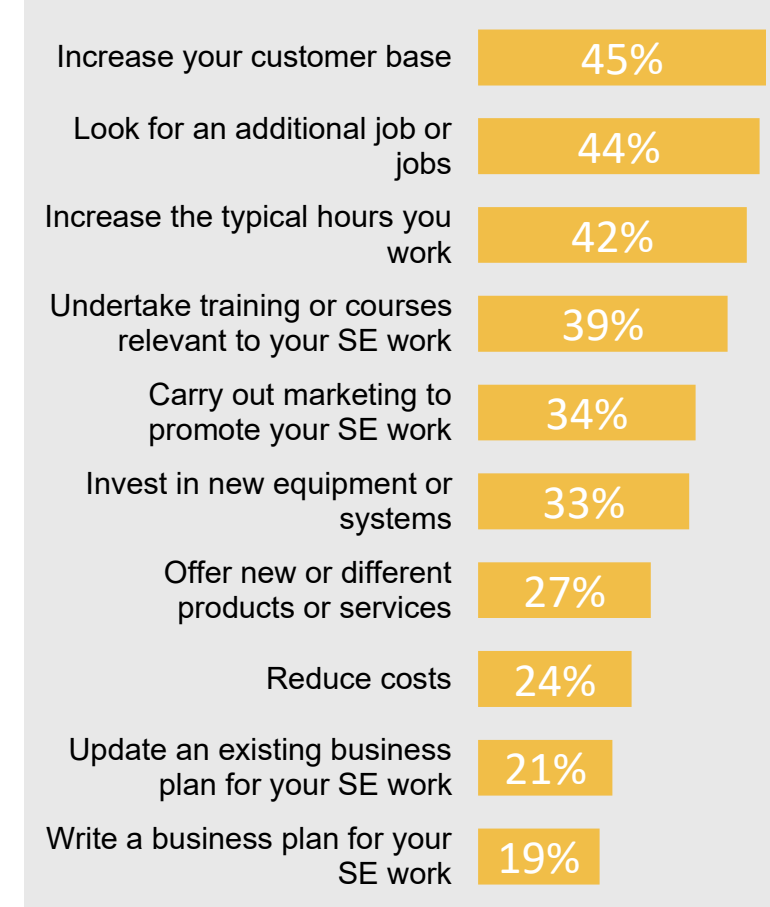


**21% construction workers or builders.**



**13% have a lot of control over their work.**

## Future Goals

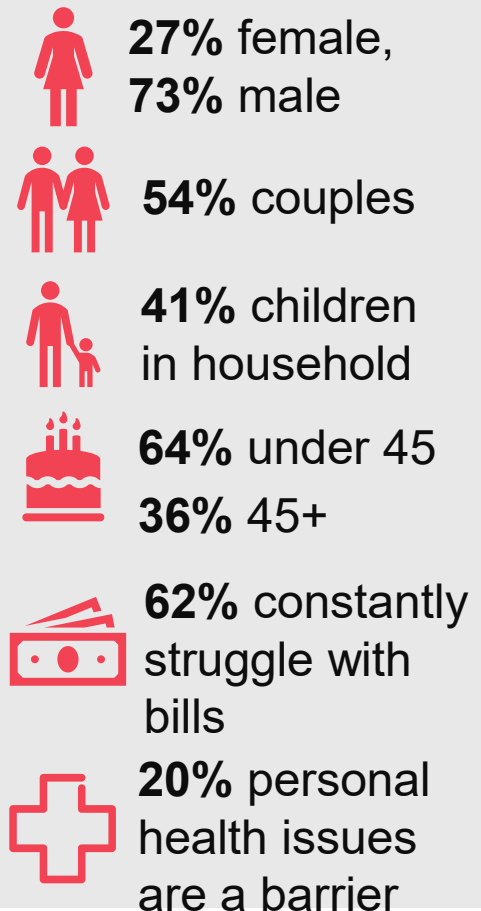


Base: 696

# Dispassionate and stuck – New claimants

Likely to be younger, with families. Been in self-employment for 5+ years but have limited control over their work. Struggling financially. Looking for additional work and increasing customer base.

