

IRELAND'S PROJECT ECONOMY

2022

A Barometer of Independent
Professionals, Contractors
& Solo Self-Employed

WELCOME

IRELAND'S PROJECT

ECONOMY

A Barometer of Independent Professionals, Contractors & Solo Self-Employed

Welcome to Ireland's Project Economy 2022, the only report of its kind completed in Ireland; profiling the Irish high skilled independent professional, also known as professional contractors, freelancers, and solo self-employed workers. Trinity College Dublin and Contracting PLUS are delighted to collaborate and complete this work which explores the contribution this key cohort have on employment and the economy in Ireland.

The aim of this report is to explore the extent and nature of independent professionals, contractors, and the solo self-employed sector in Ireland as well as key challenges that they are facing.

The research seeks to provide insights into the contribution of this sector to business and society as well as to better inform this type of worker about best practices, opportunities, threats, and relative performance in the professional contracting sector in Ireland.

We hope you find the results as interesting as we have.

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IRELAND'S PROJECT ECONOMY

MEET THE RESEARCH TEAM ON PAGE 84

The current government is afraid to appear to support the professional consultants because the **ill-informed** opposition **put all “temporary” workers in the same category** as a Deliveroo gigger and argue wrongly that it is “exploitation of the worker”. The Irish economy needs to have a fluid and flexible professional workforce to help deliver projects and to scale client businesses quickly for market spikes.

The government needs to ensure they recognize the difference between a healthy flexible workforce (which benefits both consultant and client) **and those businesses or sectors that exploit their workers. This is a complex market and requires subtlety and not crude brush strokes.**

- Anonymous respondent

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Preface: Independent Contracting and the Project Economy

The project economy is a major driver of economic growth utilising a blended workforce of both employees and independent contractors to enable organisations of all sizes to be more innovative, agile and grow faster than they could if constrained to an 'employee-only' workforce model. While organisations may rely predominantly on employees for their 'business as usual' aspects of their activities, they make significant use of independent contractors/professionals to enhance their organisation's capability beyond this by being able to draw on this external high-skilled workforce to bring in unique talent and additional human resources on a variable cost model. This dual talent and financial advantage of engaging freelancers to work with employees to cover the more complex challenges of innovating, adopting new technologies as well as managing the cost and risks associated with business growth and unexpected events, are defining drivers of the project economy. These performance benefits extend across organisations of all sizes and encapsulate both for and not-for profits entities.

Home working due to the Covid pandemic has brought remote and freelance working more into the public consciousness. However, these forms of work in the project economy have in fact been active and growing over the last two decades and are an area of great interest to researchers in universities. Remarkably, high skilled independent contractors that are one of the key defining ingredients of the project economy rarely get the credit for their accomplishments. Maybe a mainly good news story is perceived as humdrum and research showing that high skilled independent contractors are typically better paid and happier than equivalent employees does not generate enough digital clicks! However, while it is a good news story, it is still a form of self-employment, which is fundamentally a more risky career than employment. So it's not suitable for people who are highly risk-averse nor is entry into this form of self-employment a guarantee to achieve the average incomes unearthed by our research. Nevertheless, what it does highlight is that the vast majority of the high-skilled freelance workforce are able to achieve a high standard of living through this career path, both in terms of earnings and personal happiness. This of itself is enough to warrant it a worthy focus of research but the fact that the same activity through the project economy adds greatly to business and economic performance makes it even more compelling.

Therefore, we hope you enjoy the report. Of course, none of this would be possible without the generosity of the over 1,000 independent contractors and firms who kindly gave us some of their valuable time to complete the questionnaire. So a BIG THANK YOU to you all. We would also like to thank our research partner Contracting PLUS for their active support for this project.

Kind Regards,



Andrew Burke

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Foreword: Confidence Soars in the Irish Contracting Market

There has never been a better time to be a self-employed professional! This isn't my opinion, rather the overwhelming result from this year's survey. The respondents were a mix of contractors, freelancers and consultants, but the common thread was they are high skilled (86% have a bachelor's degree or higher) and well paid. The average daily rate of €565 is an increase of nearly 13% on last year.

A tight skills market is making it difficult to source the right skills, however every functioning economy needs a mix of both permanent and contingent workers. One company in the research said they "see contractors now as an integral piece of the overall business - this was not the case even 2-3 years ago".

Smart companies use project workers to scale, minimise risk and develop new business lines. This has been one of the reasons Ireland has been so successful in attracting multinationals to our shores. Ireland is home to 14 of the top 15 medical device companies, the top 5 global software companies, 9 of the top 10 US technology companies, 20 of the top 25 global financial services companies, and I'm only scratching the surface. *

However, the elephant in the room remains the regulations around the use of and hiring of self-employed independent professionals. When the effects of Covid-19 are stripped out of this year's research, the largest negative factor affecting Ireland's Project Economy is Government regulation around the hiring of Independent Professionals.

For me, I believe the regulations are clear. Could they be better, yes of course, but they are clear. The issue is the interpretation of the regulations due to mixed messaging from different Government departments.

On the one hand, we have a policy of supporting self-employment and entrepreneurship. While on the other, there is an understandable desire to protect the low paid unskilled worker in the gig economy.

I think there are Government departments that look at these self-employed service providers and when they don't see employees, they automatically assume the independent professional should be an employee themselves. The reality is the company engaging this worker only needs them for a set project. They don't want to employ them as when the project is over, they've no further need for the worker. So, they have to make them redundant...and redundancy in Ireland is expensive for companies. This makes sense as it protects employees.

The solo self-employed professional (i.e. the contractors and freelancers with no employees) are key for a functioning workforce...but there doesn't seem to be a home for them in our regulations.

One survey respondent framed the problem perfectly when they said "The government needs to ensure they recognise the difference between a healthy flexible workforce ... and those businesses or sectors that exploit their workers. This is a complex market and requires subtlety and not crude brush strokes."

For now though, let's celebrate the confident outlook for contracting in Ireland and all the positive aspects that have come out of this research including a smaller gender pay-gap than the national average, the ability for those over 60 to keep working at a time in their life when they are often less valued and the fact that a whopping 86% are satisfied with the success they have achieved in their career.



Jimmy Sheehan
Managing Director
Contracting PLUS

EXECUTIVE SUMMARY

This is the 2022 edition of Ireland's Project Economy, an annual report which was first launched last year. The report provides a statistical insight into work, life, business performance and the economy relating to high skilled independent contractors. Prior to the report, very little was known about this sector in Ireland despite it being identified as of major importance in other developed economies. The research is based on an anonymous survey of contractors, recruiters and clients and received 1,020 responses. A detailed analysis of the data was then carried out to identify a general profile, nature of work, experience with contract work and expectations about the future of business and economic performance. The main findings of the survey are set out below.

The 2022 results show a lot of consistency with those from last year. The lack of major variability in much of the data across two different annual surveys begins to **illustrate the enduring nature of some of the key statistical characteristics** of the high skilled independent contractor sector in Ireland.

High skilled independent contractors tend to be happier than employees. They manifest **higher levels of work and life satisfaction levels than equivalent employees**. A total of **76% of contractors voluntarily chose this form of work**.

It is also the case that **high skilled independent contractors earn more than equivalent employees**. Those working in the project economy earn 73% more than similar occupation employees. High skilled independent contractors working in the gig economy earn an average of 56% more than equivalent occupation employees.

These greater earnings demonstrate the high value added projects in which high skilled independent contractors are engaged. It is also clear from our data that these greater earnings are themselves driven by very high levels of human capital derived from both high levels of education and years of work experience. These barriers to entry mean that **these higher average earnings in freelancing usually take time to achieve – dependent on the accumulation of sufficient human and social capital relevant for freelancing**.

Similarly, as self-employment is a more risky and self-reliant form of work than employment, it would not necessarily suit the psychological disposition of many current employees. Therefore, the higher satisfaction levels manifested by freelancers is in some way conditional on the fact that less risk-averse individuals, as well as those with higher levels of tolerance of ambiguity, will have self-selected into this form of self-employment. The **higher level of risk-taking amongst independent contractors compared to equivalent employees is partially reflected in their higher equivalent day rates**, which in the project economy are just over double those of employees.

We do not have any evidence of age discrimination in our survey. By contrast, the **greater experience of older workers is reflected in higher day rates** being secured as workers get older. Similarly, for earnings, older independent contractors have higher income and are able to command the highest levels of earnings in their 60s.

We also find that there is **greater equality of pay between men and women in the high skilled independent contractor workforce than amongst employees**. Last year the average female contractor's day rate was €471 compared to €510 for men indicating a pay rate gap of 8.3% with males. In the meantime, the day rates for both male and female contractors have gone up substantially but more so for males. Female independent contractors now achieve €519 per day (+10.2%) and males now secure €579 (+13.5%). This shows that men now get an extra 11.6% per day than females which is still a smaller pay gap than in the employed sector.

The survey also reveals that **independent contractors are upbeat about business prospects for the medium term with positive freelance sector and Irish economy confidence indices scores**. A total of 73% of contractors expect their sector to perform better over the next 3-5 years than currently. Just 6% expect it to perform less well. In terms of the Irish economy, 76% of independent contractors expect it to perform better in 2022 than 2021. Just 7% expect it to perform worse. We note that these opinions were expressed before the Russian Invasion and war in Ukraine. Therefore, we expect that there will be some subsequent downward revision of these expectations.

In sum, we again reveal a segment of the workforce that on average has higher earnings and satisfaction than comparable employees. It is also a segment of the workforce which enables the project economy to generate value added to business and society. These attributes also entail reduced gender discrimination and clear evidence of valuing the greater work experience of older people. **Given these positive characteristics, this segment of the self-employed workforce and the associated economic activity ought to be nurtured and recognised because of its distinctiveness**.

CONTRACTORS

PROFILE

I believe long term if the government doesn't do more positive things to help contractors with their operations, then less people will enter the contracting area. The downside to this being big international clients who use and rely on contracted resources for development will be less attracted to Ireland as a base for their operations. Many recent projects in Ireland would not have been possible without contract resources.

- Anonymous respondent

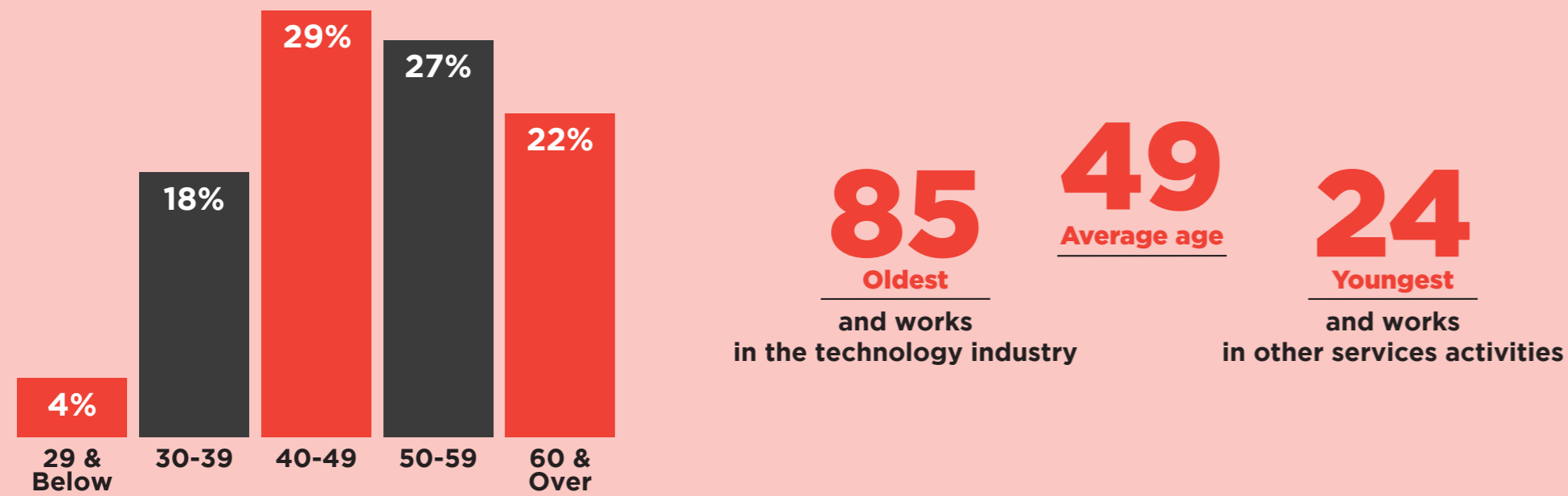
WHO ARE INDEPENDENT PROFESSIONALS

Ireland's independent professionals choose to be self-employed. They predominantly work on 'Projects' though some do also complete more routine 'gigs' or 'tasks'. They are all highly skilled individuals. This is an important contrast to the low-paid and often unskilled workers who are commonly associated with the gig economy.

AGE

The average (and median) age of the participants was 49 years old. 29% of those sampled were between the ages of 40 and 49.

Nearly 78 percent of respondents were over the age of 40, implying that a certain amount of time and experience is required to develop a valuable skill set before contracting becomes an option.

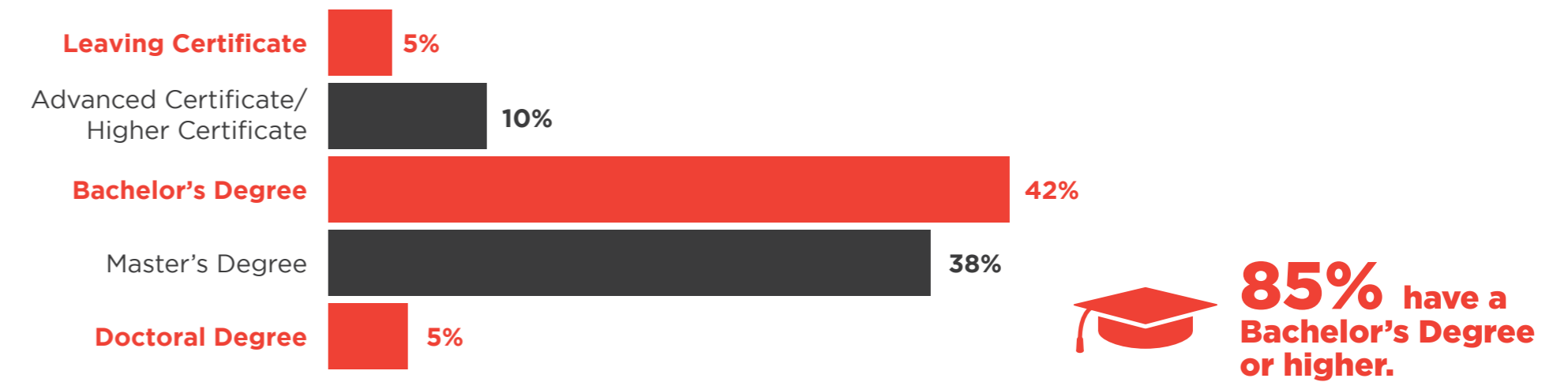


GENDER SPLIT



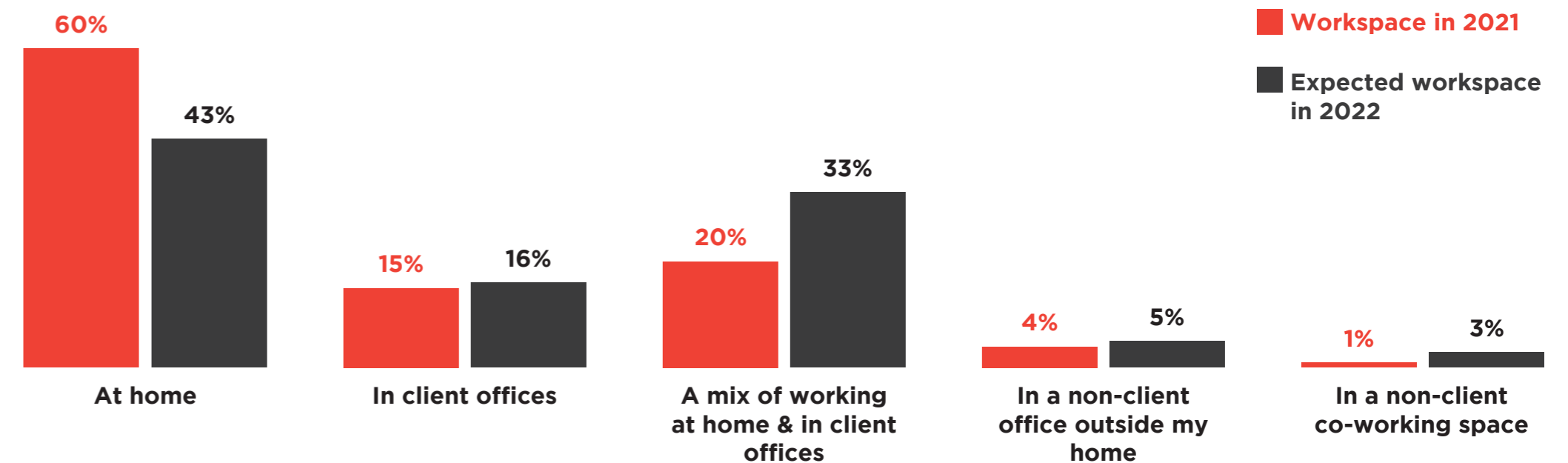
EDUCATION PROFILE

Independent professionals tend to be well-educated. 96 percent of the participants had a third level qualification of 6 or higher on the National Framework of Qualifications.



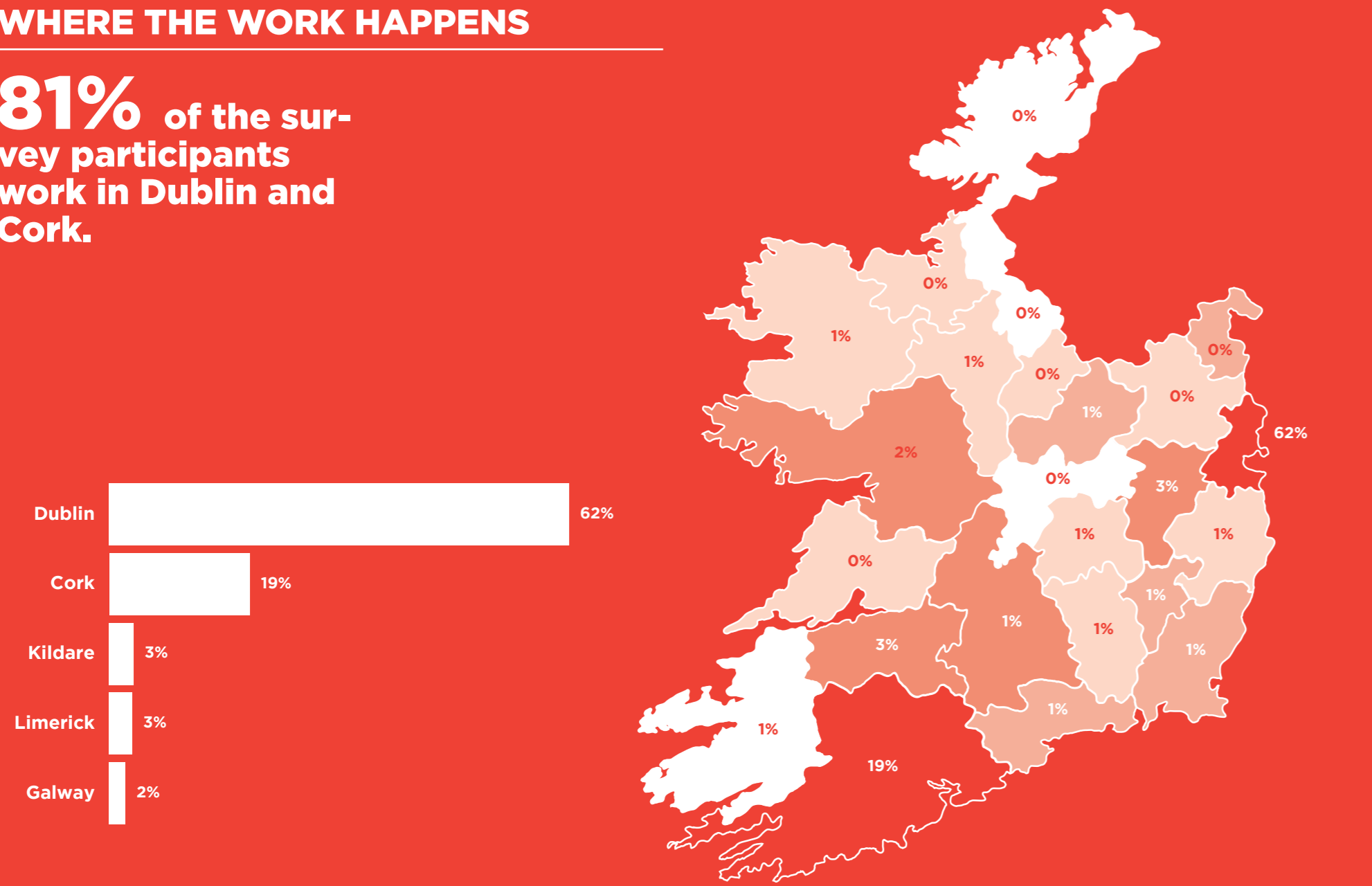
MY OFFICE IS

The pandemic had a significant impact on where independent professionals worked. When asked where they worked from pre-covid in Ireland's Project Economy 2021, 63 percent indicated they worked in client offices, 13% said they worked from home, and 23% said they worked in a combination of home and client offices. This substantially changed during covid, with just 15% of responders working in client offices, 60% working from home, and 20% working in a combination of home and client offices. According to respondents' expectations for 2022, 16 percent expect to work at client offices, 43 percent plan to work from home, and 33 percent expect to work in a combination of home and client offices.



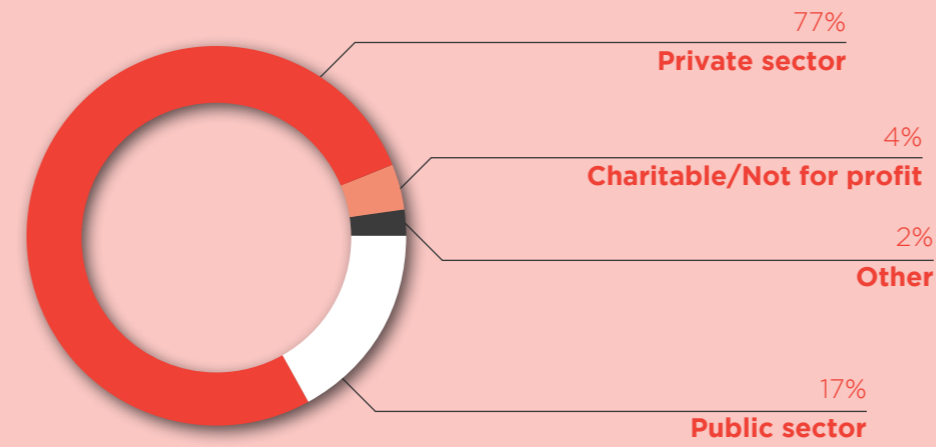
WHERE THE WORK HAPPENS

81% of the survey participants work in Dublin and Cork.



