

Graduates in self-employment and microbusinesses

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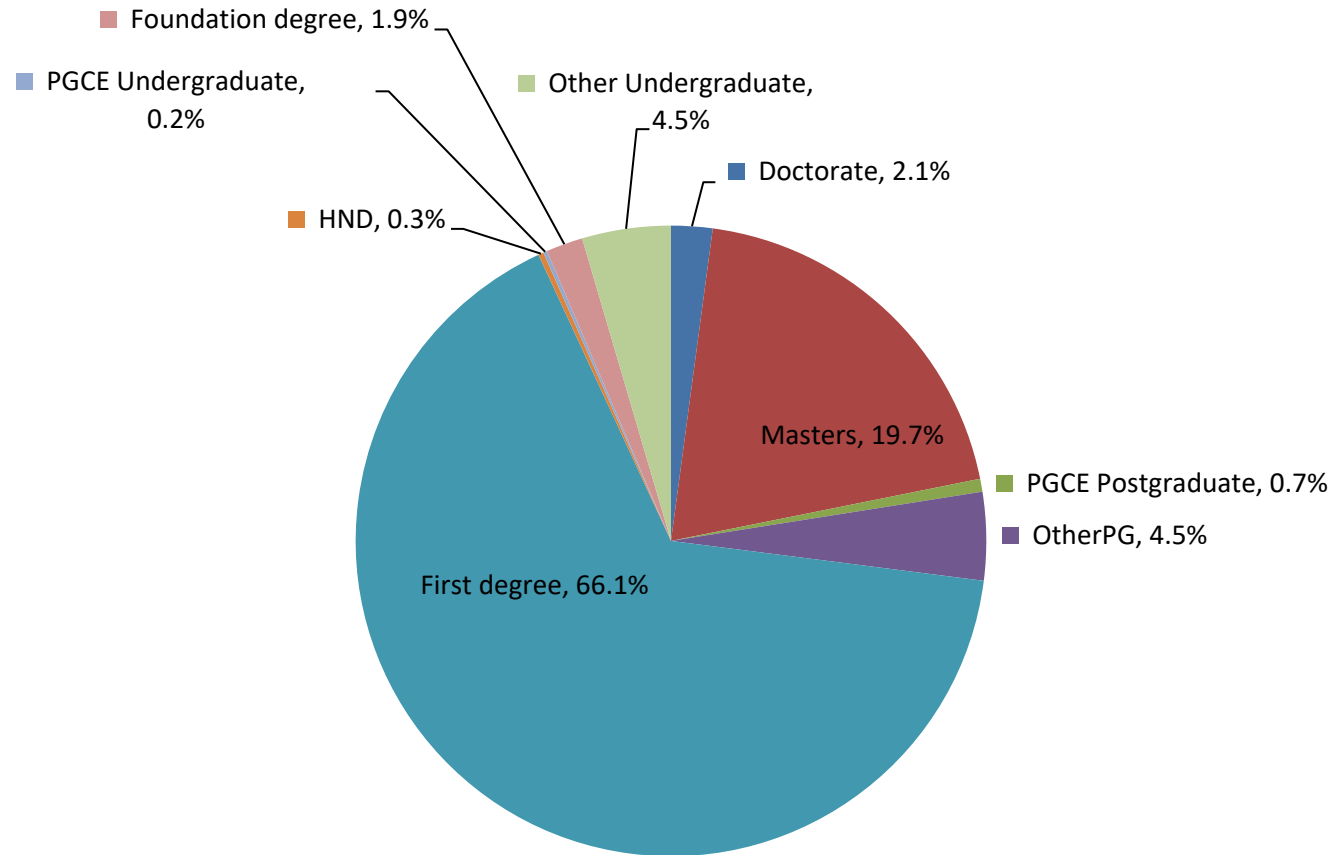
This presentation examines some of the basic demographic data on graduates in self-employment and microbusinesses.

We look at three separate groups.