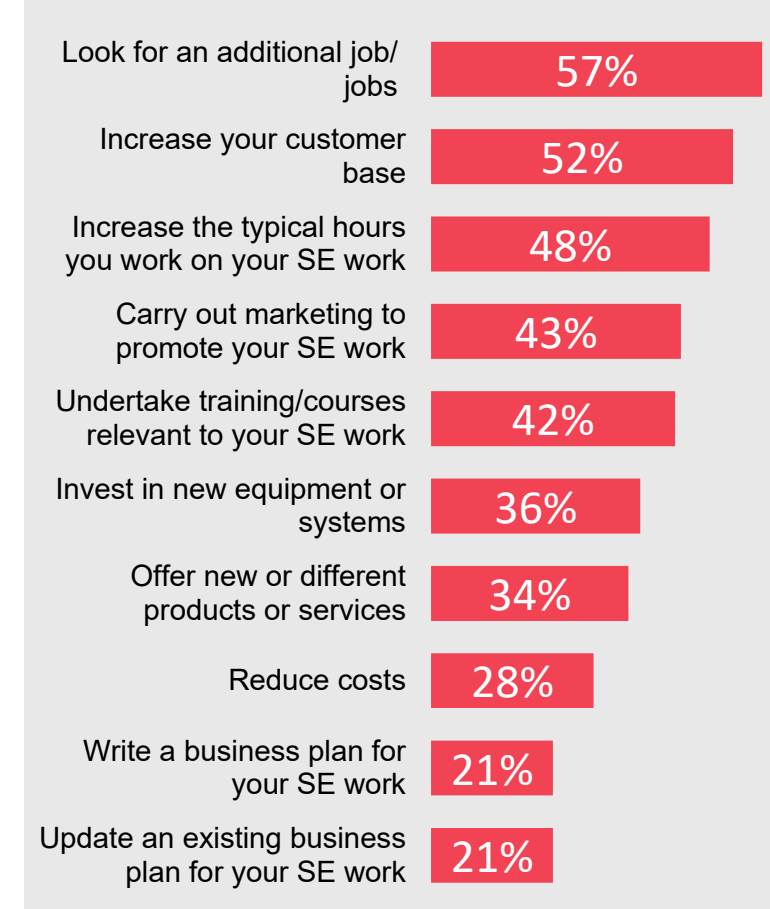
## Family and home



## Work



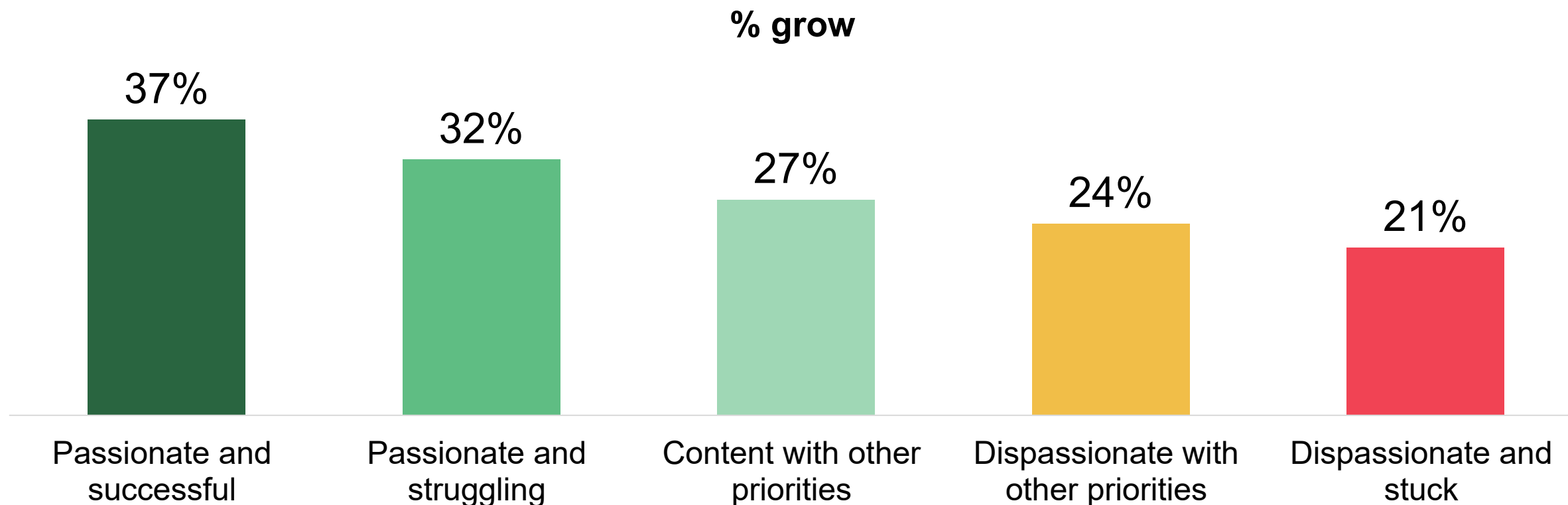
## Future Goals



Base: 735

## Less variation in expected future profits seen amongst new claimants.

Compared to your current situation, what do you expect to happen to your typical monthly profit from self-employment in 6 months from now - that is, around February 2021?





# Top three support needs by cluster for new claimants.

## Passionate and successful

**30%**

doing tax returns and reporting expenses to DWP or HMRC

**30%**

how to do your work safely during the COVID-19 pandemic

**30%**

how to move or promote your business online

## Passionate and struggling

**44%**

how to move or promote your business online

**43%**

budgeting and financial management

**42%**

getting business loans or investment

## Content with other priorities

**40%**

how to do your work safely during the COVID-19 pandemic

**35%**

doing tax returns and reporting expenses to DWP or HMRC

**33%**

how to comply with regulations

## Dispassionate with other priorities

**36%**

doing tax returns and reporting expenses to DWP or HMRC

**33%**

how to do your work safely during the COVID-19 pandemic

**28%**

how to comply with regulations

**28%**

finding relevant training courses

## Dispassionate and stuck

**48%**

doing tax returns and reporting expenses to DWP or HMRC

**41%**

how to do your work safely during the COVID-19 pandemic

**39%**

how to move or promote your business online

# 8. Conclusions

# Conclusions

New UC claimants had typically been in self-employment for 5+ years and personal circumstances were less of a motivator amongst this group.

A third of both existing and new claimants reported earning less or no profit as a result of COVID-19.

Claimants who are passionate about SE, but currently struggling, reported that they would like more financial and budgeting advice, along with support to move/promote businesses online.