INDUSTRY

77% of the contractors work in the private sector.
92% of respondents stated that they were self-employed only.



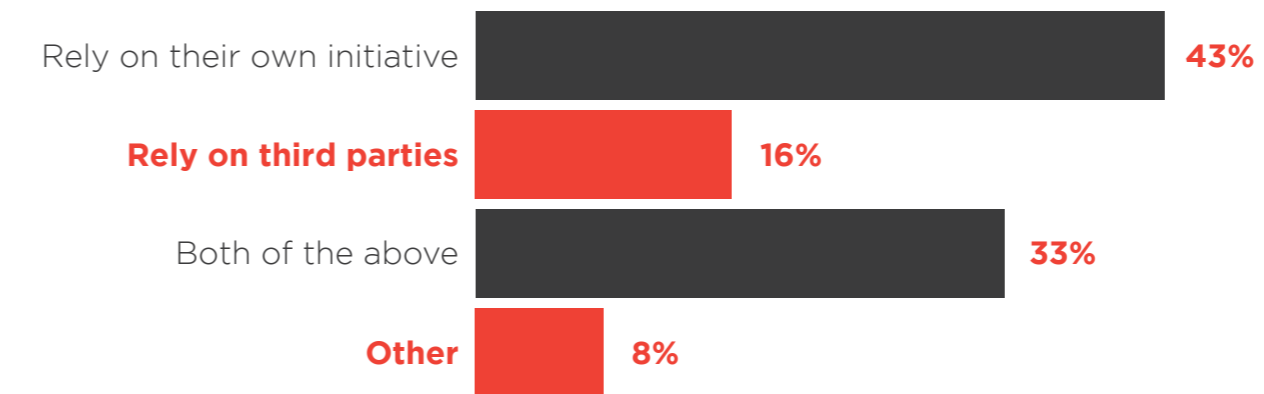
CONTRACTING AS A CAREER

76% of contractors voluntarily choose to contract.

Having a network is important to ensure a continuous stream of work with 43% of respondents relying on their own initiative to find new work. Just 16% of respondents rely solely on third parties (such as contract recruiters) to help them find their next contract, while 33% of survey participants use a combination of both their own network and third parties to ensure a continuous stream of project work.

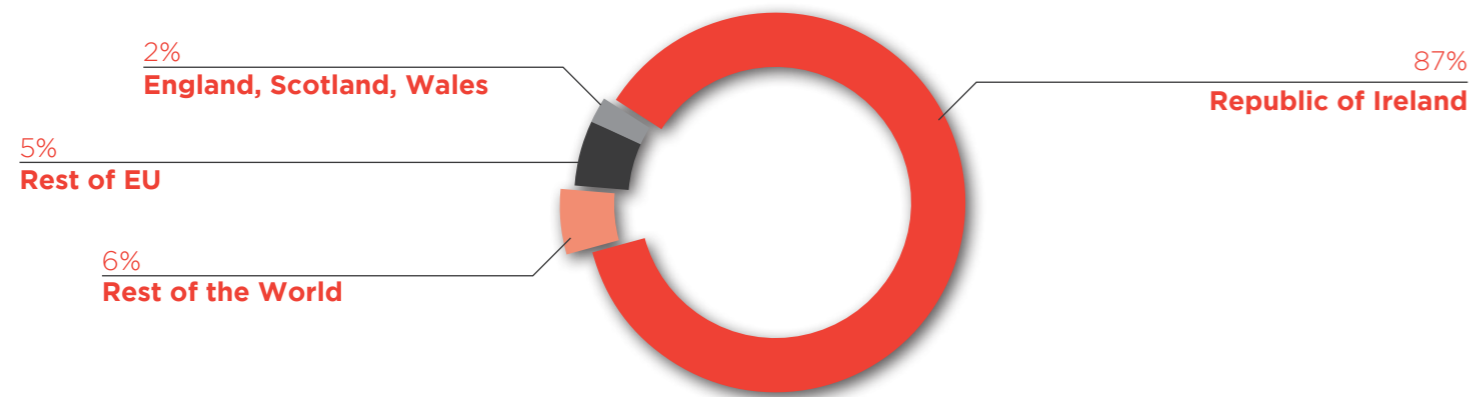
Based on these figures, it's clear that maintaining a wide network of contacts is still critical for contractors. Connecting with peers and industry participants, as well as industry-specific contract recruiters, should provide a consistent stream of employment opportunities.

The average time respondents spent looking for a new contract was down almost 2 weeks from 2021, when it took respondents an average of 5 weeks to find a new contract. The reduction in time spent looking for a new contract indicates buoyancy in the contracting sector.



The average time respondents spent looking for a new contract was **18 days.**

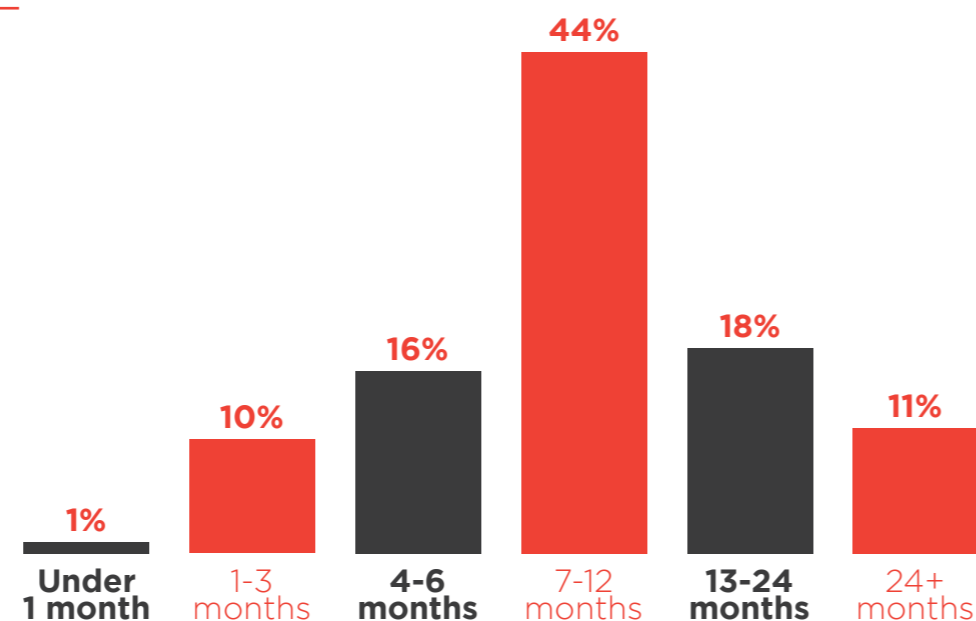
WORK LOCATION



LENGTH OF CONTRACTS

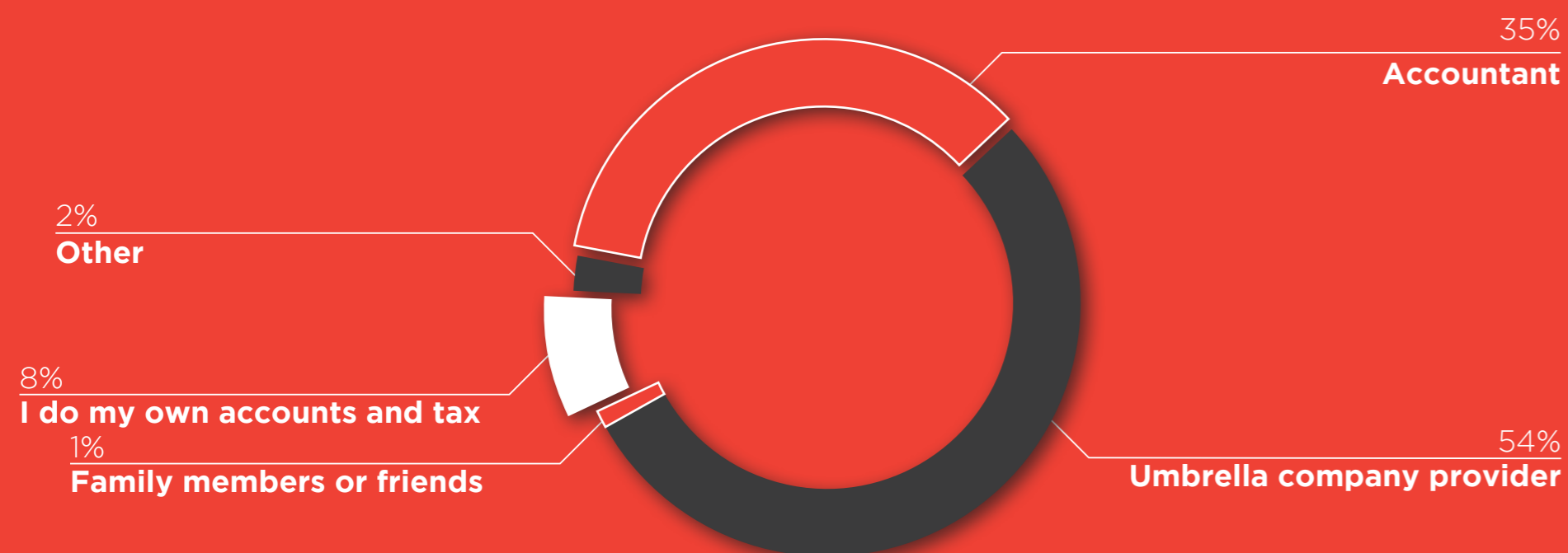
The average contract length is 16 months. The median contract length is 12 months, with (44%) of respondents reporting their contract length between 7-12 months. The average contract length was 14 months in 2021. The increase in contract length indicates contractors' work is currently more stable than last year. Contracts 24+ months have increased since the 2021 survey moving up from 8% to 11%.

16 Months
Average contract length



ACCOUNTS & TAX

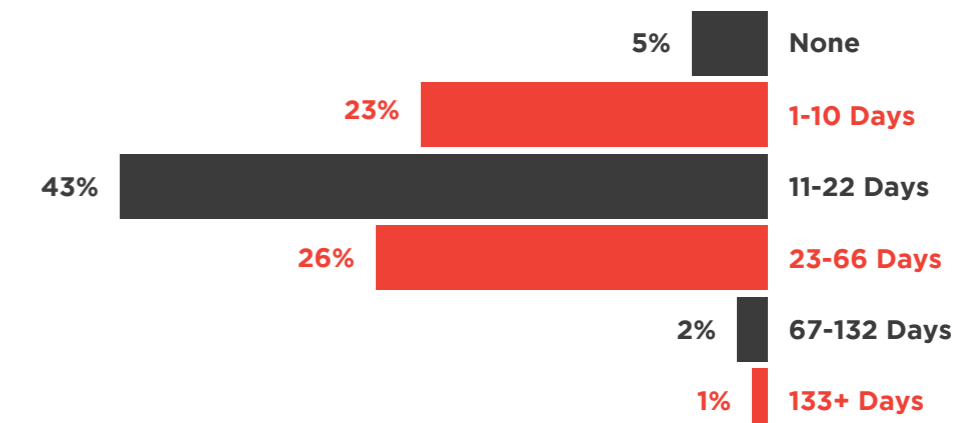
Remaining compliant as a contractor is important and most contractors get professional assistance with their accounts. Umbrella company providers are still the preferred means by which independent contractors deal with their accountancy requirements, with over half of the survey participants engaging their services.



HOLIDAYS

Independent professionals generally take less holidays than employees. More than a quarter of those surveyed took 10 days holidays or less in the year. The average holidays taken were reported as 21 days per annum with 71% of respondents taking less than 23 holiday days in a year.

21 Average holiday days



AVERAGE DAILY RATE ACROSS KEY INDUSTRIES

When compared to a similar permanent position, one of the key advantages of contracting is the higher-than-average remuneration rates.

The higher pay rates compensate the contractor, for perceived lack of job security compared to a permanent employee, as well as the lack of other company benefits such as holiday pay, which they do not receive as a professional contractor.

The average daily rate varies significantly depending on which industry the contractor operates in, and the age of the contractor is also a factor.

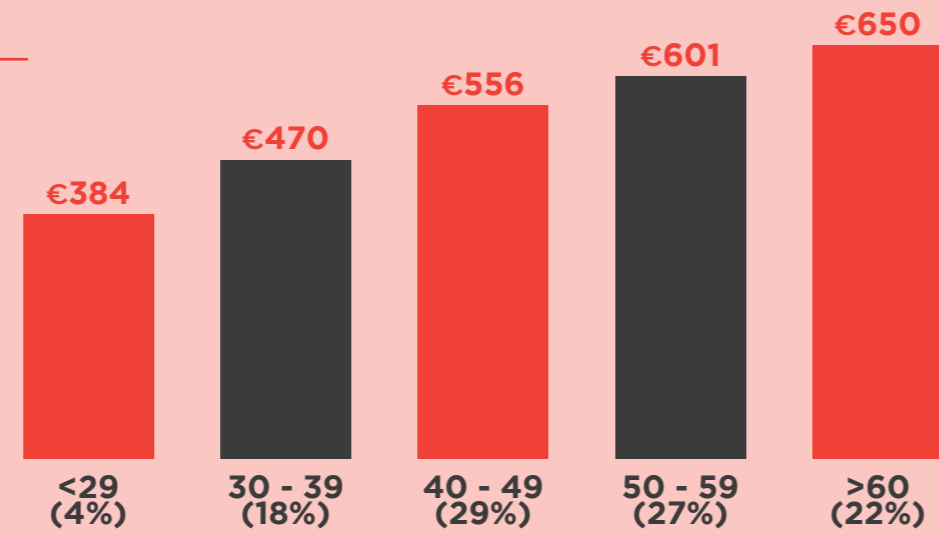
The average daily rate is €565, with a median daily rate of €500, with older contractor generally commanding higher rates

Average daily rates have increased across the board. All age ranges have seen an increase in daily rate with the average daily rate increase coming in at 10%.

Public administration and defence (compulsory social security)	€762
Real estate	€738
Construction	€732
Other service activities	€728
Professional activities (e.g., legal, management consultancy, advertising, etc.)	€702
Manufacturing	€638
Marketing and design	€617
Finance	€598
Medical Locum	€597
Insurance	€591
Life Sciences	€582
Wholesale and retail trade (including sales of clothing, footwear and textiles, repair of motor vehicles and motorcycles)	€580
Telecommunications	€576
Information Technology	€568
Engineering and technical activities	€565
Mining and quarrying	€560
Electricity, gas, steam and air conditioning supply	€557
Transport and storage	€552
Water supply; sewerage, waste management and remediation	€531
Agriculture, forestry and fishing	€527
Creative, art, entertainment and recreation	€522
Pharma	€509
Medical Device	€451
Other human health and social work activities	€434
Administrative and support service	€339
Other scientific activities	€288

AVERAGE DAY RATE BY AGE

€565 Average daily rate

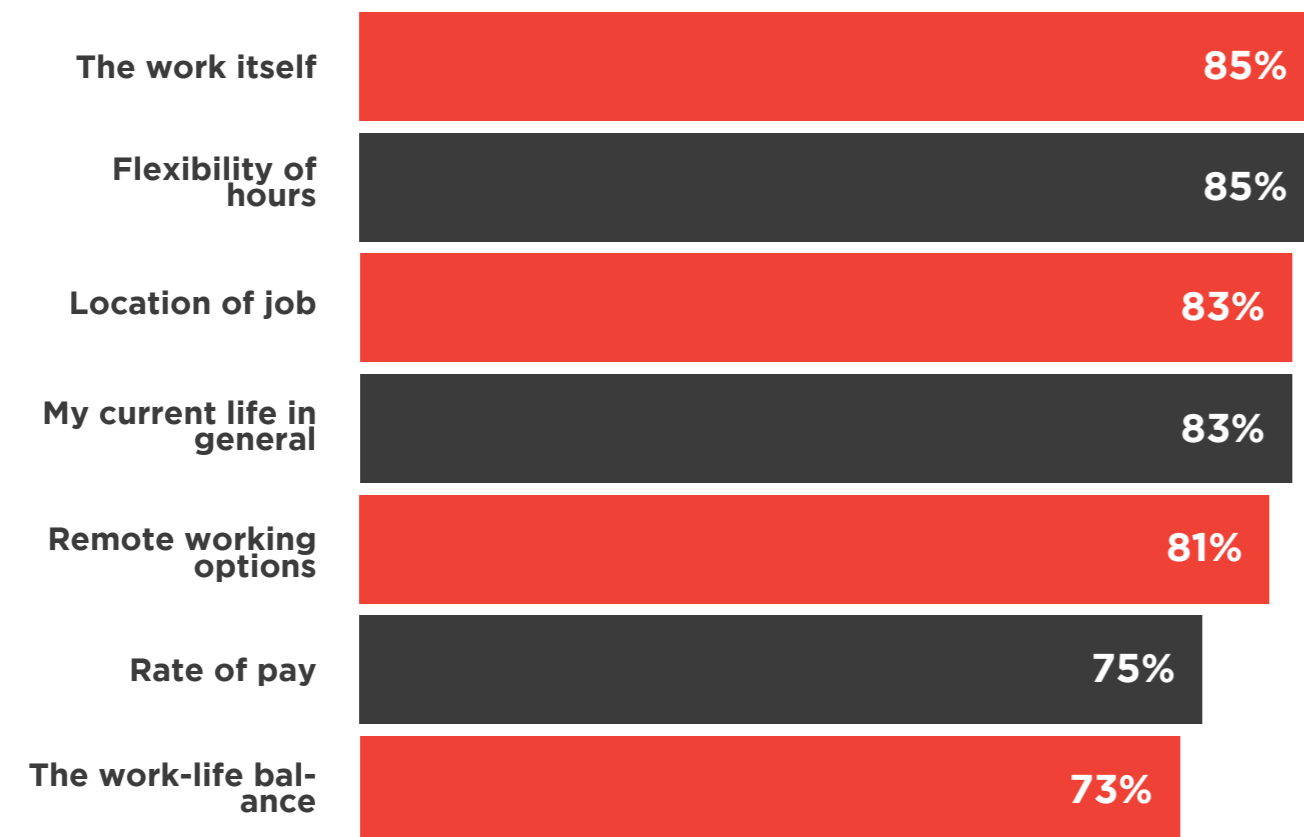


CONTRACTORS ARE HAPPY

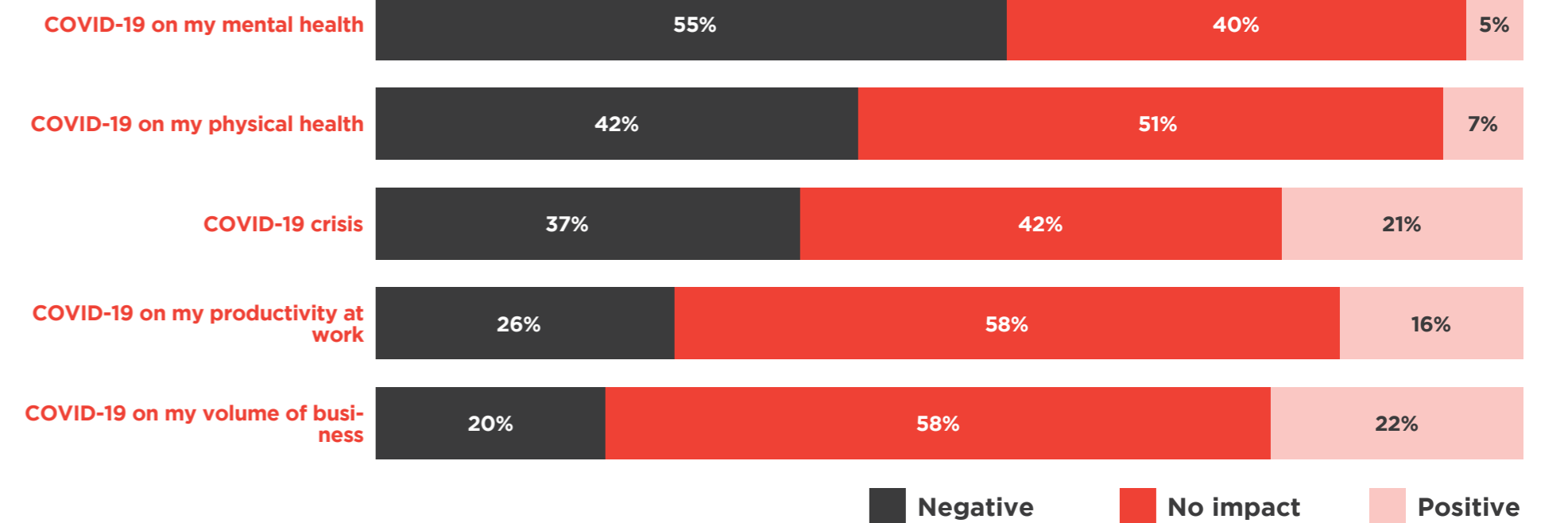
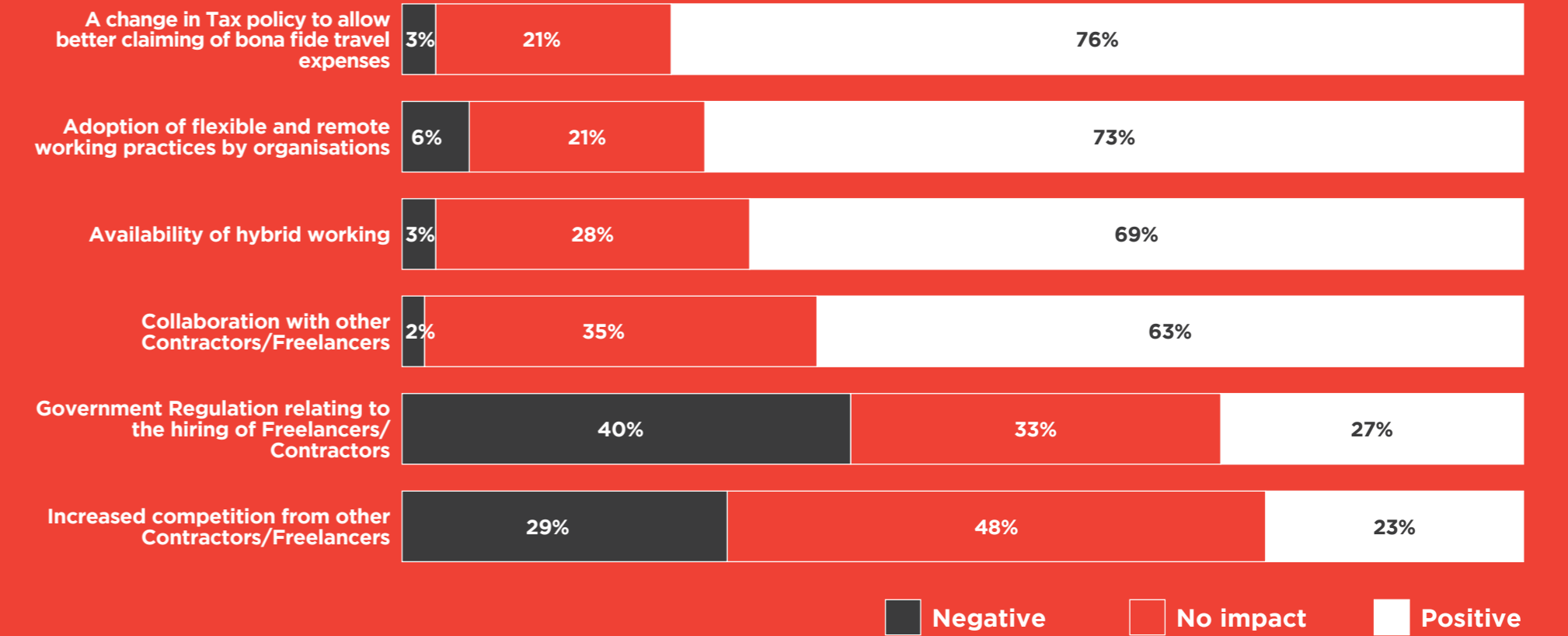
Contractors were asked a number of key questions relating to their level of satisfaction around 7 key elements of their work.