- Graduates reporting themselves self-employed and who are *not* working for larger businesses. We call these the self-employed
- Graduates reporting themselves self-employed but who are working for businesses with more than 10 employees. We call these 'proprietors and freelancers'
- Graduates who are not reporting themselves self-employed, but who are working for businesses with fewer than 10 employees. They are working for microbusinesses
- As we will see this approach does find that we are describing 3 different populations
- It does have issues. Particularly with the names of the groups. Please feel free to suggest better ones!
- Definitely work in progress

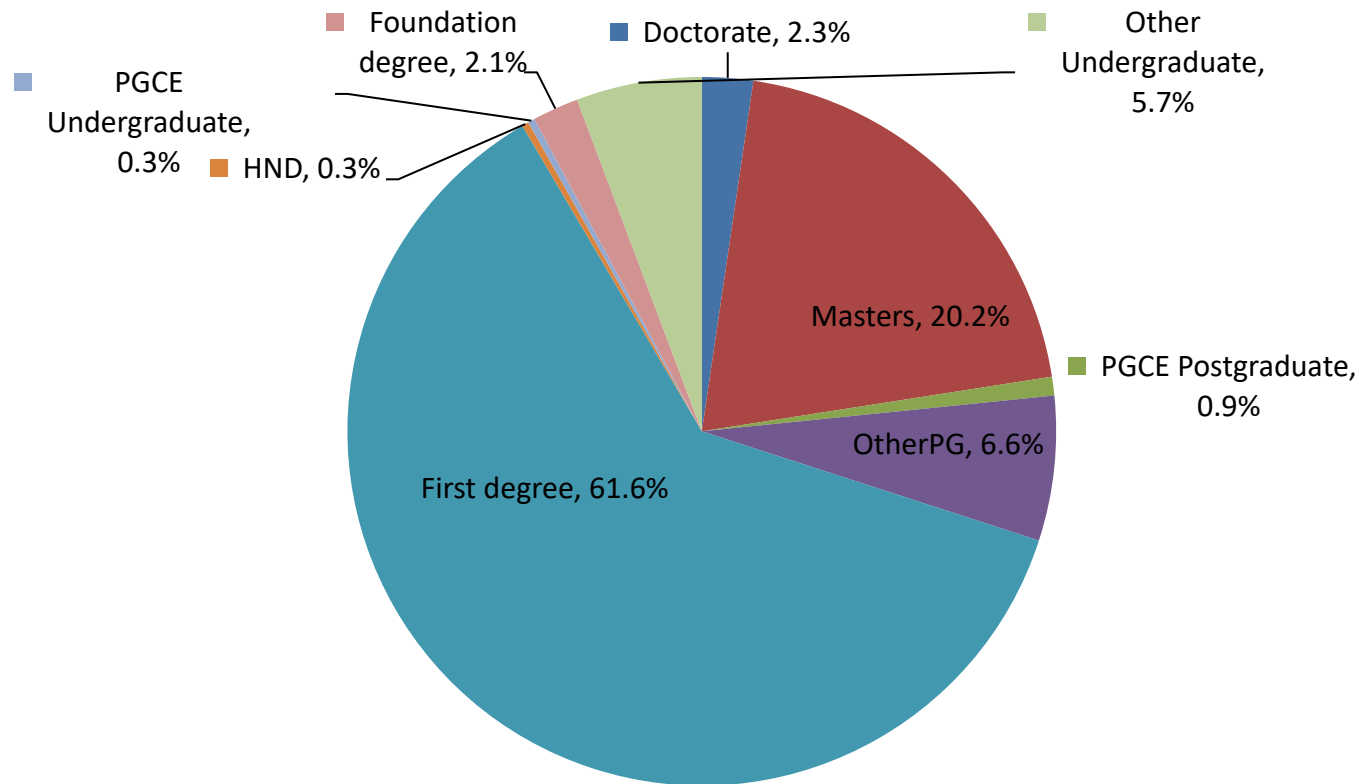
Who becomes self-employed?

