

Ireland's freelance economy sees over-60s become biggest earners, new study reveals

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Ireland's self-employed and project economy workers over 60 are among the highest earners in the sector, securing the largest day rates and annual income of any age group, a study from Trinity Business School has revealed.

Despite the longstanding stigma of ageing in the workplace, the study revealed that this bias doesn't carry over to the freelancing sector, with the researchers suggesting that experience is "highly valued" in the independent contractor market.

The research, which was undertaken in partnership with Contracting PLUS, and is Ireland's first ever independent study into the country's Project Economy, analysed the sector's economic contribution and the experiences of those working within the sector.

Within the study it was revealed that, alongside over-60s earning more than any other age group, and the gender pay gap being 17% smaller than national average, freelancers have better job satisfaction and earn more than those in long-term employment.

According to the research, undertaken by Professor Andrew Burke, Dr Na Fu and Tam Nguyen, independent contractors generally earn 58% more than the equivalent employees, and averaged job satisfaction levels of 80%.

It was also revealed that those doing specifically project-based work – which the researchers revealed constitutes around three-quarters of contractor workforce – earned on average 70% more than equivalent employees.

Burke and his co-authors also found that confidence levels among freelancers remains high in the face of COVID-19 with 64% of the contractors believing the contracting sector would increase in the next 3-5 years.

In undertaking the study, the researchers surveyed 1,458 individuals, made up of contractors, recruiters who engage in contract recruitment and clients who include contracting services.

Discussing the findings of the report, and the contribution of independent contractors to Irish economy, Professor Andrew Burke, Dean of Trinity Business School and Chair of Business Studies, says:

"Freelancing seems to provide some way out of the dilemma where despite a pension funding crisis where we need people to worker late in life, older workers face discrimination in the employment sector. This problem does not carry over to the project economy. Experience is highly valued in the high skilled independent contractor market where older workers earn more than their younger counterparts. In fact, we find that workers who are over 60 years old secure the highest day rates and have the highest annual earning of any age group. This is not only a great economic gain but we also find that these workers also have high job satisfaction. This shows that high skilled freelancers in the pension age zone can

find a life-fulfilling and financially valuable career at a time in their life when most employees are often being let go by employers.”

“We need better understand, guide and harness the value added that this project economy can generate. This research is a step towards this goal. It will also better inform both contractors and policy makers on best practice, opportunities, threats and relative performance of the professional contracting sector in Ireland”.

Jimmy Sheehan, Managing Director of Contracting PLUS, adds:

“Having a clear view of this sector and of contractors’ economic contribution is important. Many major business and industrial sectors rely on the project economy, making extensive use of high-skilled independent contractors to help them compete and to drive innovation and entrepreneurial activity. They make a massive contribution in businesses where agility and ability to manage uncertainty and risk is key to competitive advantage”.

Dr Na Fu, Associate Professor in Human Resource Management at Trinity Business School, says:

“This is the first study about professional contractors, a key component in the Irish workforce. Overall, the findings are positive in terms of pay, work satisfaction, and wellbeing. Meanwhile, some challenges faced by this professional and knowledge-intensive group are also noteworthy. They include the lack of opportunity to voice, network, and collaborate with others...Therefore, a synthesis of people management policies, practices, and workers’ voice is needed in the future to enable a productive, inclusive, and sustainable workplace for everyone.”

You can read the full report here: <https://www.tcd.ie/business/news-events/project-economy-report.php>

Citation:

Burke, A., Fu, N., Nguyen, T., Sheehan, J. (2021), Ireland's Project Economy: A Barometer of Independent Professionals, Contractors, and Solo Self-Employed. <https://doi.org/10.25546/96142>.

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