85% of contractors are satisfied with their work overall, which is unsurprising as one of the huge benefits of contracting is that they have the ability to pick and choose the type of work they do and the companies that they work for.

Satisfaction levels



FACTORS INFLUENCING CONTRACT WORK



CONFIDENCE IN THE FUTURE OF CONTRACTING IN IRELAND

When questioned explicitly about the performance of the contracting sector in Ireland over the next 3-5 years, 73 percent of contractors expected that it would grow, 21% predicted that it would stay the same, and roughly 6% believed that it would shrink. The confidence index was +37



CONFIDENCE IN THE THE IRISH ECONOMY



■ Decrease ■ Same ■ Increase

The confidence index in relation to the contracting sector is up to +37 from +30 in 2021, indicating that contractors are feeling positive about the sector. The confidence index towards the Irish economy in 2022 is +38. The confidence index in 2021 was only +7. This is a significant increase over the year and shows that contractors have a very positive attitude towards the Irish economy.

2021

FIGURES

WHAT THE CONFIDENCE INDEX MEASURES

Throughout this report you will see reference made to the 'Confidence Index'.

The confidence the participants have in several areas were expressed through the way they answered a number of key questions almost identical in nature, but presented in different ways.

The average weighting of these answers is then used to calculate the confidence index. A Confidence Index of zero would indicate that there was a totally neutral feeling by the respondents. A positive figure represents a positive outlook, with the scale maxing at 100, while a negative score indicates the feeling of unfavourable or negative feelings towards the economic or business future.

GENDER SPLIT

FEMALE



MALE

AGE

78

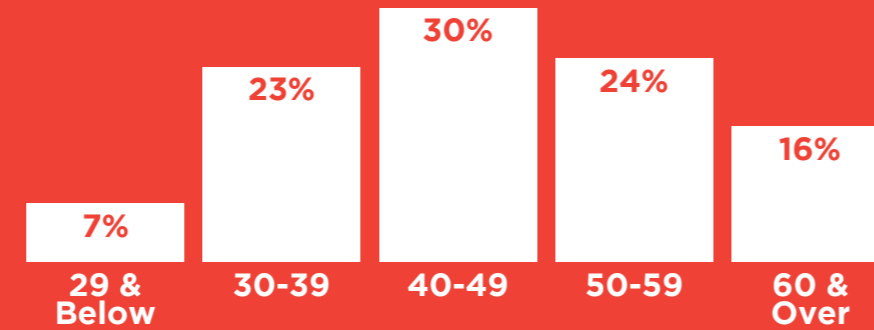
Oldest

46

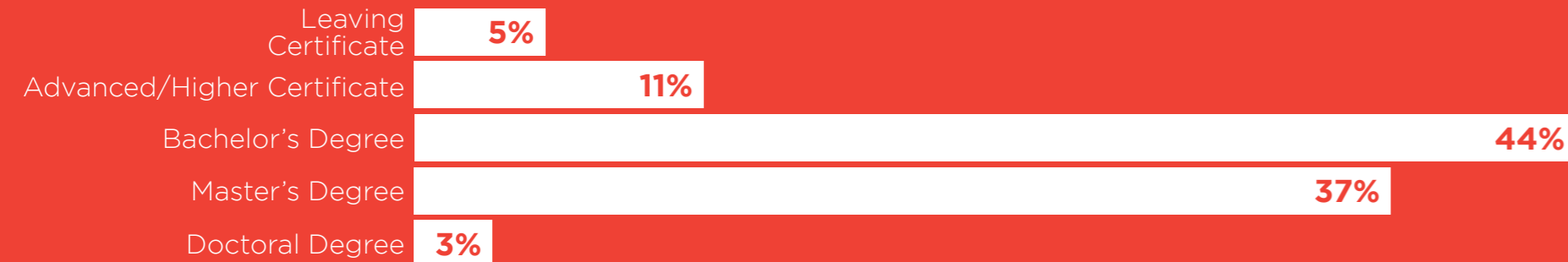
Average age

21

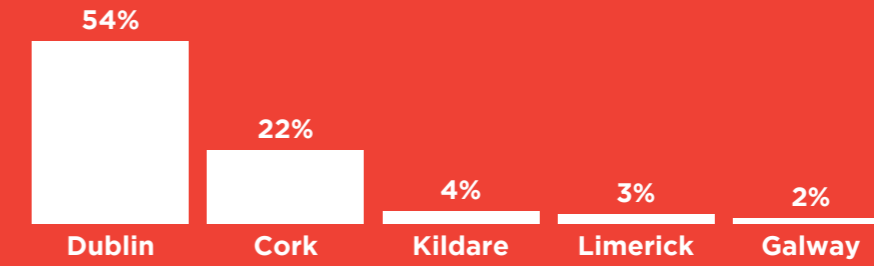
Youngest



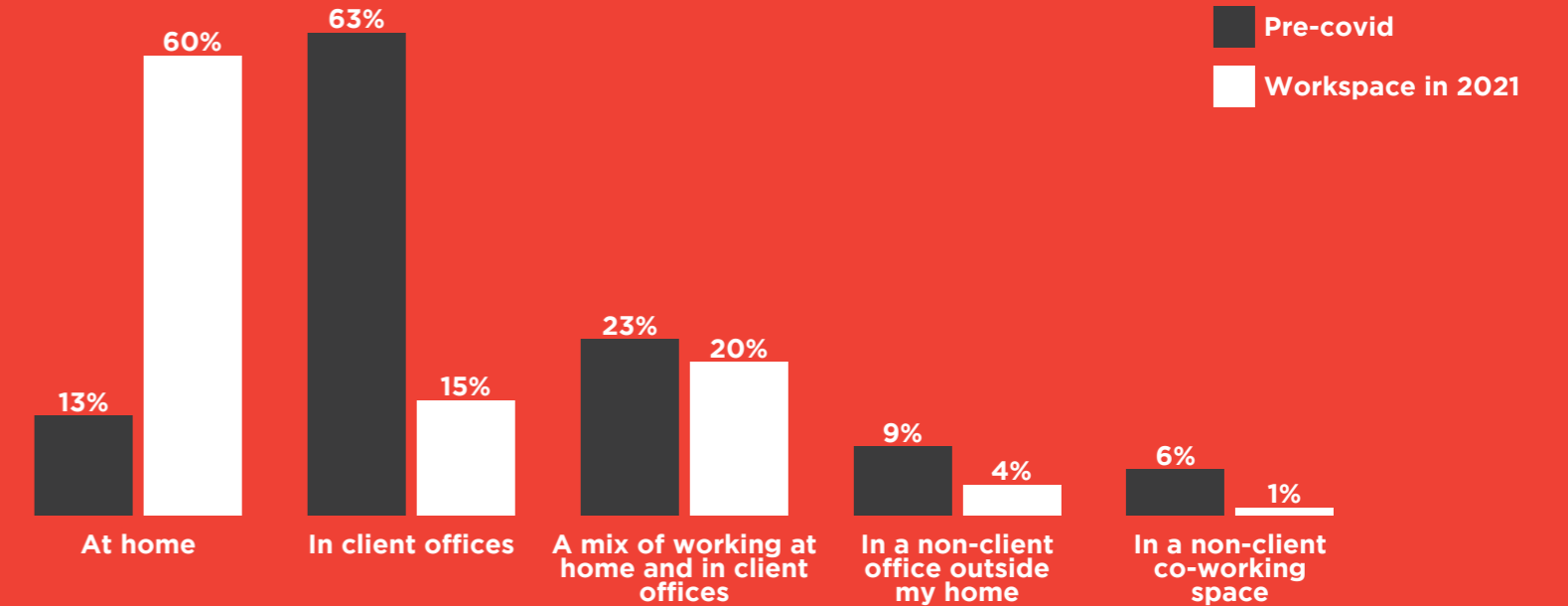
EDUCATION PROFILE



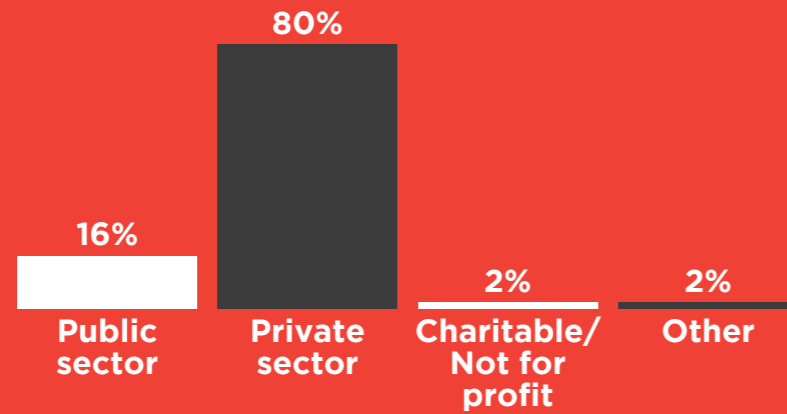
WHERE THE WORK HAPPENS



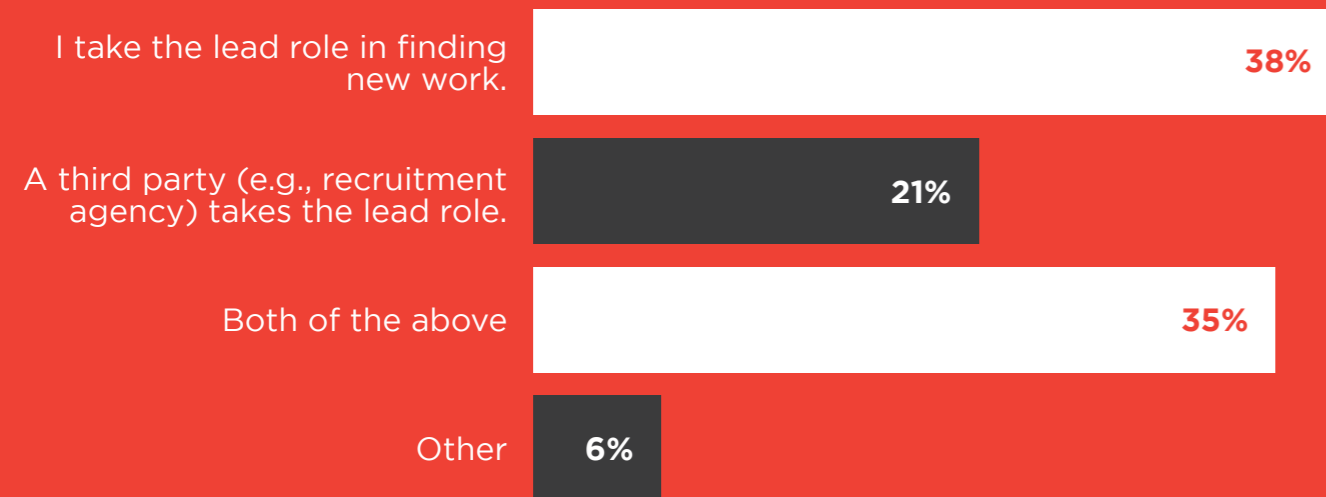
MY OFFICE IS



INDUSTRY



CONTRACTING AS A CAREER

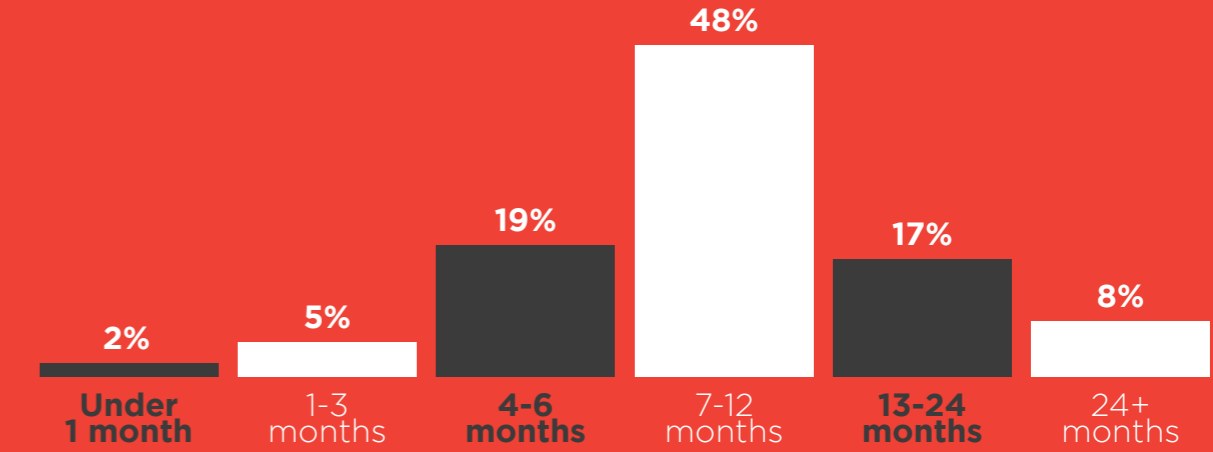


The average time respondents spent looking for a new contract was

5 weeks

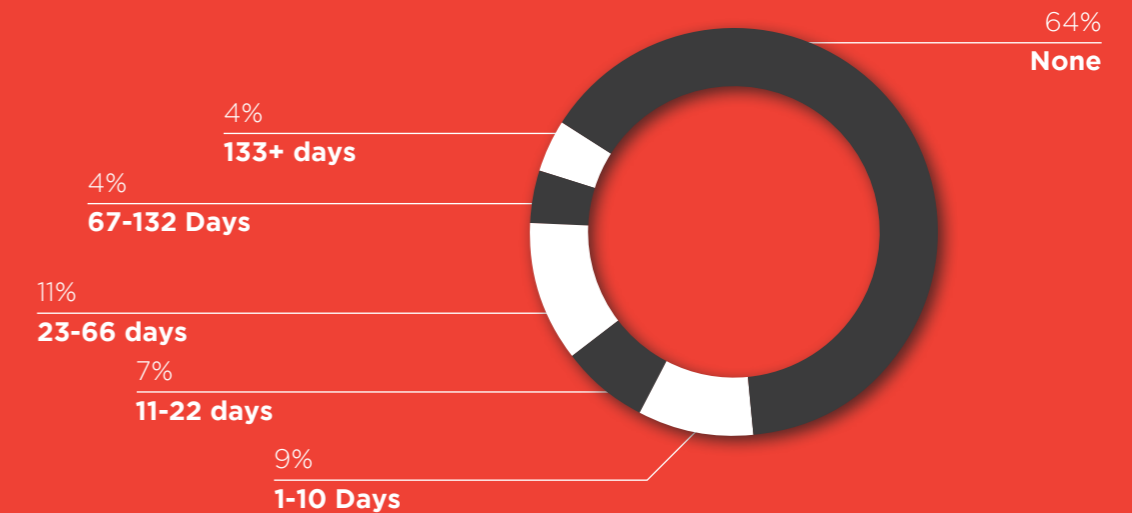
LENGTH OF CONTRACTS

14
Months
Average contract length

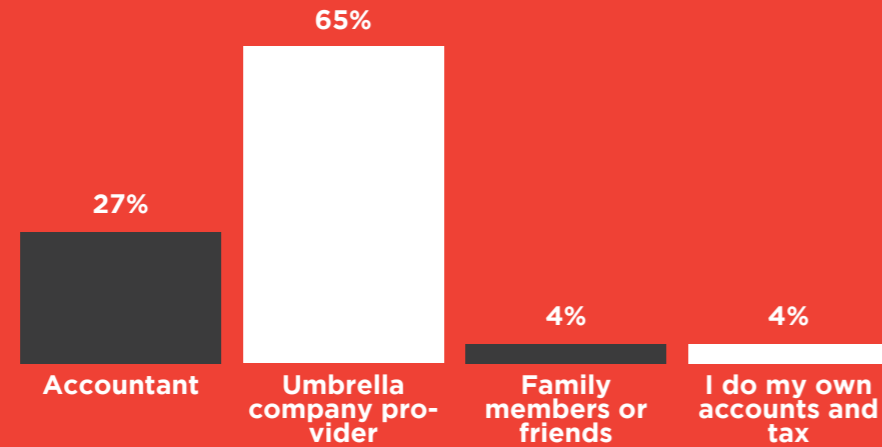


HOLIDAYS

17
Average holiday days

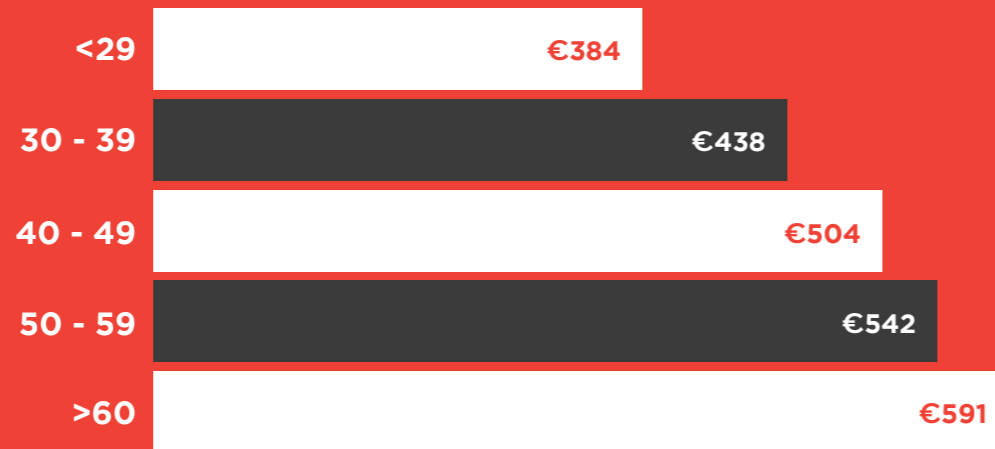


ACCOUNTS & TAX



AVERAGE DAY RATE BY AGE

Average daily rates have increased across the board. All age ranges have seen an increase in daily rate with the average daily rate increase coming in at 10%.



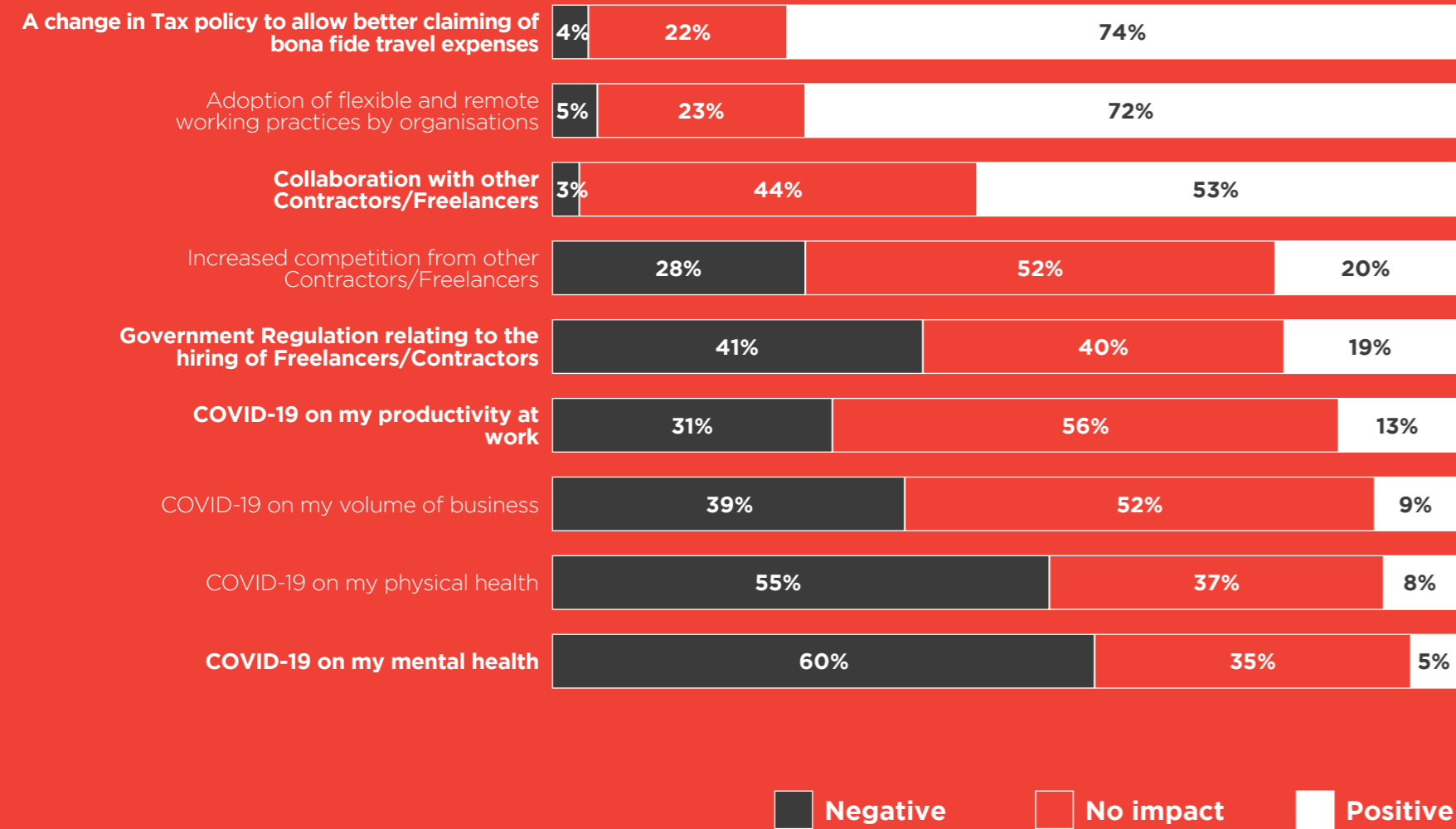
€501 | Average daily rate

AVERAGE DAILY RATE ACROSS KEY INDUSTRIES

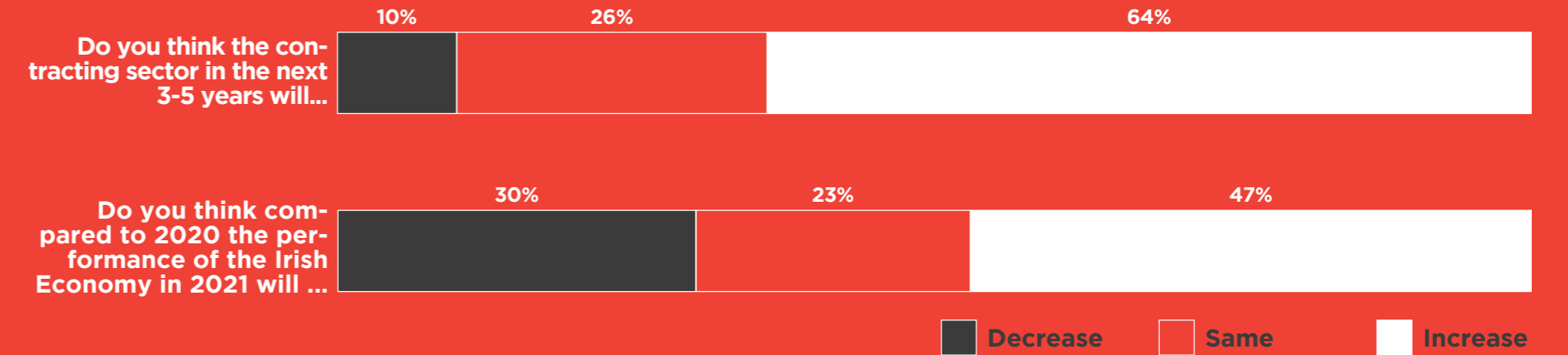
Professional activities (e.g., legal, management consultancy, advertising, etc.)	€733
Other service activities	€699
Public administration and defence (compulsory social security)	€615
Finance	€589
Electricity, gas, steam and air conditioning supply	€564
Transport and storage	€559
Insurance	€544
Information Technology	€529
Water supply; sewerage, waste management and remediation	€527
Creative, art, entertainment and recreation	€525
Education	€515
Manufacturing	€510
Life Sciences	€488
Wholesale and retail trade (including sales of clothing, footwear and textiles, repair of motor vehicles and motorcycles)	€480
Medical Locum	€475
Engineering and technical activities	€460
Other human health and social work activities	€459
Construction	€459
Pharma	€452
Administrative and support service	€450
Agriculture, forestry and fishing	€447
Medical Device	€429
Marketing and design	€366
Other scientific activities	-
Telecommunications	-
Real estate	-
Mining and quarrying	-

FACTORS INFLUENCING CONTRACT WORK 2021

The impact of covid on the volume of work available to contractors changed significantly from the 2021 survey to the 2022 survey. Contractors in 2022 did not feel that covid impacted as negatively on the volume of business as they reported in 2021.