The self-employed



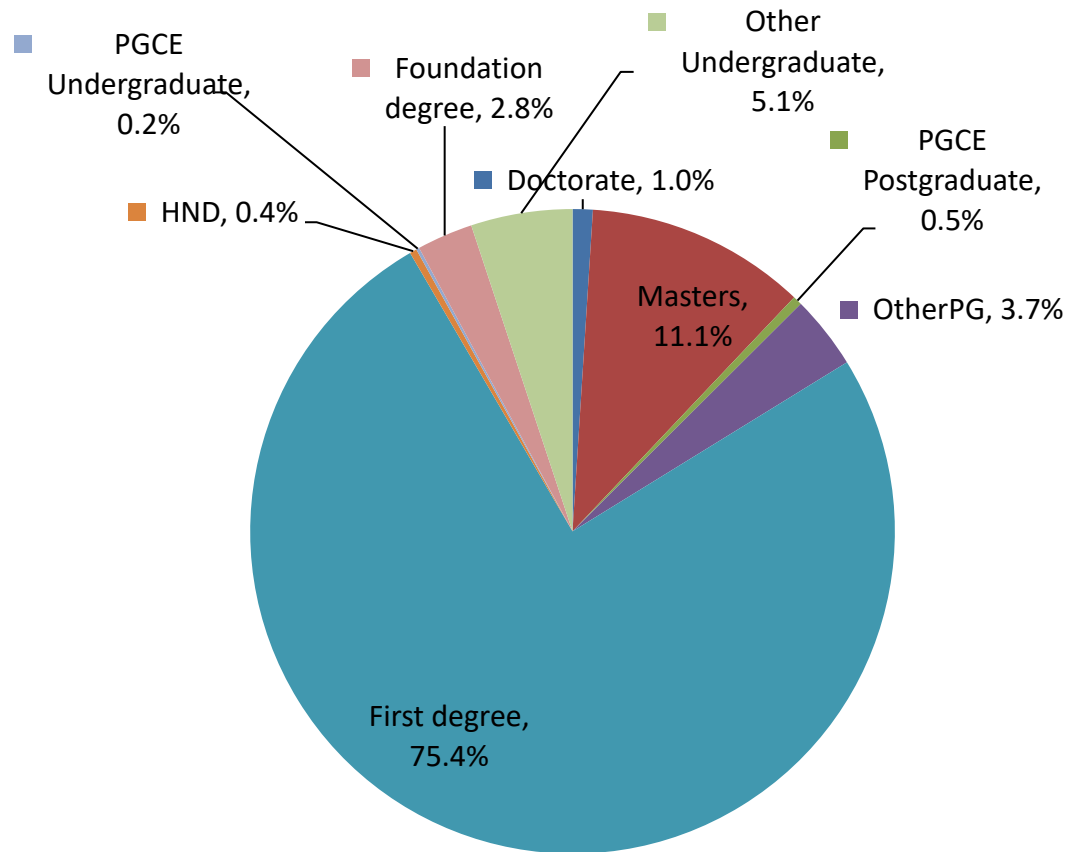
Data comes from HESA Destination of Leavers of Higher Education 2016/17. 9,210 UK domiciled graduates at all levels went to work for themselves on a self-employed basis.

Proprietors and freelancers



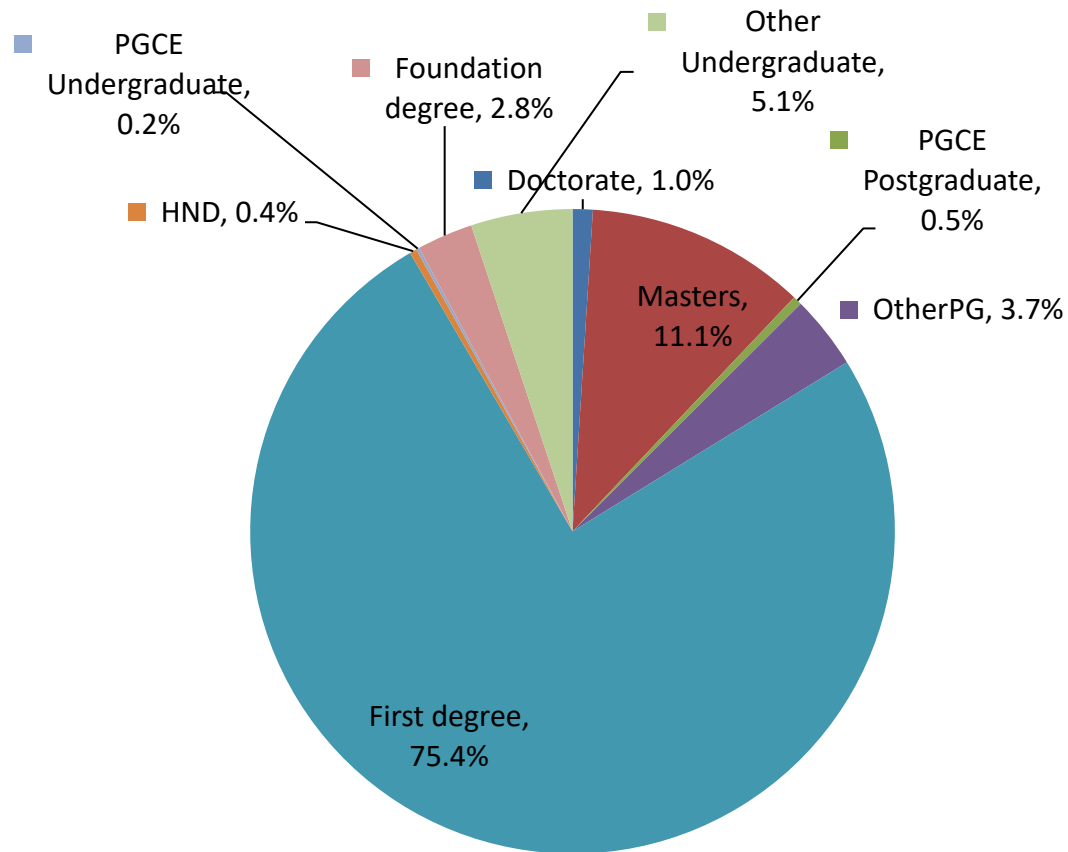
Data comes from HESA Destination of Leavers of Higher Education 2016/17. 6,790 UK domiciled graduates at all levels went into self-employment for a larger business

Graduates in microbusinesses



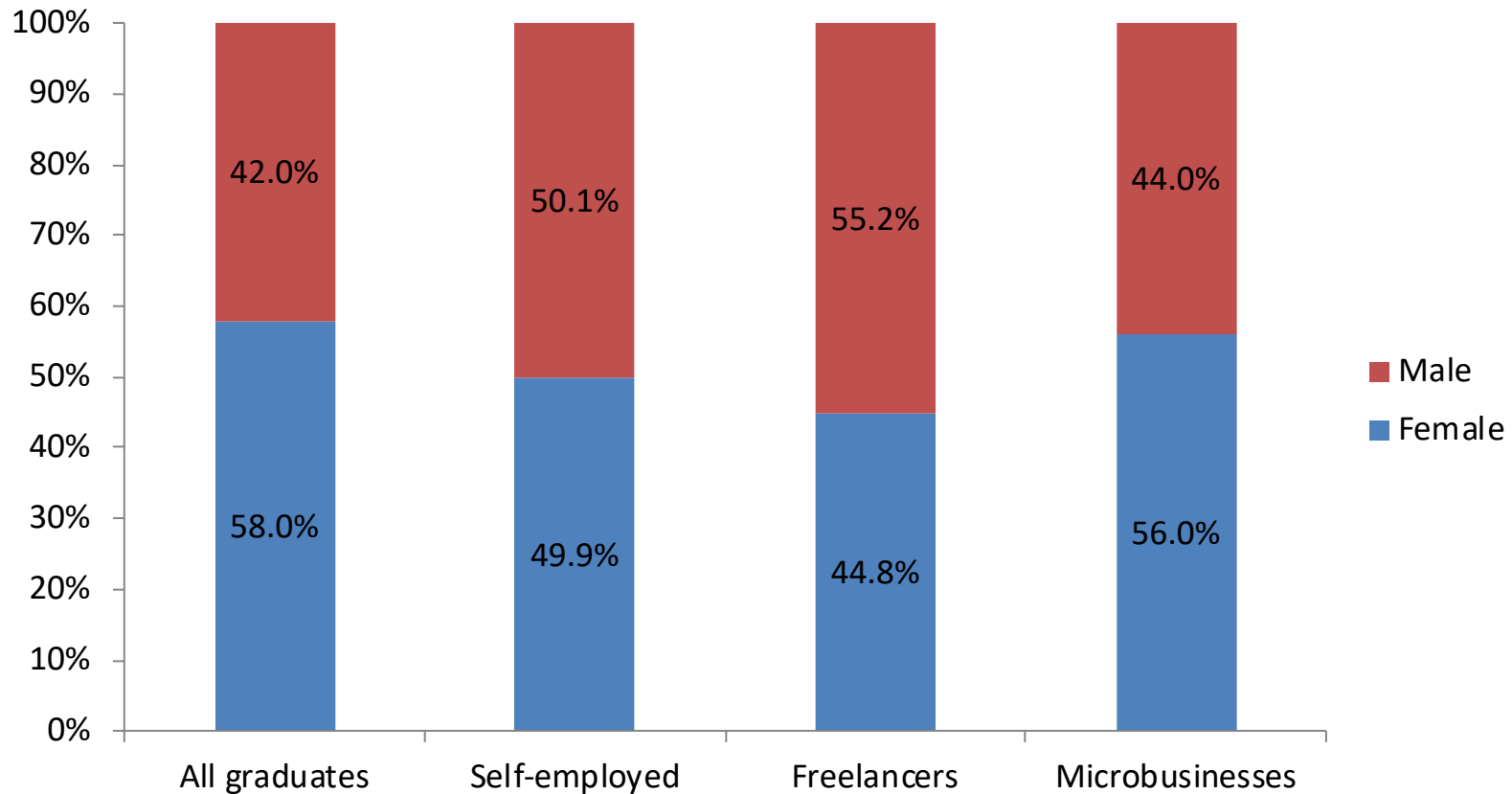
Data comes from HESA Destination of Leavers of Higher Education 2016/17. 7,625 UK domiciled graduates at all levels went to work for microbusinesses on a non-self-employed basis