CONFIDENCE IN THE IRISH ECONOMY



+30
Confidence Index
Contracting Sector

+7
Confidence Index
Irish Economy

THE PROJECT ECONOMY

People who take the risk to work independently should be better supported and rewarded for the contribution they make to the fabric of society. Without them society would be a very dull and boring place. Rewarding people to take no risks is not creating entrepreneurial mindsets.

- Anonymous respondent

02.

32



THE PROJECT ECONOMY

The main work of independent contractors can be divided into gig/task work, which is typically short duration and input focused, or project based where the freelancer works with an organisation to achieve an end goal or output. Therefore, while gig work is incremental and where the contractor is usually only responsible for the provision of their own service, project work is typically more continuous and engaged with the organisation as the contractor tends to work with employees to ensure that the performance targets for the overall project – and not just the freelancers’ own input – are achieved.

The project economy typically entails the more dynamic and high value added component of the overall economy involving activities such as innovation, scaling of business, new ventures and the adoption of new technologies. These encompass both corporate enterprise as well as entrepreneurial start-up and scaling by SMEs.

Our survey comprises high skilled independent contractors who make up the main form of contractors utilised in the project economy. Amongst this high skilled workforce, we find that the project economy accounts for 85% of freelance work and so is just over 5 and half times larger than the high skilled gig economy. In terms of the high-skilled independent contractor workforce earnings, the project-based economy is nearly 7 times larger than the gig economy. These findings corroborate with our earlier research both here in Ireland and the UK.

These research findings stand in stark contrast to the greater weight given by media and public policy to the gig economy.

The project economy is, therefore, still the largely overlooked gem of the overall economy.

Our results also show the huge importance of education and experience. In fact, these attributes overpower any negative earnings performance in the gig economy. We find that in both the high skilled project and gig economies, independent contractors earn more and are happier than equivalent employees are.

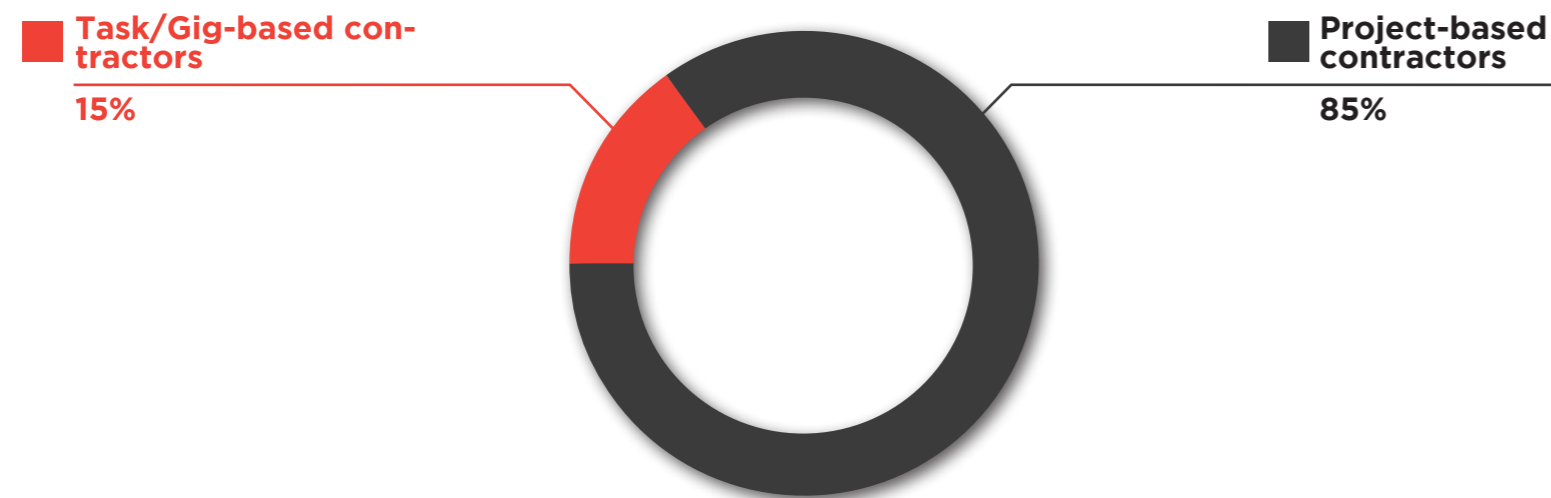
In addition, we find that high skilled gig workers while still earning less than their project economy equivalents have closed the gap substantially now earning just 91% of those in the project economy compared to 78% last year. We attribute this in part to the increasing skills shortage, which has caused an increase in demand for high skilled gig workers as firms seek to fill temporary gaps in their employee workforce.

The other factor that we believe has played a role is that the average length of project based freelance contracts has increased in length from 14 to 16 months. As longer contracts imply less risk for freelancers, it is common practice for a lower day rate to be agreed.

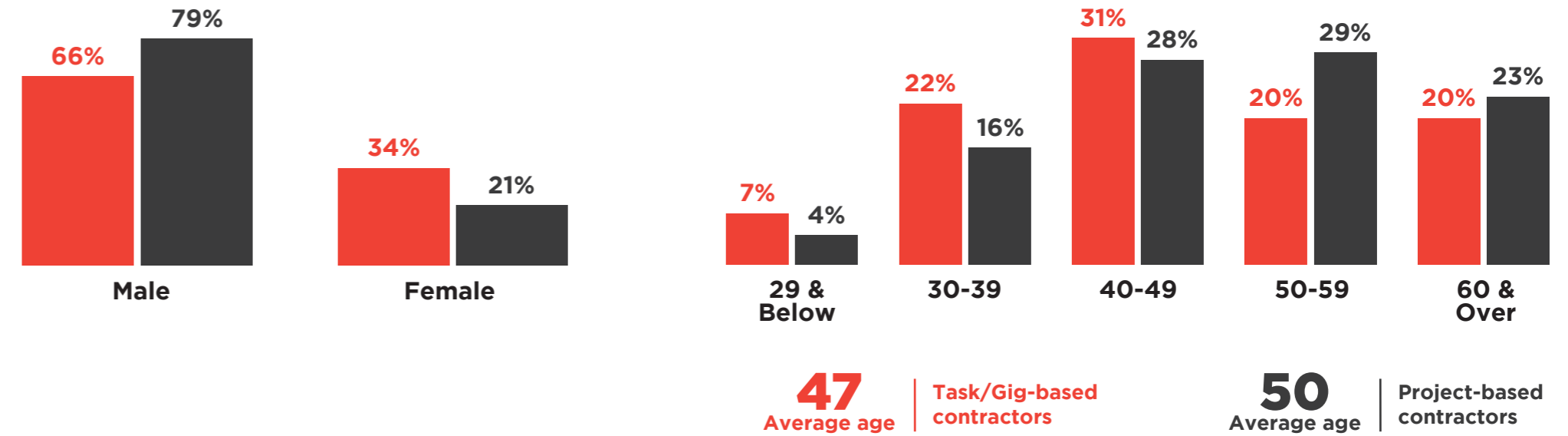
In terms of economic outlook, there has been a big increase in optimism for the future with a rise in the freelancer confidence indices scores across both project and gig economy. This expectation of increased performance relates to both the high skilled freelance sector itself and the Irish economy. The biggest change from last year is that female independent contractors now expect economic performance to improve whereas last year they expected the Irish economy to fare less well in 2021 than 2020. However, these forecasts took place before the Russian invasion of Ukraine so the negative impact of this war will not have been fully factored into these predictions as our survey closed before this tragedy occurred. Therefore, we would expect some downward revision of these confidence indices scores.

1. SOC1 - Managers, directors and senior officials; SOC2 - professionals; SOC3 - Associate professionals and technicians

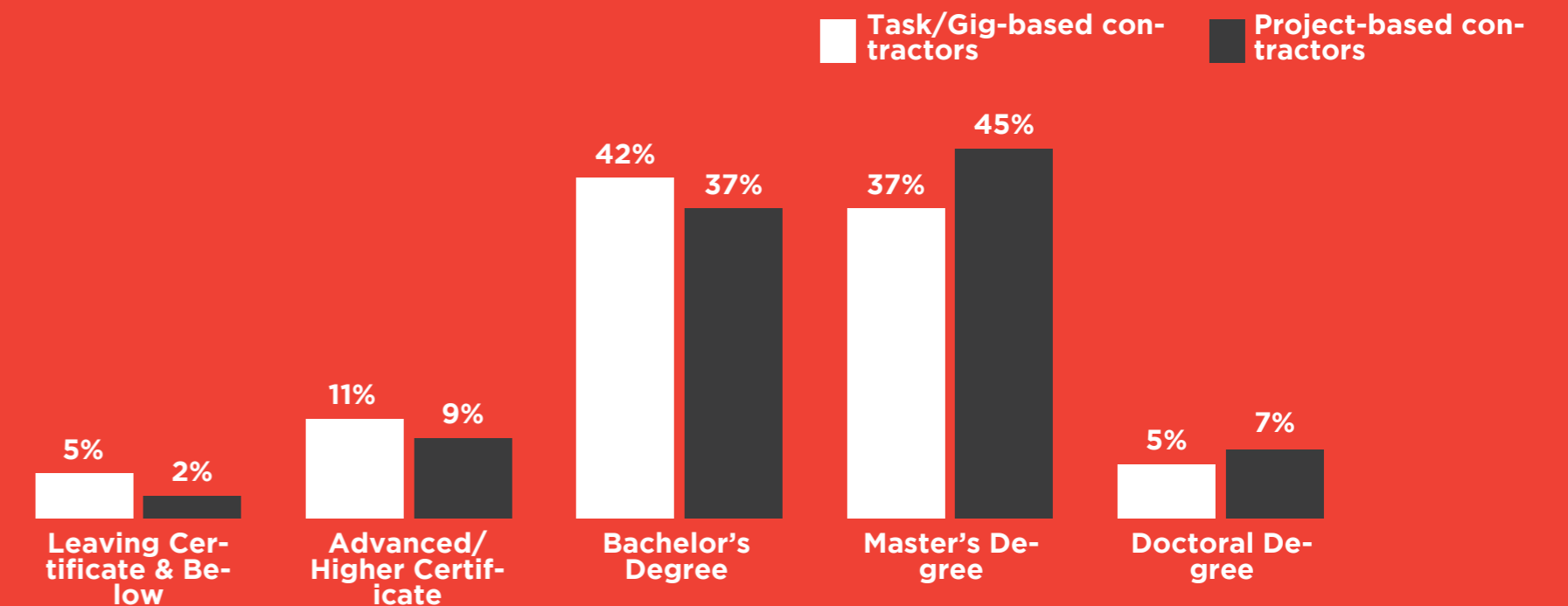
THE RELATIVE SIZE OF THE PROJECT AND GIG ECONOMIES



GENDER SPLIT



EDUCATION



EARNINGS

High skilled independent contractors earn a premium on the equivalent earnings of employees due to a combination of compensation for the higher risk involved in being self-employed and also due to their ability to secure a share of the high value added that they generate for organisations through their work. These effects are more accentuated in the project economy where independent contractors earn more than double the equivalent day rates of employees. At an annual level, which account for holidays and downtime between contracts, independent contractors in the project and gig economies earn 73% and 56% more than equivalent employee earnings respectively.

	TASK/GIG-BASED CONTRACTORS	PROJECT-BASED CONTRACTORS	WORKERS IN SOC1-3 (CSO Q3, 2021)
Average daily rate	€546	€573	€276
Annual earning	€ 112,282	€123,925	€ 71,805

Annual earning = Day rate * (52*5 - public holidays(9) - Holidays - Look-for-work days)

	SOC1: MANAGERIAL	SOC2: TECH & PROFESSIONAL	SOC3: ASSOCIATE PROFESSIONAL
Task/Gig-based contractors	17%	75%	8%
Day rates	€788	€543	€278
Project-based contractors	22%	73%	5%
Day rates	€799	€527	€351

	PHARMA, LIFE SCIENCES & MED DEVICE	TECHNOLOGY	FINANCE	ENGINEERING	MEDICAL LOCUM
Task/Gig-based contractors	57%	16%	10%	5%	12%
Day rates	€489	€389	€630	€700	€672
Project-based contractors	50%	20%	21%	8%	1%
Day rates	€515	€580	€590	€566	€593

JOB SATISFACTION

	2022		2021	
	Task/Gig-based contractors	Project-based contractors	Task/Gig-based contractors	Project-based contractors
The work it self	72%	88%	81%	85%
Rate of pay	67%	77%	76%	80%
Location of job	76%	83%	81%	83%
Flexibility of hours	77%	87%	80%	83%
Remote working options	71%	83%	74%	84
The work-life balance	73%	74%	74%	75%
With my current life in general	81%	82%	80%	82%

WELL-BEING

Just over a fifth of Project-based contractors and Task/gig-based contractors experience loneliness around work. It is no surprise to see the loneliness percentage increase for both groups this year, as the pandemic caused wide-spread feelings of isolation. Project-based contractors experience significantly less burnout than task/gig contractors. However there has been a drop in the percentage experiencing burnout in both groups in 2022 compared to 2021.

	2022		2021	
	Task/Gig-based contractors	Project-based contractors	Task/Gig-based contractors	Project-based contractors
Loneliness	27%	23%	24%	22%
Burnout	22%	15%	27%	18%

CONFIDENCE INDEX

Both high skilled project-based and task/gig-based contractors were optimistic about the growth of the contracting sector in the next 3-5 years.

The task/gig-based contractors were very optimistic about the performance of the Irish economy in 2022, with a very significant move in their confidence index score from -14 to +40.

	2022		2021	
	Task/Gig-based contractors	Project-based contractors	Task/Gig-based contractors	Project-based contractors
The contracting sector in the next 3 to 5 years	+38	+34	+20	+33
The performance of the Irish Economy in 2022	+40	+31	-14	+12

WOMEN IN CONTRACTING

There needs to be ways for contractors to be able to apply for certain benefits to encourage them to make the move. Also, if contractors are typically earning more than PAYE employees, there should be clauses for the likes of mortgage applications etc. particularly as the market moves to hire more contractors than ever before and we're in the midst of a skills shortage.

- Anonymous respondent

03.



WOMEN IN CONTRACTING

Just under a quarter of all professional contractors in 2022 are female. Although contracting is recognised for its flexibility in both working locations and schedules, has higher pay rates than regular employment, gives the contractor increased ability to have more influence over the jobs they do, the appeal of contracting to professional women remains unchanged. The 2022 gender mix is 76% male and 24% female, however there are some industries that appeal more to women than others.

Recognition of the need to address the gender pay gap in the Irish labour market is building momentum, with legislation coming into play this year which will force companies to publish the salary details of both men and women performing the same role. This is one of the first practical measures the government has put in to address the gender pay gap.

The difference in the average daily rate by gender shows a 10% gender pay gap¹ was found between female and male contractors (Average daily rates reported were €519 for female contractors and €579 for male contractors). In terms of average annual earnings, the gender pay gap was 15% where the female annual earnings were at €107,543 and male annual earnings were at €126,372. According to the CSO 2018 data, Ireland's labour market gender pay gap was 25% (the average annual earnings was €37,750 for female workers, and €50,430 for male workers). Overall, this report reveals a smaller gender pay gap in the contracting sectors compared to the Irish labour market.

The gender pay gap has increased in the contracting sector since 2021. 2022 gender gap is 10% up from 8% pay gap in 2021. The male contractors daily rate increased this year by 13.5% whereas the female contractor rate increased by only 10%. While the gender pay gap is smaller in the professional contracting sector than it is in the Irish labour market, it is important that the gender pay gap is recognised and all efforts are made to improve the situation.

Both female and male contractors show similar and a relatively high level of well-being which is indicated by the low levels of perceived loneliness (22% for female and 25% for male contractors) up slightly on 2021 (21% and 24% respectively) and burnout 20% for females and 15% for males (19% for female and 18% for male workers in 2021). They are both confident about the contracting sector in the next 3-5 years with a confidence index of +37 for females and +38 for males.

The majority of both genders are intending to continue working in the contracting sector (84% for male contractors and 72% for female contractors).

The confidence index from 2021 to 2022 for both genders has increased significantly, with both groups feeling much more positive towards the performance of the Irish Economy. Female contractors have moved from an extremely negative position in 2021 of -87 to a much more positive confidence index of +37 for 2022. Male contractors. Have moved from confidence index of +10 in 2021 to +39 in 2022.

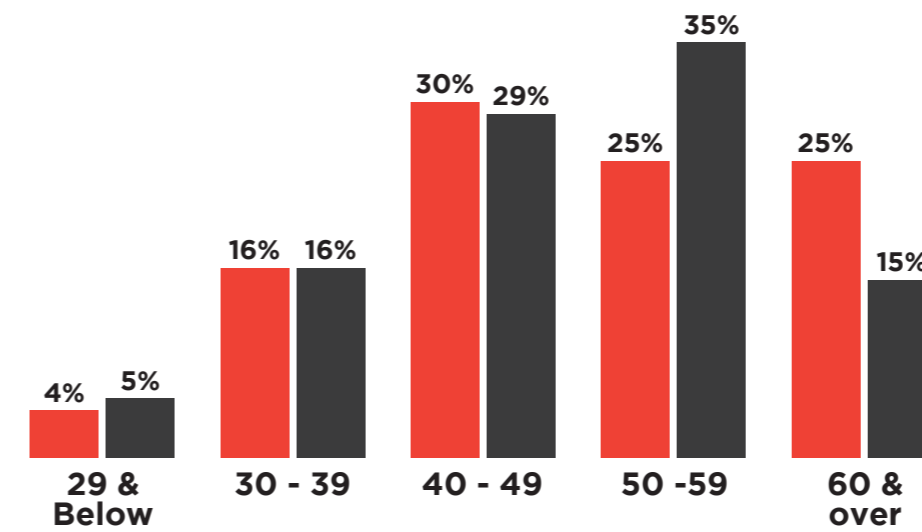
When it comes to satisfaction with their work, 85% of males and 81% of females indicate a very high level of satisfaction. Life in general is also good with 83% of both male and female contractors answering positively.

Work-life balance scored lowest on the positivity ratings, but still came in high at 74% for men and 71% for women. Both are happy with their flexibility of working hours with 85% of men returning a positive response and 83% of females expressing satisfaction.

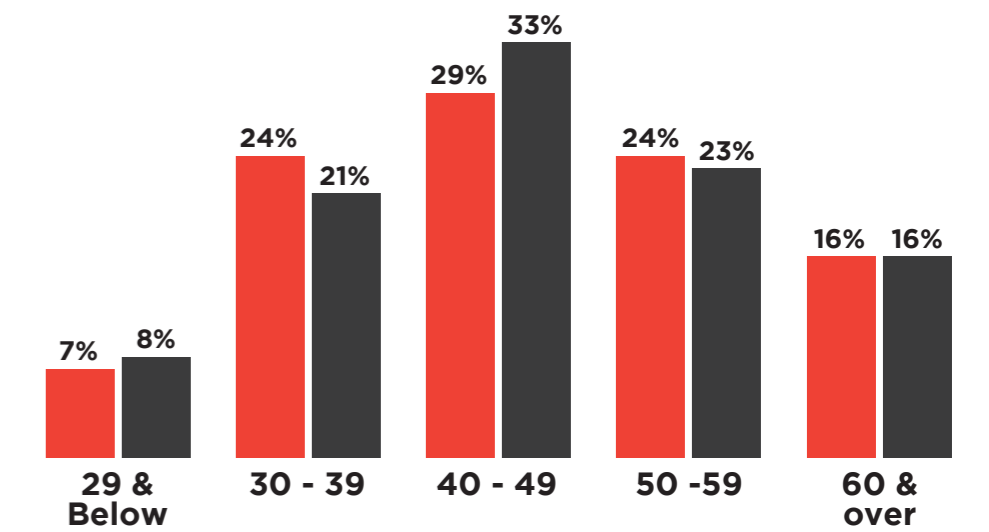
Finally, 85% of women were more positive about remote work options, outscoring their male counterparts (80%).