Graduates in microbusinesses

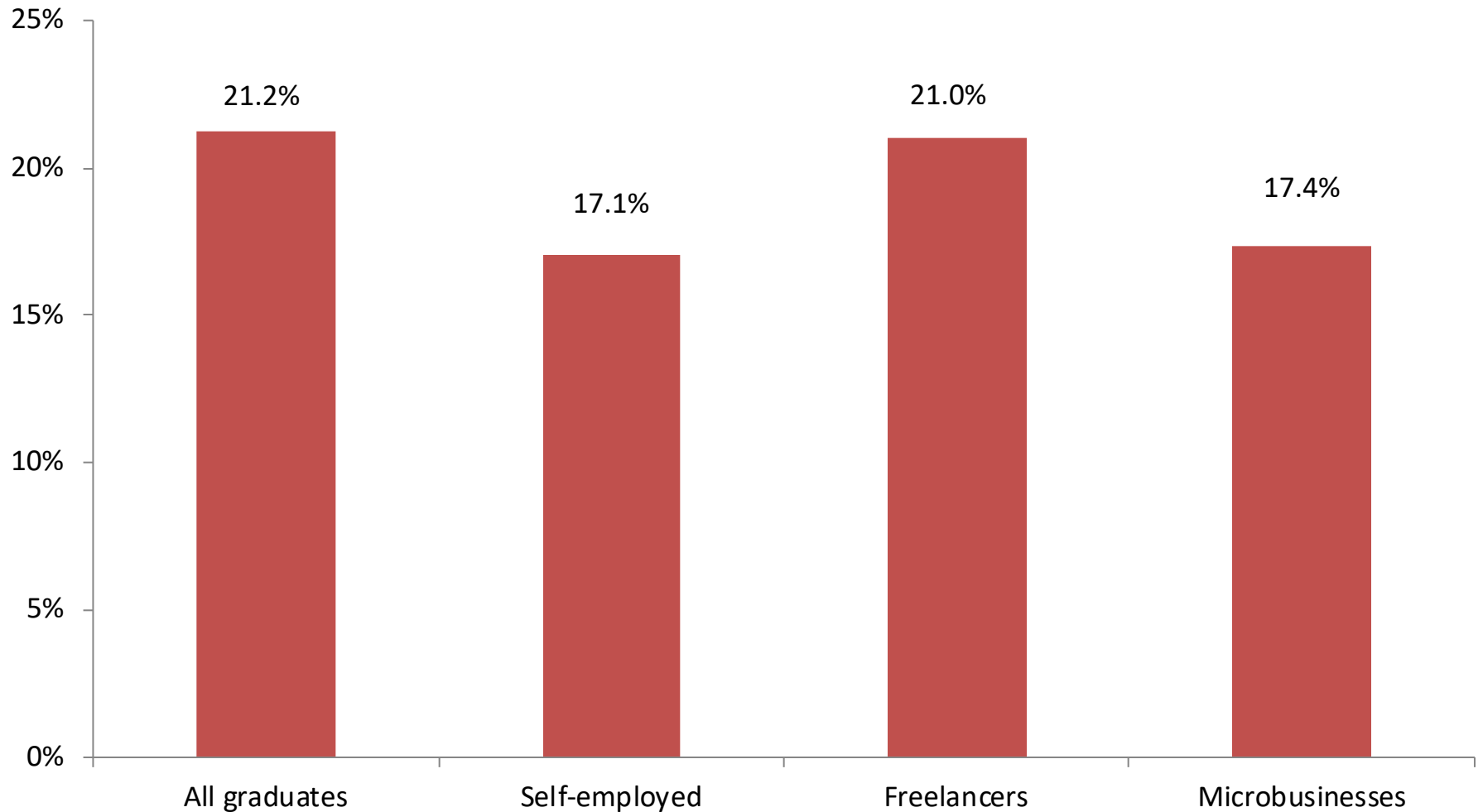


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