AGE

2022

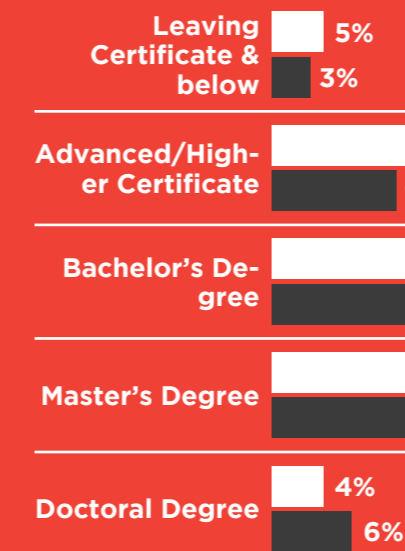


2021

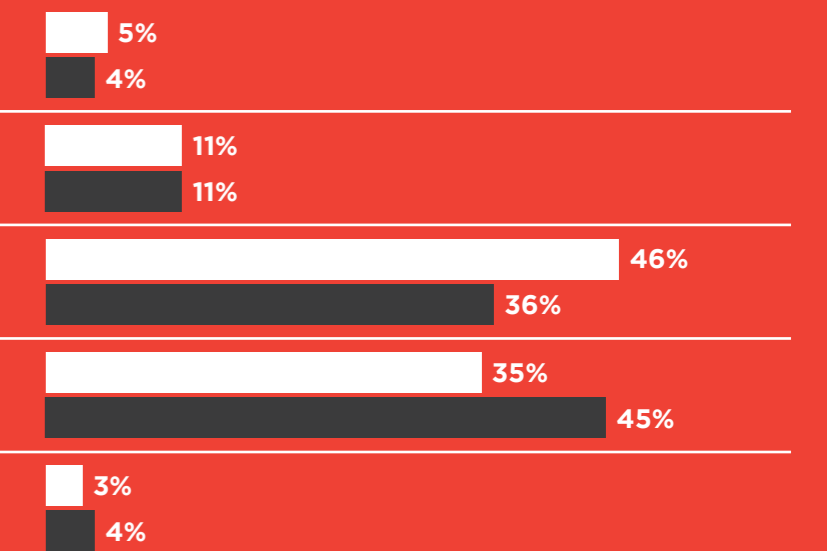


EDUCATION

2022



2021



¹ Gender pay gap was calculated by the difference between female and male pay divided by male pay

FEMALE VS MALE BY INDUSTRY

	Female		Male	
	2022	2021	2022	2021
Pharma	22%	24%	78%	76%
Medical Device	11%	23%	89%	77%
Life Science	16%	78%	84%	22%
Medical Locum	21%	24%	79%	76%
ICT*	17%	26%	82%	74%
Finance*	22%	25%	77%	75%
Engineering and technical activities	19%	7%	81%	93%

* 1% of respondents prefer not to say

AVERAGE DAY RATE BY GENDER

MALE	2022		2021	FEMALE	2022		2021
	Age	Daily rate	Daily rate		Age	Daily rate	Daily rate
Average	50	€579	€510	Average	48	€519	€471

AVERAGE ANNUAL EARNING BY GENDER

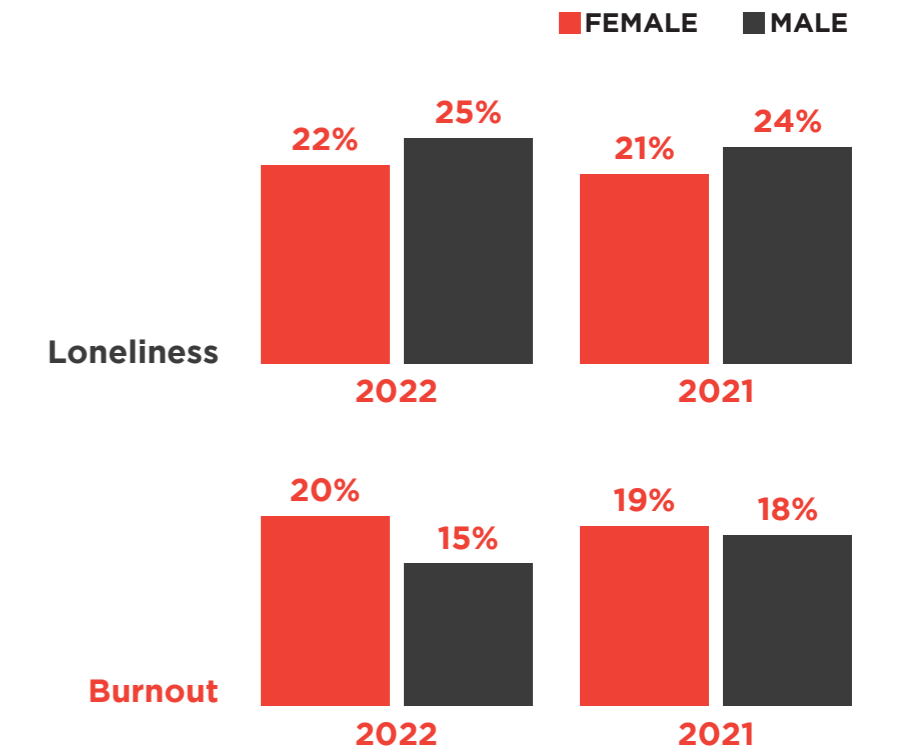
Both male and female annual earnings have increased in 2022. Male average earnings have increased significantly more than female average annual earning. A gender pay gap of 10% exists in the contracting sector in 2022, up from 7% in 2021. The gender pay gap in the contracting sector is still significantly lower than the gender pay gap reported in the Irish labour market, 25%. (CSO 2018 data)

Male	2022	2021	Female	2022	2021
Average	€126,372	€110,892	Average	€107,543	€103,507

JOB SATISFACTION

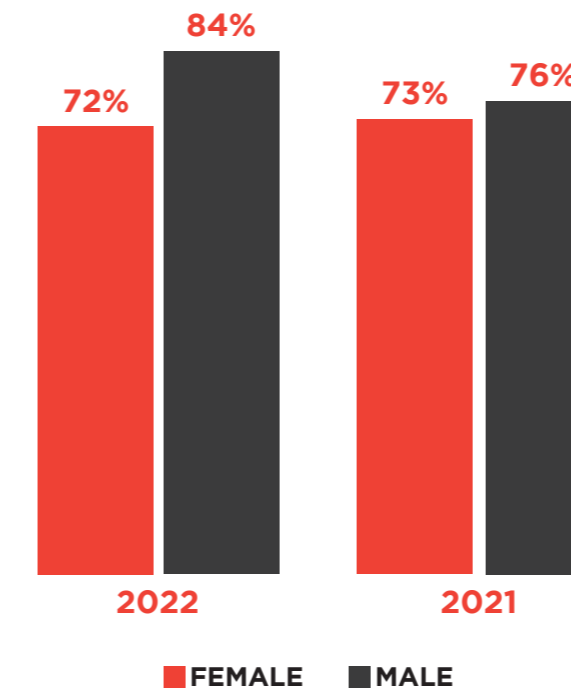
	2022		2021	
	MALE	FEMALE	MALE	FEMALE
The work it self	85%	81%	84%	85%
Rate of pay	76%	71%	79%	78%
Location of job	83%	82%	82%	85%
Flexibility of hours	85%	83%	81%	85%
Remote working options	80%	85%	81%	84%
Work-life balance	74%	71%	75%	75%
With my current life in general	83%	83%	81%	82%

WELL-BEING



INTENTION TO STAY

Both male and female contractors agreed that they will continue to work as contractors in the future.



CONFIDENCE INDEX

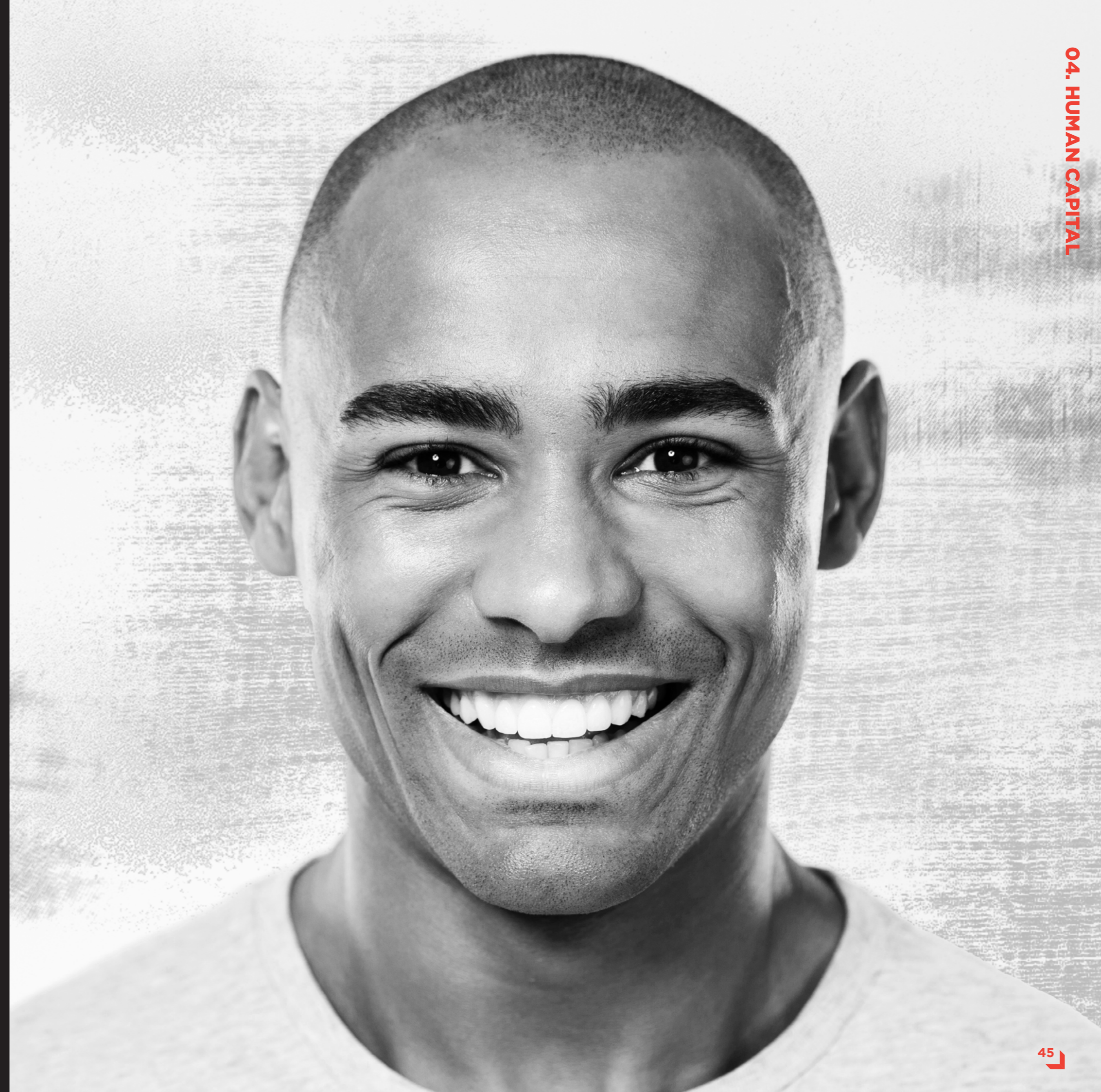
A significant increase in the confidence index for female contractors compared with last year, a move from -87 | 2021 to a confidence index score of +37 in 2022 shows females are much more confidence in the Irish economy.

	2022		2021	
	FEMALE	MALE	FEMALE	MALE
Confidence Index: The contracting sector in the next 3 to 5 years	+37	+38	+30	+30
Confidence Index: The performance of the Irish Economy in 2022	+37	+39	-87	+10

HUMAN CAPITAL

I find that bringing new knowledge from previous industries is of huge benefit to future clients and is a big selling point for the service offered.

- Anonymous respondent



HUMAN CAPITAL

Human capital refers to the knowledge, skills, and capabilities of individuals. A few aspects can indicate the level of general human capital, e.g. education, work experience and skills. Work or profession-related knowledge is the foundation for specific human capital.

Overall, the results from this project find that the contracting sector consists of a highly educated and professional workforce that have a very high level of human capital. The data from contractors in Ireland reveals that 95% of the participants attained third level qualifications (level 6 - 10 in the National Framework of Qualifications).

According to the "Educational Attainment Thematic Report 2021" from the CSO, 53% of people aged 25-64 years old have a third level qualification in Ireland. The education level of the professional contracting sector is, therefore, higher than the average levels in Ireland.

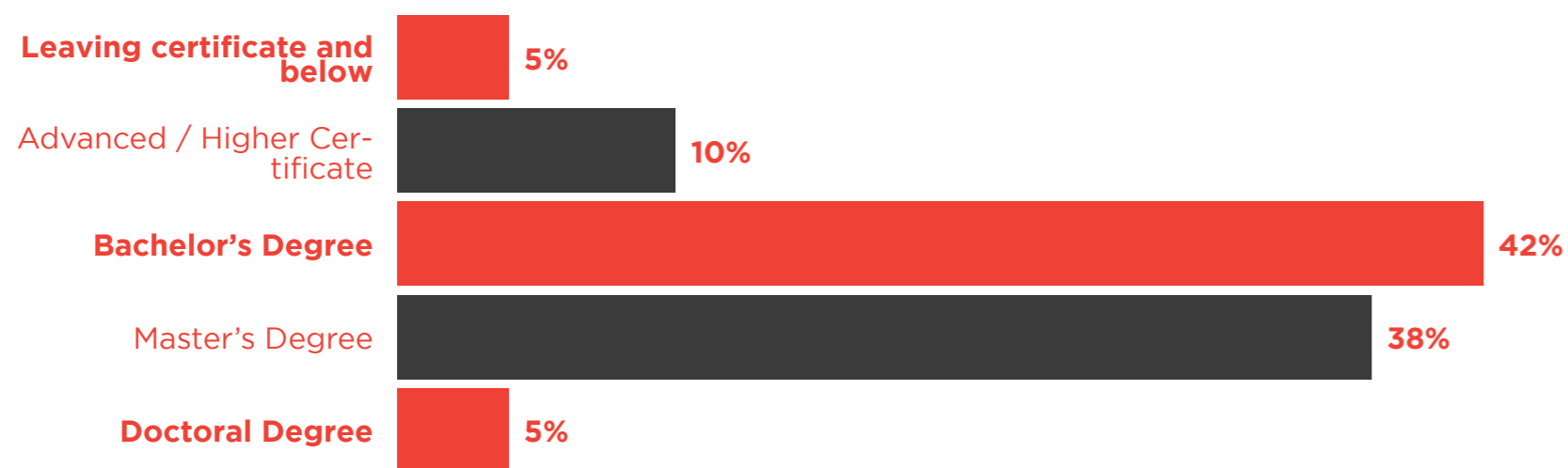
From work occupation analysis, 94% of contractors were high-skilled contractors. Specifically, 20% were managers, directors and senior (SOC1), an increase of 6% since 2021 when a reported 14% were managers, directors and senior (SOC1). 69% were professionals (SOC2); and 5% were associate professionals and technicians (SOC3). The average working experience (including both full-time self-employment and full-time employee) was 27 years, ranging from under 1 year to 61 years.

The major industries that the contractors work in are mostly professional service and knowledge intensive industries including pharma (24%), medical device (6%), life science (4%), medical locum (3%), finance (13%), insurance (3%), ICT (14%), engineering and technical activities (5%). A small portion of respondents work in the construction (3%) and manufacturing (3%) sectors. The average working experience in full-time self-employment was 8 years, ranging from under 1 year (several months) to 50 years.

In terms of specific knowledge gained from work, 92% of respondents report that their experience is in demand in the labour market, 67% felt it would be easy for them to find another contract opportunity.

HUMAN CAPITAL

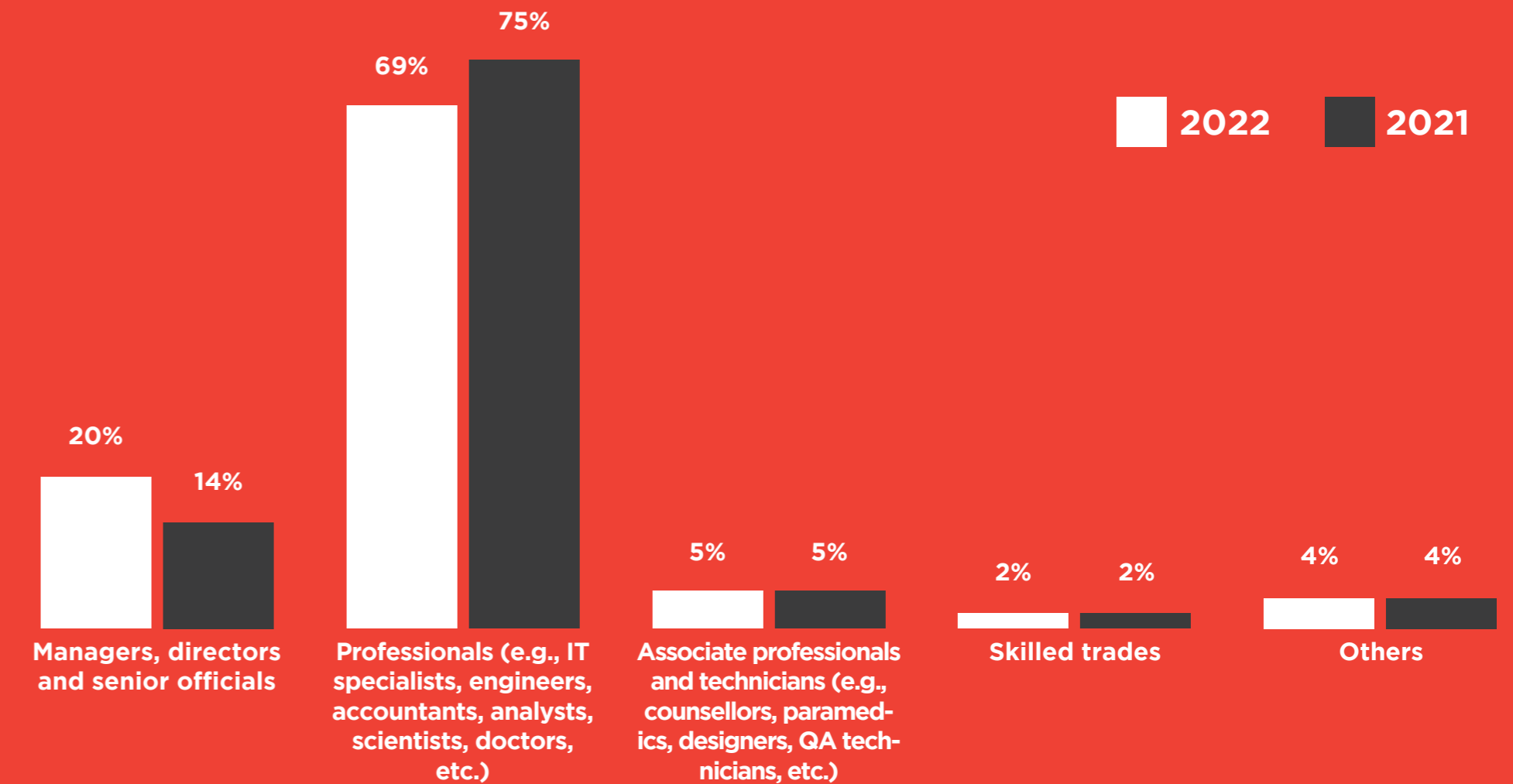
Contractors tend to be well-educated individuals. 95% of the participants attained third level qualifications (level 6 - 10 in the national framework of Qualifications*) 8% of the contractors have one or more other professional qualifications beside their formal qualifications.



OCCUPATION

96% of the sample were high-skilled contractors. Specifically, 20% were managers, directors and senior officials (SOC1); 69% were professionals (SOC2); and 5% were associate professionals and technicians (SOC3).

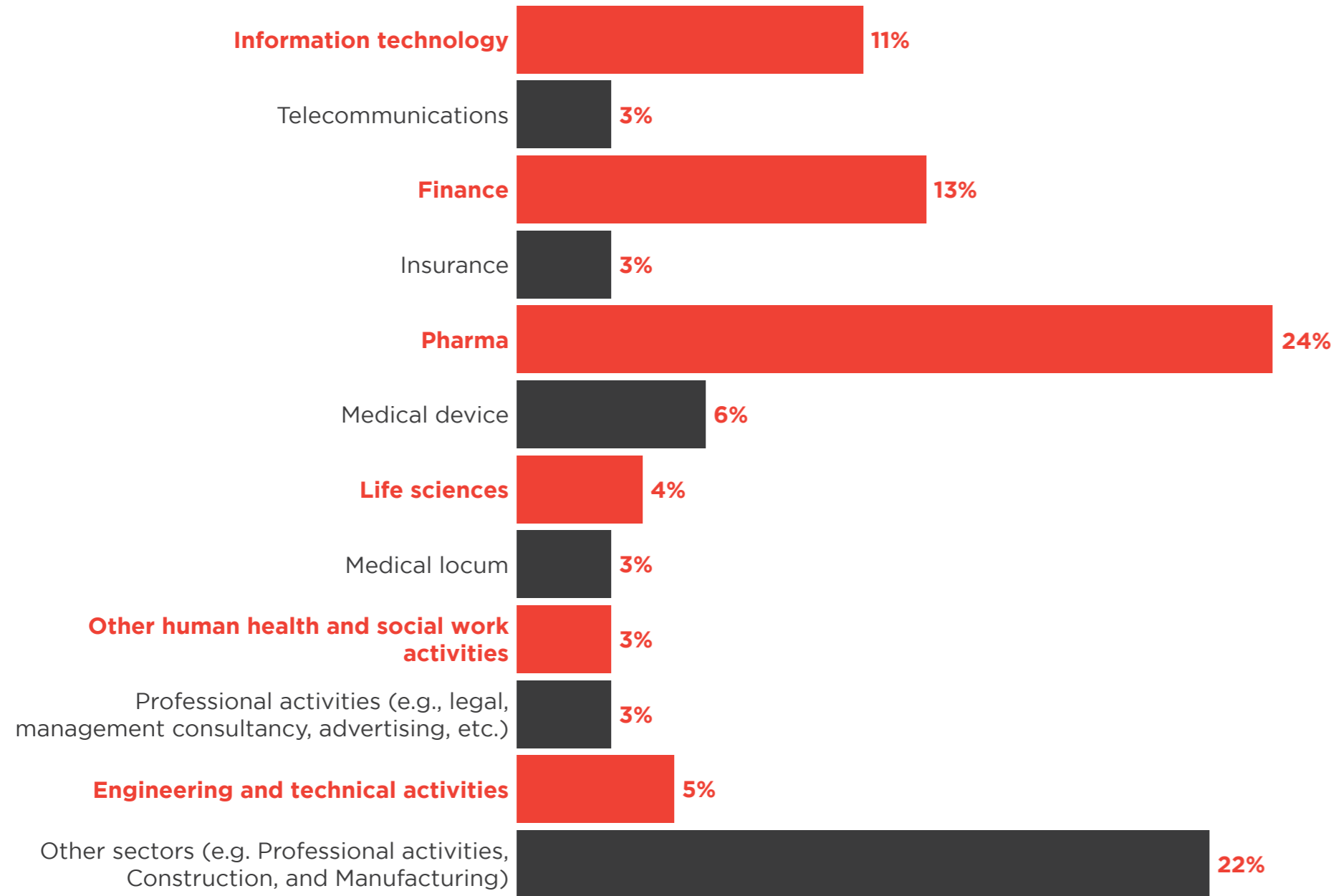
An increase from 14% in 2021 to 20% in 2022 in the number of contractors classified as Managers, Directors and senior officials, (SOC1) indicates growth in the number of high skilled roles available in the professional contracting sector over the last year.



* The Standard Occupational Classification (SOC) system is a common classification of occupational information. Within the context of the classification, jobs are classified in terms of their skill level and skill content where the lower the number, the higher the skill.

INDUSTRY BREAKDOWN

Contractors are distributed throughout the economy, but as we can see they are over-represented in Pharma, Finance and Information & Communication Technology (ICT).



Other sectors includes : *Other service activities which includes the activities of membership organisations, the repair of computers and personal and household goods and a variety of personal service activities not covered elsewhere in the classification. And *Other human health and social activities: which includes the provision of health and social work activities not covered elsewhere in the classification.

WORK EXPERIENCE

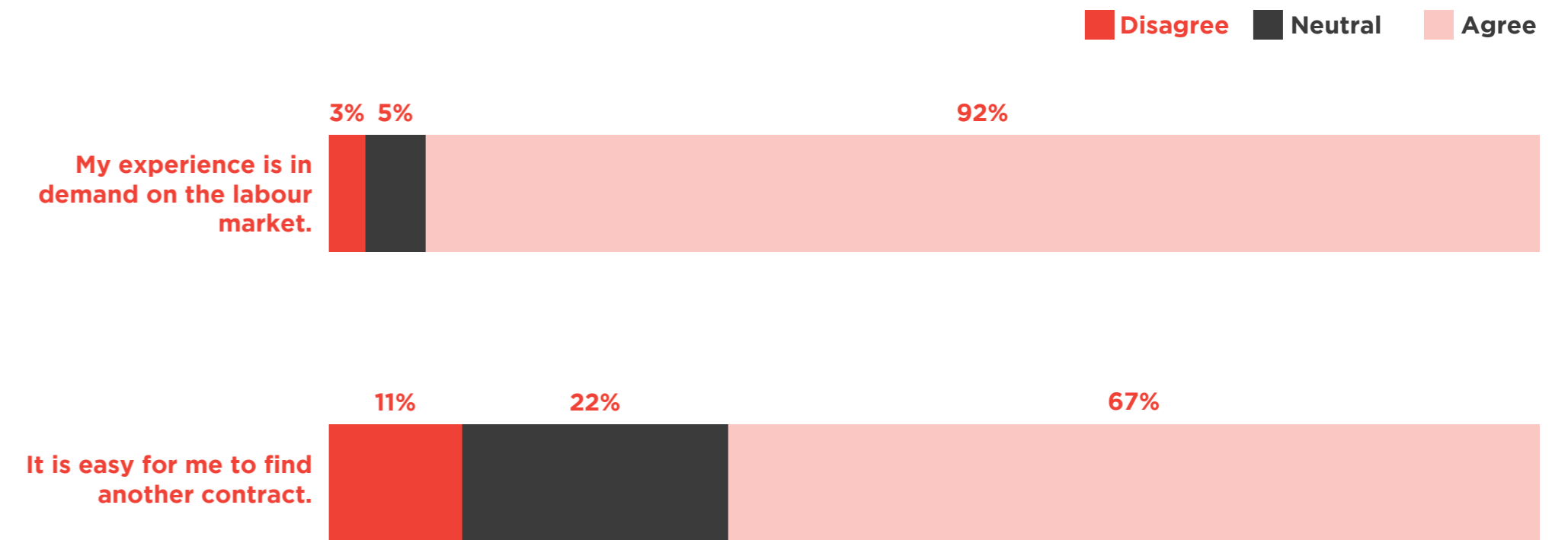
In 2022 respondents reported the average working experience (including both full-time self-employment and full-time employee) was 27 years, ranging from less than 1 year to 61 years.



In 2021 the average working experience (including both full-time self-employment and full-time employee) was 23 years, ranging from 1 - 62 years.

Contractors have a very positive outlook in 2022 with over 92% of contractors agreeing that their experience is in demand on the labour market, this is from 88% agreeing in 2021. The figure confirms demand for skills in the contracting sector. 67% of respondents also feel it will be easy for them to find another contracting role.

In 2022 67% of respondents agreed that it is easy to find a new contracting role, this is up from 65% in 2021.

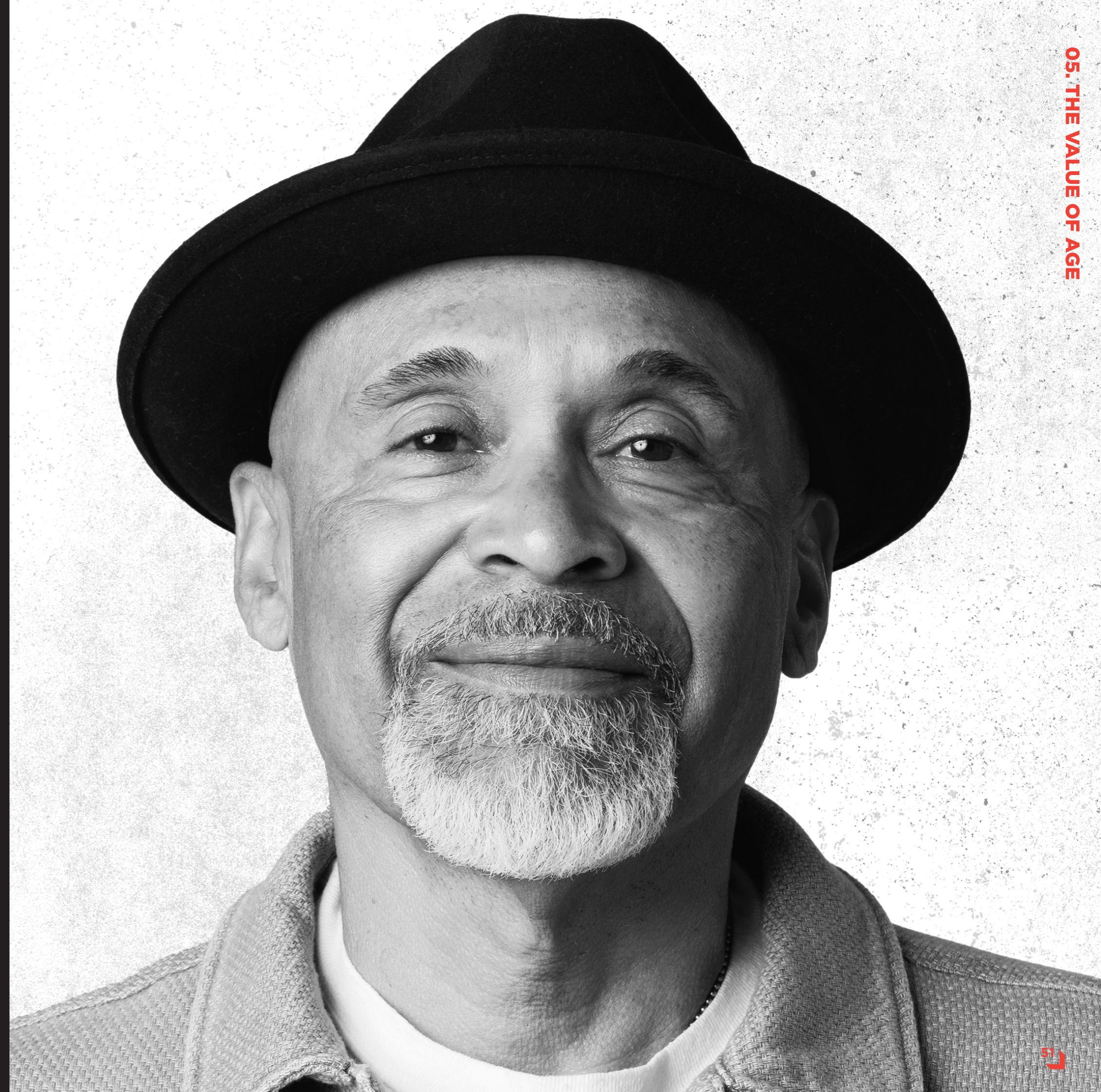


THE VALUE OF AGE

05.
50

*Engage, don't pay lip service
Holistic cross departmental
approach required. No one
size fits all regulations please!*

- Anonymous respondent



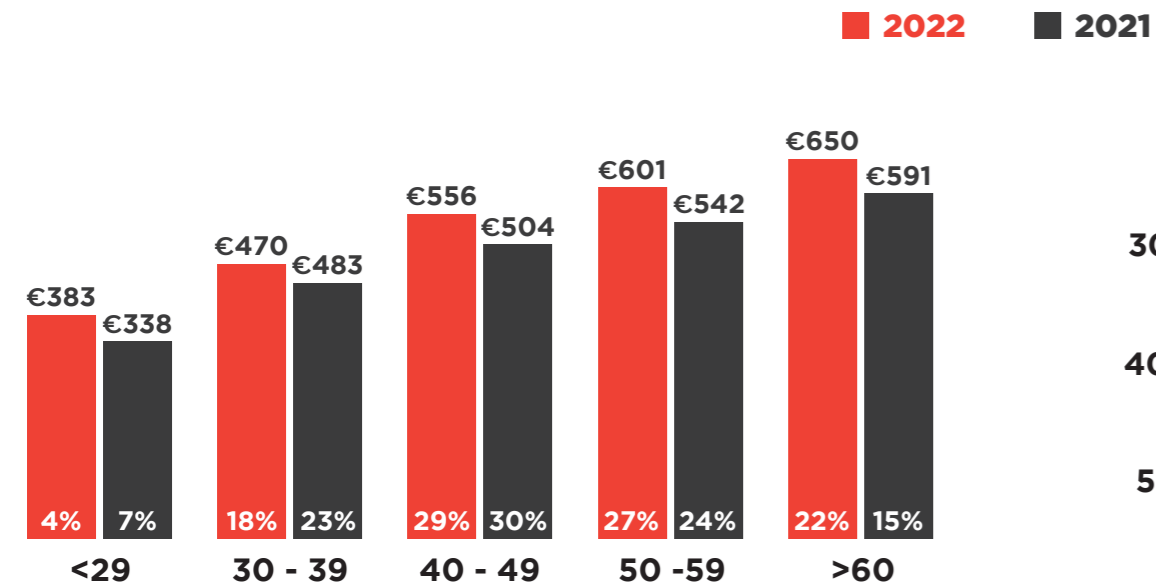
THE VALUE OF AGE

The importance of experience is evident from our survey data. High skilled independent contractors enter and exit the labour market later than typical employees by roughly 10 years. The value of experience is also evident in the day rates which become progressively higher with age. The highest daily rates are charged by independent contractors who are 60 years of age or older. It is clear that this is not an outcome induced by older freelancers offering less days as it is also the case that the highest annual earnings are also amongst the older age groups. With those over 50 years old earning more than those under 50 years old. It is also the case that the age group of 60 years and older have amongst the highest job satisfaction scores of all high skilled independent contractors, with 85% of those 60 or older expressing high satisfaction with the work itself. They also have the lowest 'burnout' scores compared to younger independent contractors.

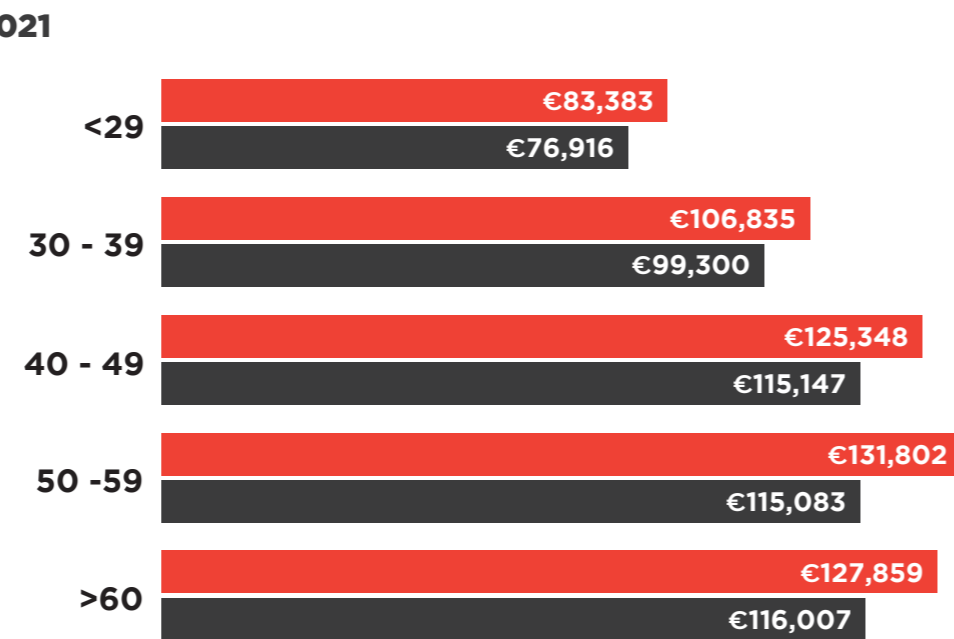
These findings are important because they indicate that independent contracting is proving to be a highly valuable career for older high skilled workers; especially at a time in their life when they are less valued.

The results also indicate that the over 60's have huge value that they can bring to the economy at a time when many are unnecessarily forced into retirement in the employment sector of the labour market. As we currently face a national pension crisis, the results indicate that some of the solution may be found by a more conducive workforce, fiscal and cultural environment for high skilled independent contractors.

AVERAGE DAILY RATE BY AGE



AVERAGE ANNUAL EARNING BY AGE



AVERAGE WORK EXPERIENCE BY AGE

	<29	30 - 39	40 - 49	50 - 59	>60
Total duration of employment	2 Years	4 Years	8 Years	12 Years	16 Years
Total duration of self-employment	3 Years	8 Years	15 Years	20 Years	32 Years

JOB SATISFACTION

	<29	30 - 39	40 - 49	50 - 59	>60
THE WORK IT SELF	76%	85%	83%	87%	85%
RATE OF PAY	76%	86%	71%	73%	74%
LOCATION OF JOB	72%	80%	84%	81%	87%
FLEXIBILITY OF HOURS	79%	86%	79%	88%	88%
REMOTE WORKING OPTIONS	73%	80%	78%	80%	88%
THE WORK-LIFE BALANCE	69%	72%	67%	75%	81%
WITH MY CURRENT LIFE IN GENERAL	73%	92%	77%	83%	87%

CONFIDENCE INDEX

Older contractors expressed positivity in their expectations for the performance of the contracting sector with 2022 achieving the same or higher confidence index score from them.

The over 50's achieve the highest confidence index score with regard to the performance of the Irish economy +41 against a score of +26 for those 29 and under, +34 for those aged 30-39, and +38 for the 40-49 age category.

		<29	30 - 39	40 - 49	50 - 59	>60
THE CONTRACTING SECTOR IN THE NEXT 3 TO 5 YEARS 2022	2022	+38	+41	+41	+38	+32
	2021	+27	+29	+30	+30	+32
THE PERFORMANCE OF THE IRISH ECONOMY	2022	+26	+34	+38	+41	+41
	2021	+3	+4	+1	+11	+21

CONTRACTORS ARE HAPPY

Don't mess with anything in the contracting space - it's going great. Instead focus on remote working as a key enabler for so many things e.g., rural, and small-town regeneration, carbon reduction, mental health improvement, strengthening the family.

- Anonymous respondent

CONTRACTORS ARE HAPPY

Overall, contractors are satisfied with their work. In the survey, contractors were asked about their level of satisfaction with seven key elements of their job and working life. The work itself gained the highest satisfaction from the contractors (85%), followed by flexibility of hours (85%), location of job (83%), and their the current life in general (83%), remote work options (81%), rate of pay (75%), and work-life balance (73%).

We compared the level of satisfaction of contractors with employees in the NCPP National workplace survey 2009. The result highlighted that contractors attained a relatively higher level of satisfaction in the work itself (85% for contractors versus 81% for employees) and rate of pay (75% for contractors versus 70% for employees) when compared to employees.

Overall, the contractors were satisfied with their career, whereby 86% of respondents report that they are satisfied with the success they had achieved in their career and 81% are satisfied with the progress they had made towards meeting their overall career goals. The well-being of contractors is relatively good where only about one fifth of respondents reported loneliness (23%) and burnout (16%).

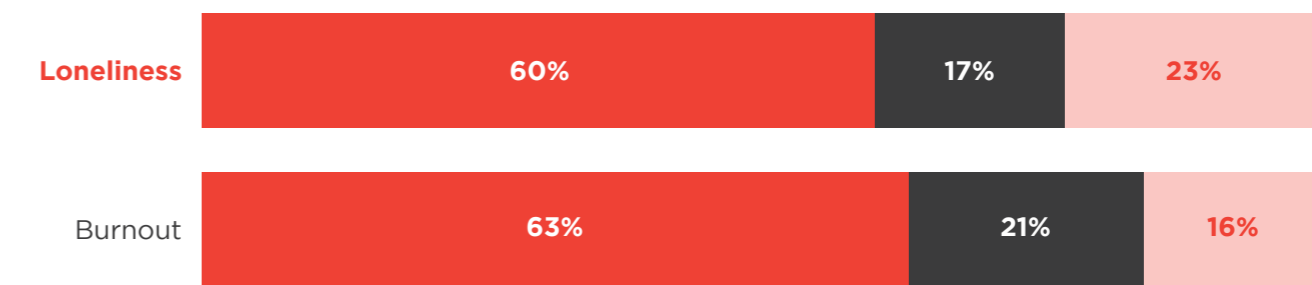
HOW CONTRACTORS FEEL ABOUT THEIR WORK



SATISFACTION WITH CAREER



HIGH LEVEL OF WELL-BEING



Disagree Neutral Agree

PHARMA

**LIFE SCIENCES
MEDICAL DEVICE**

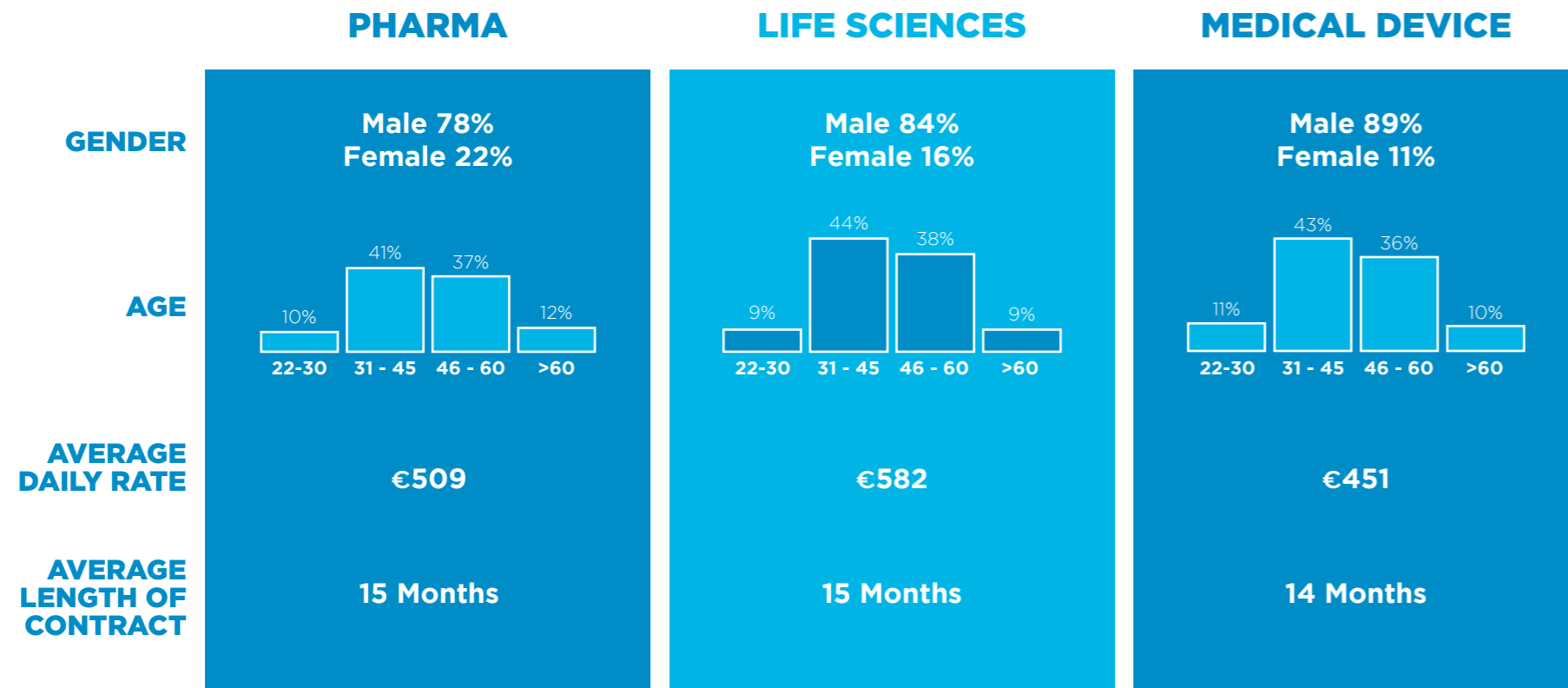


*Make it easier for us to get a mortgage -
acknowledge us as 'full-time permanent
workers' if we have a steady flow of contracts.*

- Anonymous respondent

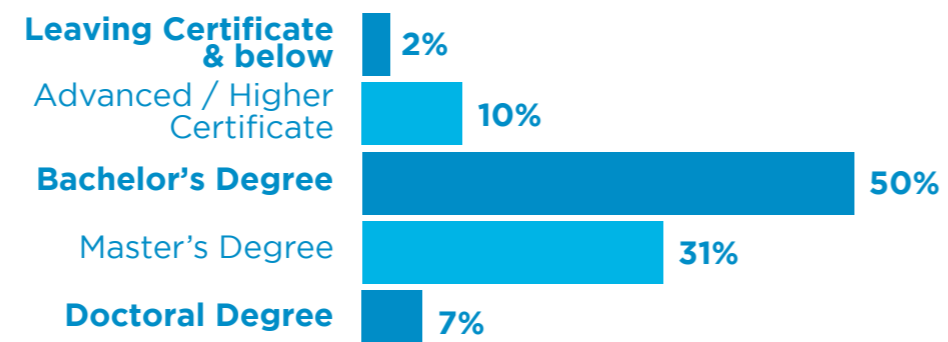
PHARMA, LIFE SCIENCES & MEDICAL DEVICE

34% of the respondents work in the Pharma, Med Device and Life Science industries, which is reflective of the scale of the industry and work practices. Over the last year, the percentage of males contracting in the pharmaceutical, life sciences, and medical device industries has increased. Pharma has seen the smallest change with just a 2% increase up from 76% in 2021 to 78% this year. The Life Science and Med Device sectors have seen significant rises in the number of men contracting in the sector. The percentage of men contracting in the Life Science sector is up 7% to 84% in 2022. The Med device sector has seen a 12% increase in the percentage of men working in this discipline, up from 77% in 2021 to 89% in 2022.