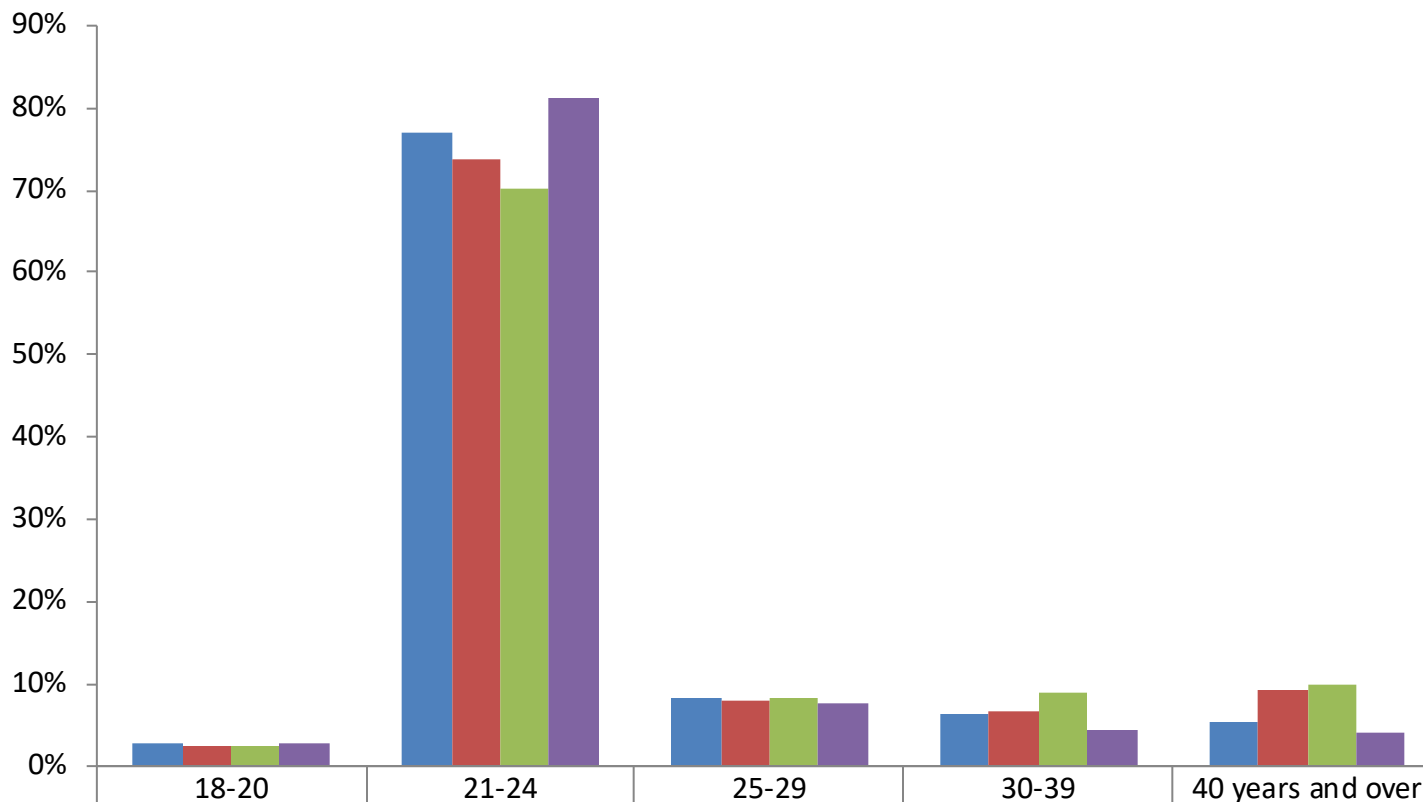
Men and women in self-employment