EDUCATION

97% of all those contracting in the Pharma sector have achieved level 6 or higher on the National Framework of Qualifications.



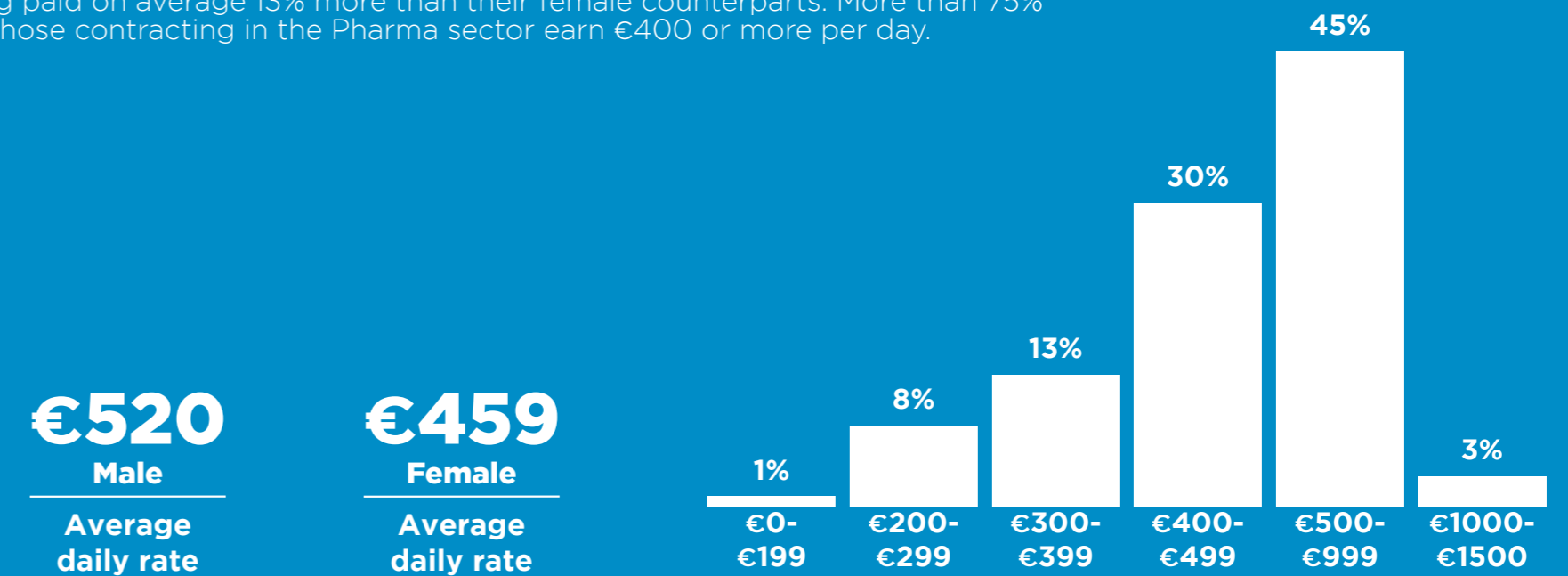
SECTOR



DAILY RATES

The Pharma sector typically works on a hourly basis, the earnings have been calculated to a daily rate by multiplying the hourly rate by 8.

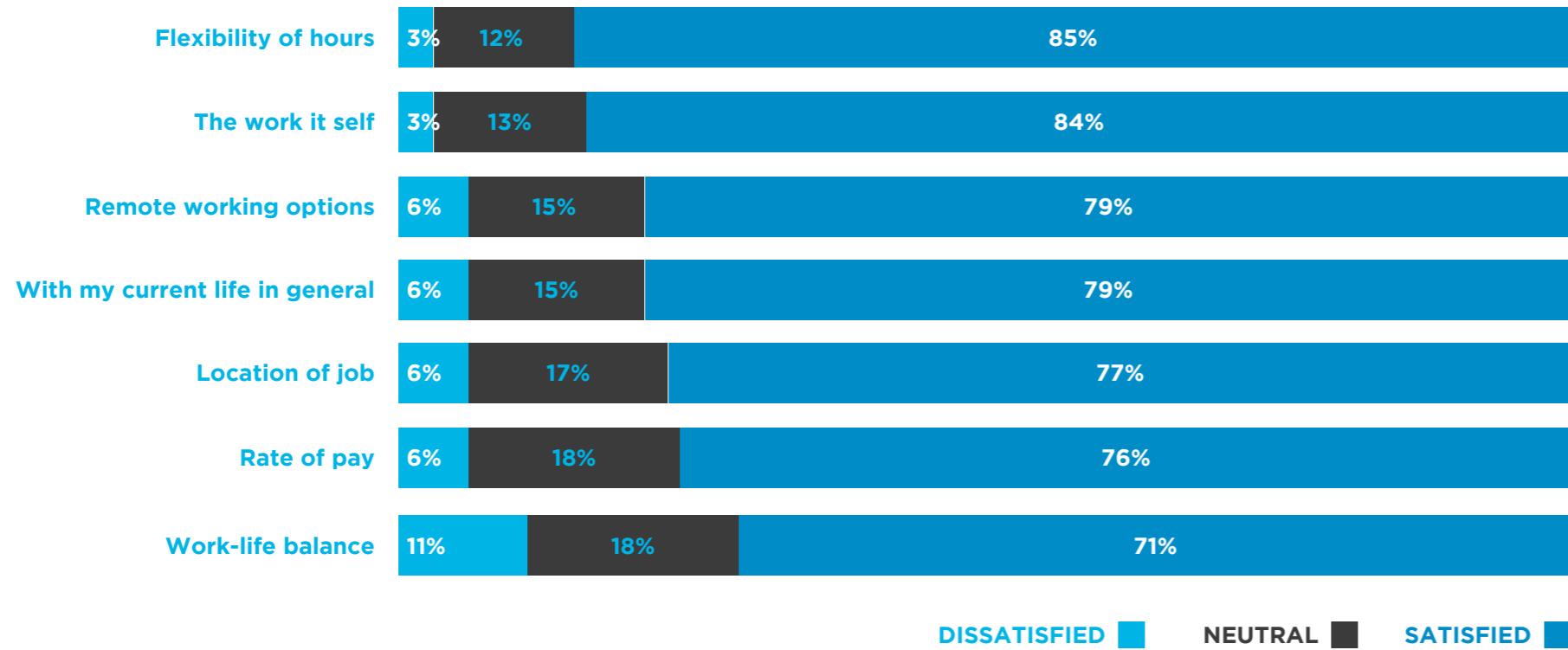
Since 2021, the average daily rate for men in the industry has climbed by almost 12%. Since 2021, the average daily rate for women has increased by 13%. It should be noted that the gender pay gap is still evident in the sector, with men in 2022, getting paid on average 13% more than their female counterparts. More than 75% of all those contracting in the Pharma sector earn €400 or more per day.



HOW PHARMA CONTRACTORS FEEL ABOUT THEIR WORK

When asked about their level of satisfaction with seven key elements of their working lives Pharma, Life Science and Med Device contractors gave the flexibility of hours and the work itself the highest satisfaction ratings at 85% and 84% respectively.

Professional contractors reported being satisfied with the key elements of their working life and with their current life in general. The participants reported a significant increase in their satisfaction levels in relation to their work life balance, moving from a satisfaction level rating of 59% in 2021 to a satisfaction rating of 71% in 2022.

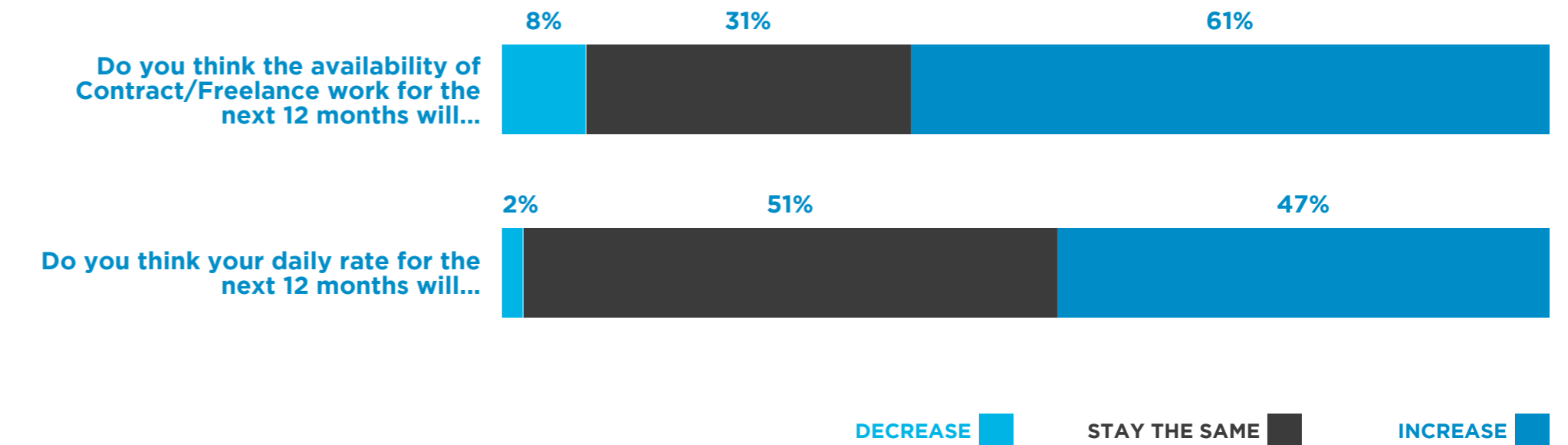


THE FUTURE

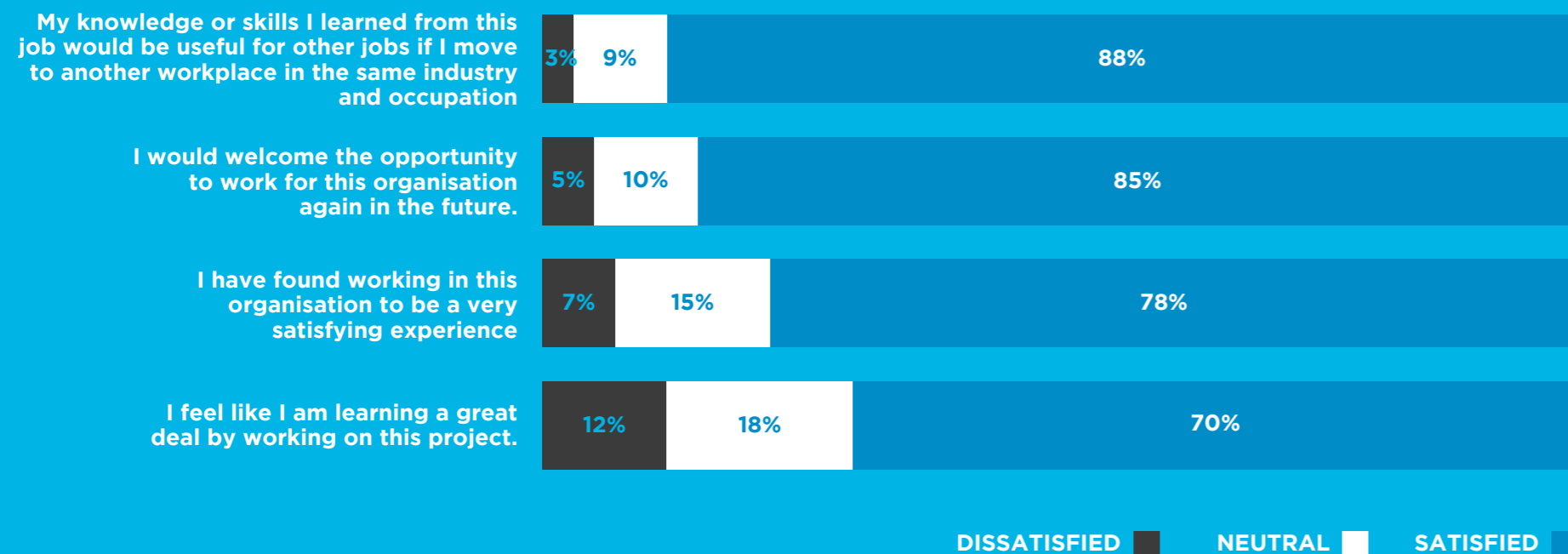
88% of respondents believe that their skills are both useful and, transferable from company to company.

One of the biggest concerns professional contractors express is around job security, job security for them being their ability to get their next contract. Contractors currently have a very positive outlook towards the contracting sector and the availability of new contract roles. Over the next 12 months, 61% of contractors expect the number of contracting roles to increase, while 31% expect the availability of roles to remain the same.

Despite the fact that daily rates in Pharma, Life Science and Med Device sectors have all increased in 2022, 47% of contractors still expect a further daily pay rate increase in the next 12 months, while 51% expect the daily rates to remain the same for the next year.



FINDING WORK



CONFIDENCE INDEX

The confidence index has improved in both the performance of the contracting sector, and in the performance of the Irish Economy in 2022.

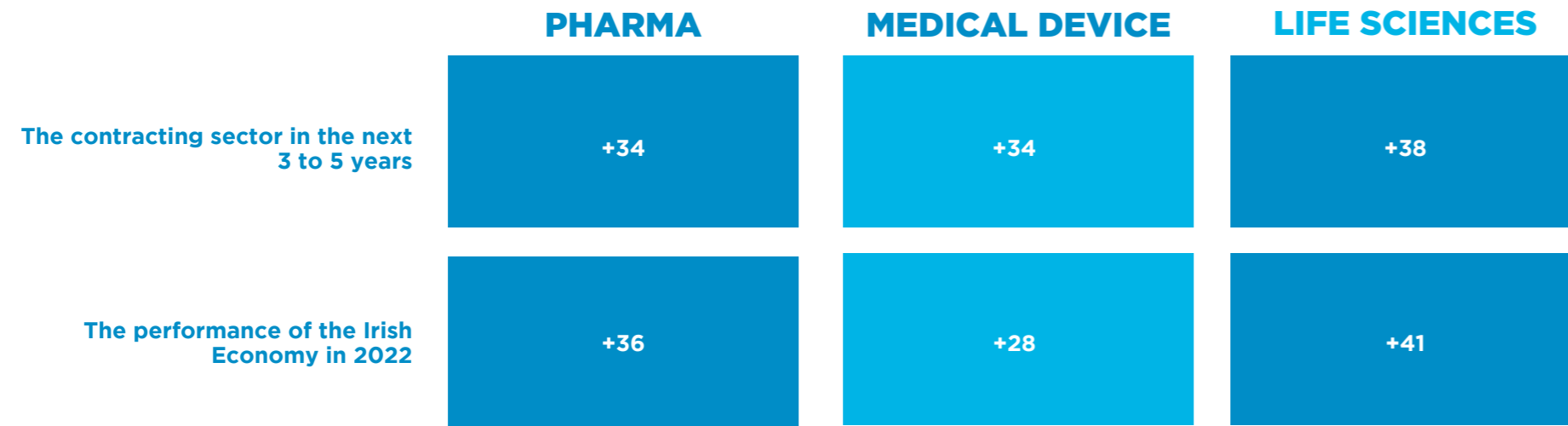
While contractors have expressed varying degrees of confidence in the contracting sector depending on the specific discipline they are engaged in, there can be no doubt in the overall confidence they reported in the performance of the Irish Economy.

It's unsurprising that there is increased confidence in the sector with an increase in FDI and the expansion of many sites planned and almost daily announcements of further investment in the sector. Ireland continues to punch well above her weight in this sector.

Pharma
The confidence index in the performance of the contracting sector moved from +28% in 2021 to +34 in 2022.
The confidence index in the performance of the Irish Economy moved from +7 in 2021 to +36 in 2022.

Life Science
The confidence index in the performance of the contracting sector moved from +21 in 2021 to +38 in 2022.
The confidence index in the performance of the Irish Economy moved from +8 in 2021 to +41 in 2022

Medical Device
The confidence index in the performance of the contracting sector moved from +43 in 2021 to +34 in 2022.
The confidence index in the performance of the Irish Economy moved from +11 in 2021 to +28 in 2022



2021

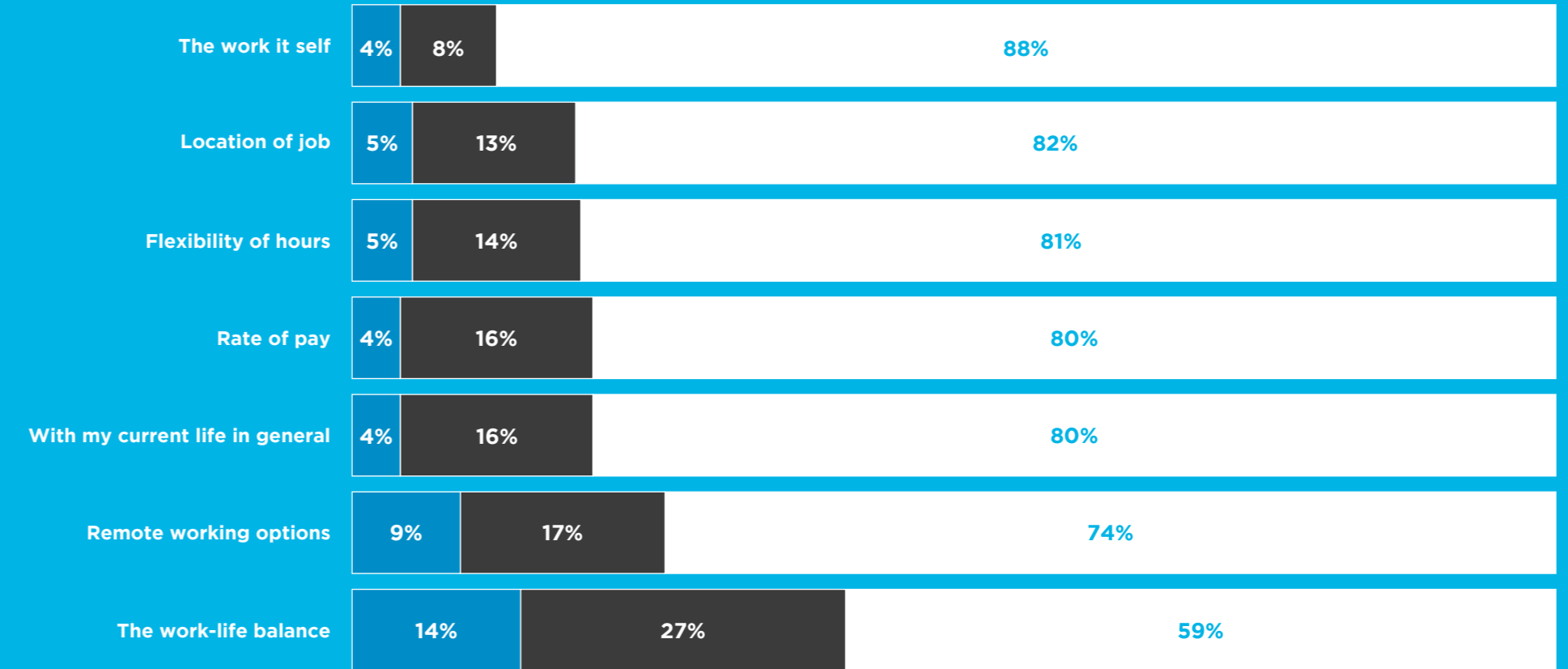
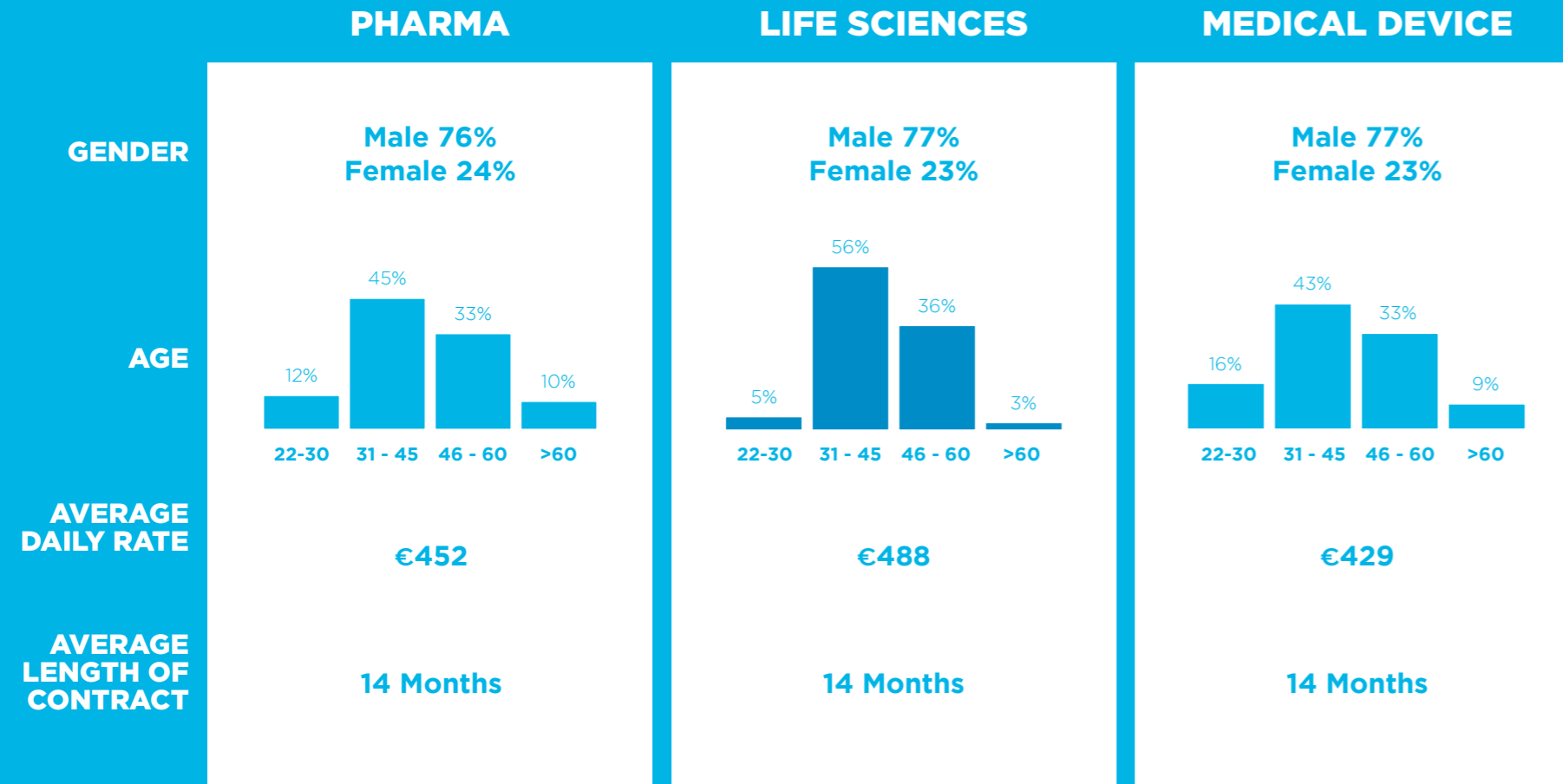


FIGURES

PHARMA, LIFE SCIENCES & MEDICAL DEVICE

HOW PHARMA CONTRACTORS FEEL ABOUT THEIR WORK

2021



■ Dissatisfied
 ■ Neutral
 ■ Satisfied

FINDING WORK

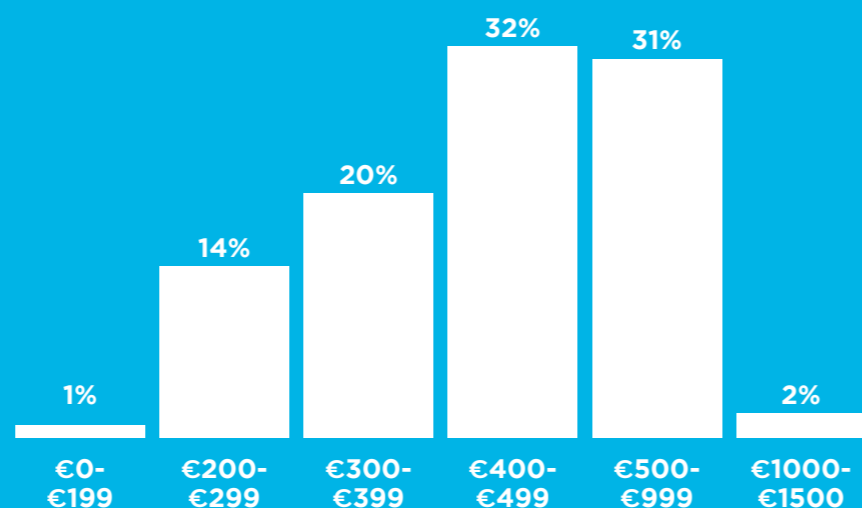
91% of those surveyed agreed their experience is in demand in the labour market.