Proportion of graduates from BME backgrounds

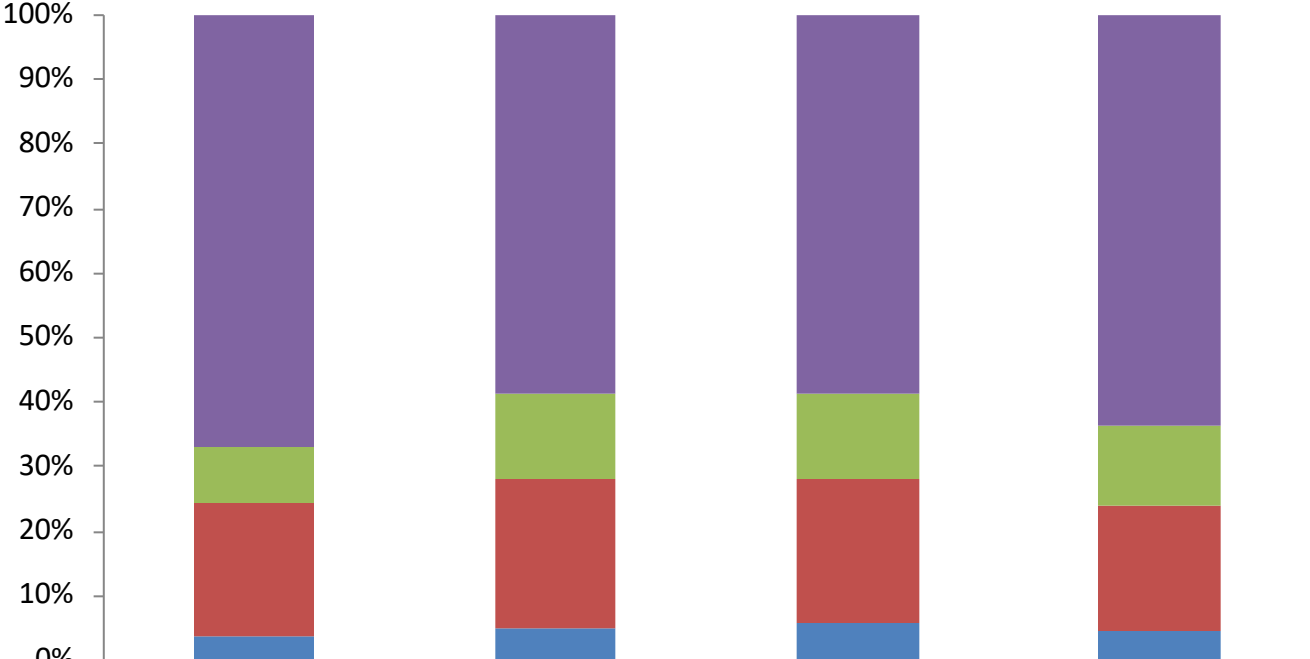


Age and self-employment



	18-20	21-24	25-29	30-39	40 years and over
All graduates	2.6%	77.1%	8.4%	6.5%	5.4%
Self-employed	2.5%	73.7%	7.9%	6.7%	9.3%
Freelancers	2.5%	70.1%	8.4%	9.0%	10.1%
Microbusinesses	2.9%	81.1%	7.6%	4.3%	4.2%

Had graduates previously worked in their current role prior to graduation?



	All graduates	Self-employed	Proprietors and freelancers	Microbusinesses
No	67.0%	58.9%	58.7%	63.5%
Yes: before and during my programme of study	8.6%	13.2%	13.0%	12.7%
Yes: during my programme of study	20.6%	23.1%	22.5%	19.3%
Yes: before my programme of study	3.7%	4.8%	5.8%	4.5%

Where were graduates originally from?

Domicile (Region)	All graduates	Self-employed	Proprietors and freelancers	Microbusiness
North East	3.6%	2.5%	2.7%	2.6%
North West	10.9%	9.6%	9.1%	9.7%
Yorkshire and The Humber	7.3%	5.7%	5.5%	6.9%
East Midlands	6.5%	5.8%	6.4%	6.1%
West Midlands	8.7%	7.7%	8.5%	9.2%
East of England	9.4%	9.6%	10.0%	9.9%
London	15.2%	18.0%	18.8%	13.8%
South East	14.4%	16.2%	17.0%	15.6%
South West	7.8%	10.6%	9.4%	9.6%
Wales	4.8%	6.3%	3.3%	4.9%
Scotland	7.3%	6.0%	6.2%	6.9%
Northern Ireland	3.7%	1.6%	2.9%	4.4%

What are the self-employed doing?

Which industries are popular with the self-employed?

Industry of employment	Self-employment	Proprietors and freelancers	Microbusinesses
Manufacturing	3.8%	5.7%	5.8%
Construct, engineering, R&D	19.6%	13.1%	12.2%
Retail	3.6%	7.7%	14.7%
Logistics	1.0%	2.7%	0.9%
Hospitality & tourism	1.6%	3.3%	15.4%
Media & publishing	11.1%	9.1%	3.3%
IT and telecoms	4.0%	5.3%	4.2%
Legal and accountancy	0.6%	1.0%	3.7%
Management consultancy	0.7%	1.1%	0.9%
Other business and finance	3.3%	6.5%	7.0%
Marketing & PR	1.6%	3.4%	2.0%
Education	10.4%	11.7%	4.8%
Health	3.7%	5.0%	6.2%
Social care	2.0%	3.2%	4.1%
Local and central govt	0.1%	0.5%	0.1%
Arts, sports and leisure	29.5%	17.1%	10.3%
Other industries	3.4%	3.5%	4.4%

Which roles are popular with the self-employed?

	Self-employed	Proprietors and freelancers	Microbusiness
Managers	6.4%	16.4%	4.6%
Health	4.3%	6.1%	8.5%
Education	6.5%	7.0%	1.9%
Legal, social and welfare	0.8%	1.9%	3.8%
Science	0.2%	0.2%	0.6%
Engineering and building	1.1%	2.0%	4.2%
IT	3.6%	3.6%	4.1%
Business and finance	2.3%	4.2%	5.9%
Marketing and sales	3.1%	6.7%	8.8%
Arts, design, media	56.6%	29.5%	17.2%
Other professionals	4.9%	6.8%	4.7%
Education and health support	2.1%	2.6%	5.2%
Clerical, secretarial	1.0%	1.9%	6.7%
Retail and service	0.6%	1.4%	15.9%
Other occupations	6.3%	9.5%	7.8%

The 'graduate job' conundrum

- Most self-employed are in 'graduate jobs'
- More likely than graduates as a whole to be in them
- Most in microbusinesses in graduate jobs but service roles much more important
- Small but significant group of both the self-employed and the proprietors appear to be running childminding and similar businesses (also an issue for skilled trades and crafts at a lower level)
- This is not considered graduate level employment
- In conventional metrics graduates starting this kind of business may be counted as going on to unsatisfactory outcomes
- Could the metrics agenda be clashing with an entrepreneurial agenda – and with social need considering UK serious shortfall in childcare?

Where did they work?

	Self-employed	Proprietors and freelancers	Microbusiness
North East	2.2%	2.4%	2.5%
North West	9.8%	8.9%	9.3%
Yorkshire and The Humber	5.3%	5.1%	6.8%
East Midlands	4.2%	6.1%	5.8%
West Midlands	6.2%	7.4%	8.3%
East of England	7.3%	6.9%	7.9%
London	27.3%	27.9%	19.4%
South East	12.1%	12.0%	13.0%
South West	9.6%	8.5%	9.5%
Wales	5.8%	3.0%	4.6%
Scotland	6.0%	6.0%	7.3%
Guernsey, Jersey and the Isle of Man	0.1%	0.0%	0.2%
Other EU	1.6%	1.6%	0.8%
Non-EU	1.3%	1.8%	0.7%

Summary

- There are different types of self-employed graduate, such as business owners and freelancers
- These groups have differences in types of outcome, particularly by industry and occupation
- They have different support and guidance needs
- It may be possible to use the new Graduate Outcomes data to distinguish between different groups of self-employed graduates
- The role of the arts in self-employment may be underestimated
- It looks as if the regional patterns of self-employment do not wholly match patterns of graduate employment in general
- Microbusinesses have their own character and may need renewed focus
- There are questions about whether the way metrics are assessed and used serves the entrepreneurial agenda as effectively as they could.

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