73% of respondents agree that it is easy for them to get another contract.

89% of respondents agreed that their knowledge and skills transferable from one company to another in the same industry.

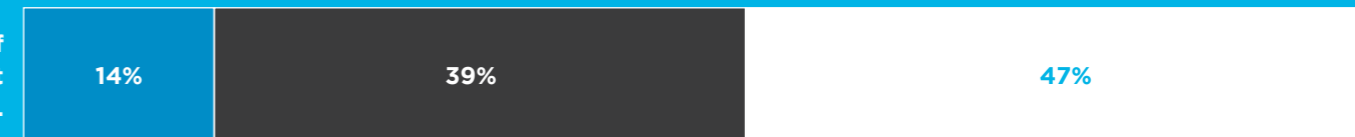
PHARMA DAILY RATES

€466 Male Average daily rate
€405 Female Average daily rate



THE FUTURE

Do you think the availability of Contract/Freelance work for the next 12 months will...



Do you think your daily rate for the next 12 months will...



Decrease Same Increase

CONFIDENCE INDEX

The contracting sector in the next 3 to 5 years

The performance of the Irish Economy in 2022

	PHARMA	MEDICAL DEVICE	LIFE SCIENCES
The contracting sector in the next 3 to 5 years	+28	+43	+21
The performance of the Irish Economy in 2022	+7	+11	+8

TECHNOLOGY



Although I am happy that there is plenty of contract work because it keeps me in business, I would have to say that the whole set up is currently designed more to support the multinationals than the worker/contractor.

- Anonymous respondent

DAILY RATE

Information Communication Technology (ICT) includes all communication technologies, from the internet and wireless networks to mobile phones, computers, software, middleware, video-conferencing, social networking, and other media applications and services.

Ireland is the world's second-largest supplier of computer and information technology services. The presence of internet and social media companies, such as Google, Facebook, LinkedIn, Amazon, PayPal, eBay, Indeed and Twitter, cements Ireland's position as Europe's digital centre.

The sector's global companies with a long-established history of operations in Ireland, such as Intel, HP, IBM, Microsoft, and Apple confirm both our stability and our credibility as an ICT centre of excellence.

Ireland continues to attract new global technology businesses. Our worldwide reputation for creativity and communication is fueling the interest of new gaming companies, and many start-ups, Ireland is also poised to become a global cloud technology centre of excellence.

Our highly creative, well-educated, and talented workforce, open economy, proximity and ease of access, to European markets and a competitive corporate tax environment all drive investment and growth in this, the second large contracting sector.

GENDER SPLIT

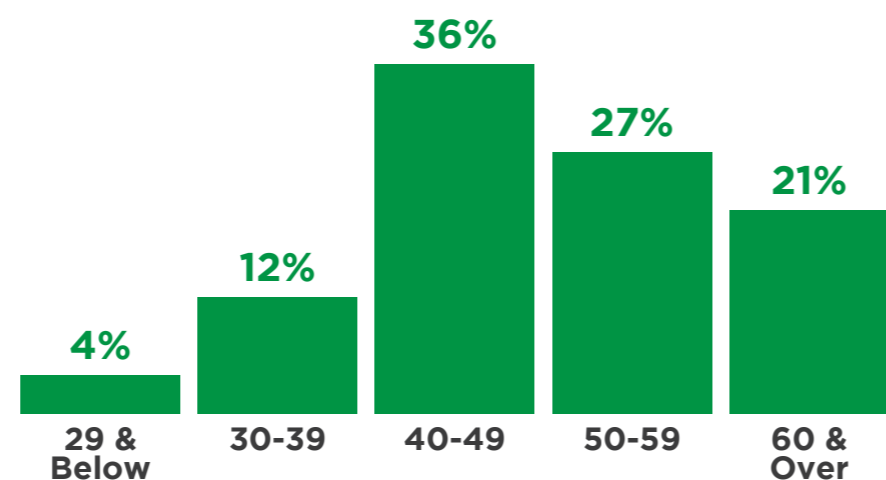
The gender split has changed over the last year with an increase in the percentage of men contracting in the ICT sector. 82% in 2022 compared with only 74% in 2021. There is a reduction of 9% in the percentage of women taking up technology roles in 2022 compared with 2021.



AGE

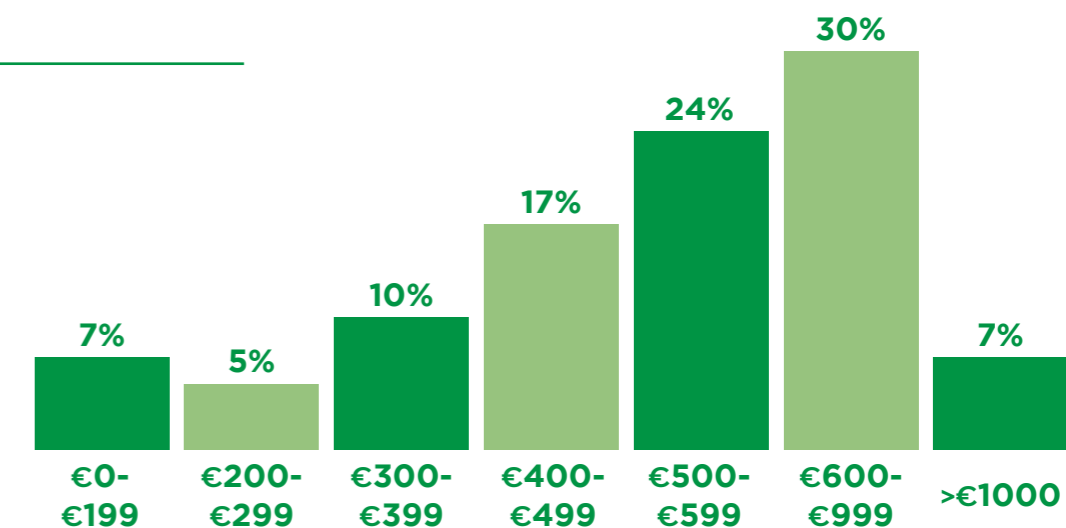
50
years

Average age

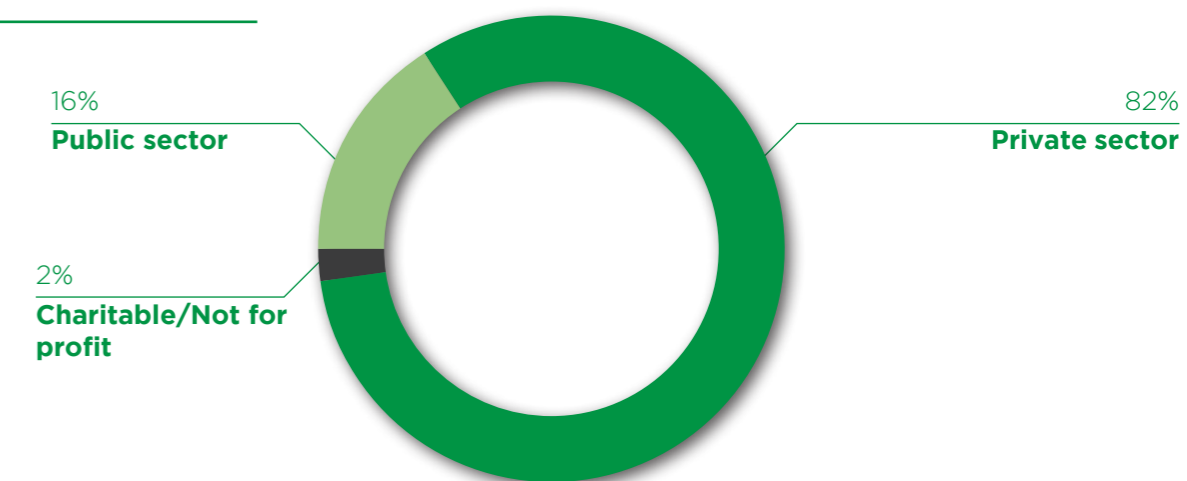


DAILY RATE

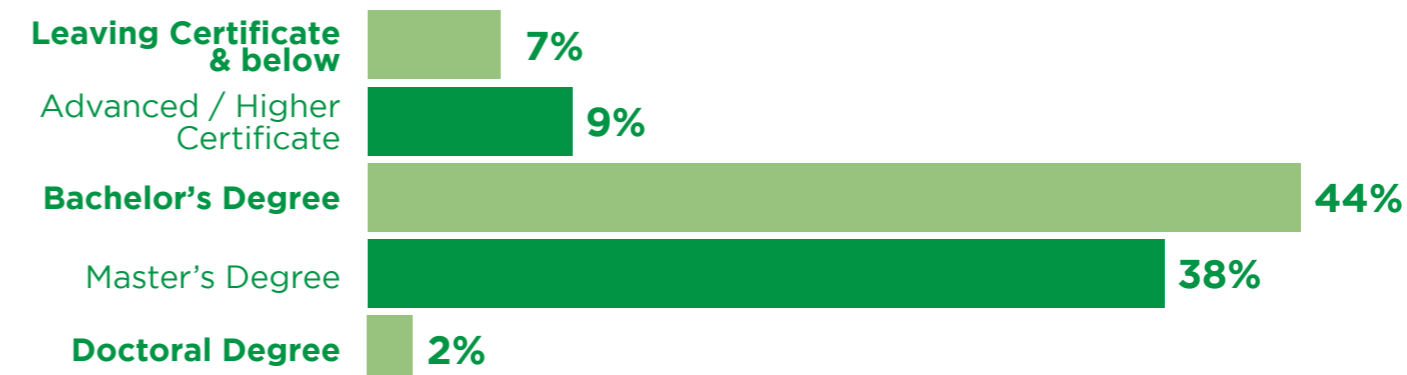
€570 | Average daily rate



SECTOR



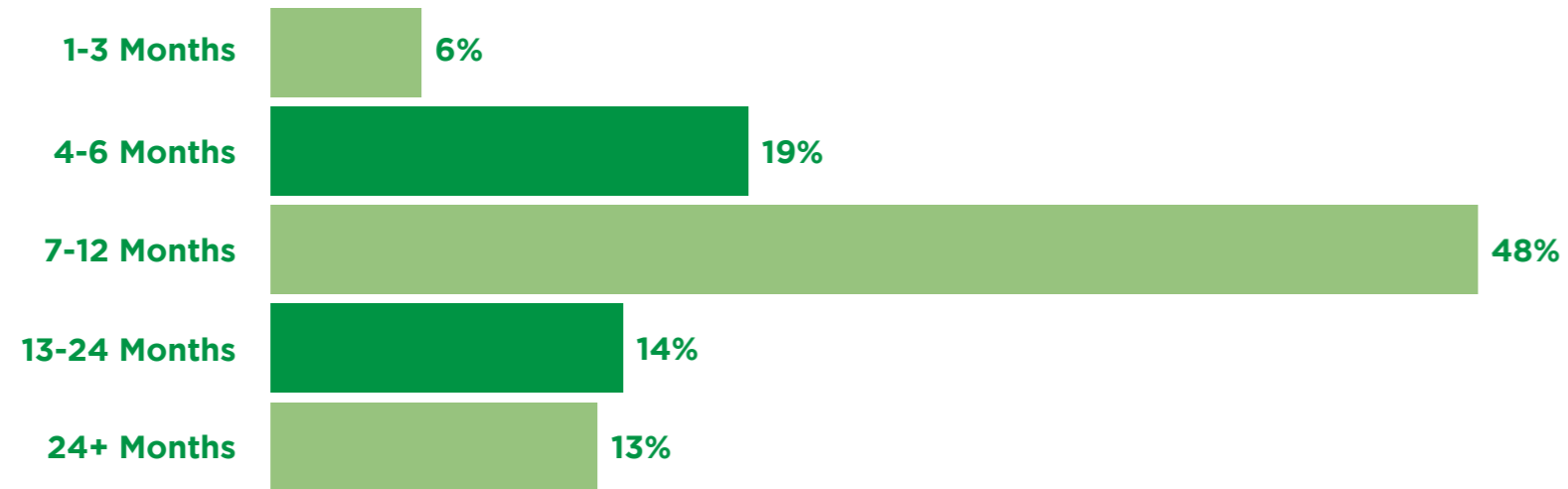
EDUCATION



CONTRACT LENGTH

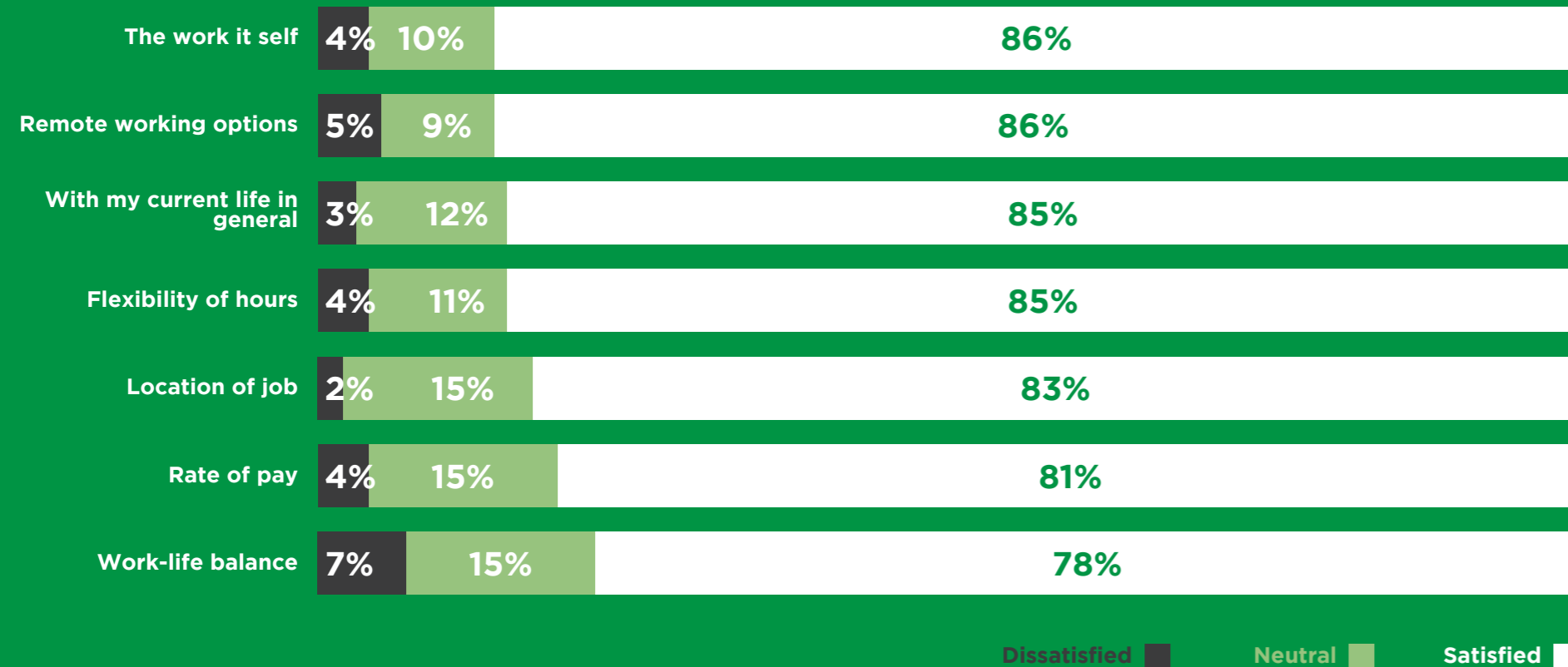
The average contract length in 2022 is 2 months longer than the average length in 2021, 16 months as opposed to 14 months. This signifies more stability in contracting roles in the technology sector in 2022.

16
Months
Average contract length

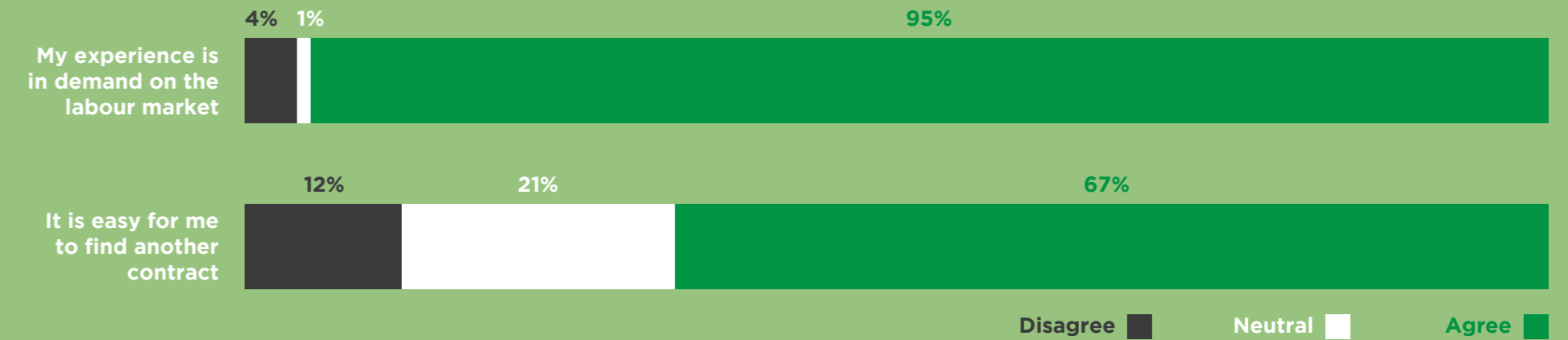


HOW ICT CONTRACTORS FEEL ABOUT THEIR WORK

ICT contractors are highly satisfied with the work they do, with both the work itself and remote working options gaining the highest satisfaction rating of 86%. In 2022 contractors reported increased satisfaction across all seven criteria, when compared with 2021 figures. The highest increase in satisfaction rating went to flexibility of hours, up from a satisfaction rating of 80% in 2021 to 85% in 2022.



EMPLOYABILITY



FUTURE EXPECTATIONS

The dynamics of the ICT sector make it a perfect sector to engage professional contractors. Requirements for different skill sets change rapidly, project work is often undertaken as part of normal business requirements, skills required can be niche and in short supply, due to the pace of innovation businesses can find themselves ill-equipped internally to deal with new technologies and may need to hire in expertise to up skill their existing team.

It is no wonder that 95% of ICT contractors believe their experience is in demand in the labour market and that 67% of them believe it would be easy for them to find another contract role.

76% of survey participants think that the contracting sector will increase in the next 3-5 years. 76% of respondents also think that the performance of the Irish Economy will increase in 2022 when compared with 2021.



CONFIDENCE INDEX

The confidence index in the performance of the ICT contracting sector moved from +35 in 2021 to +41 in 2022. The confidence index in the performance of the Irish Economy moved from +16 in 2021 to +43 in 2022.

+41
Confidence
Index

The contracting
sector in the next
3 to 5 years

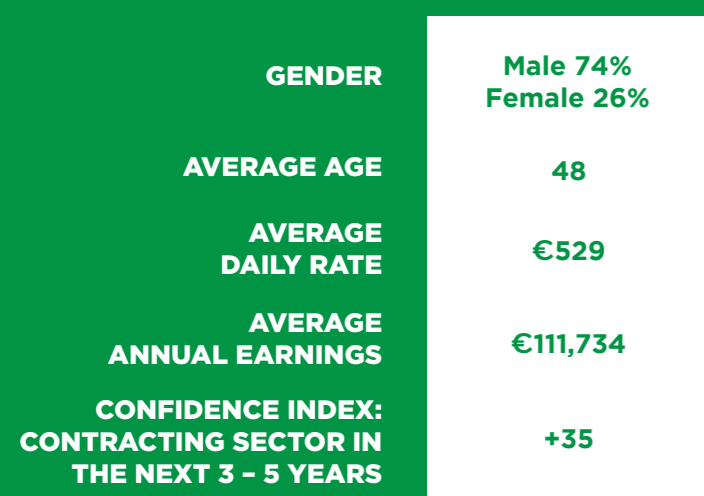
+43
Confidence
Index

The performance
of the Irish Econ-
omy in 2022

2021

FIGURES

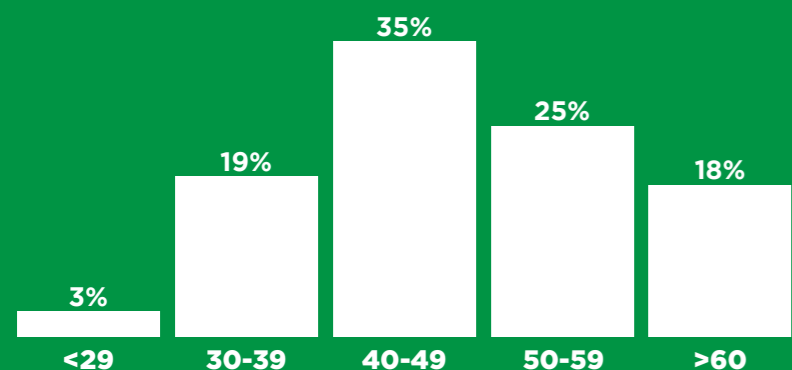
TECHNOLOGY



HOW ICT CONTRACTORS FEEL ABOUT THEIR WORK



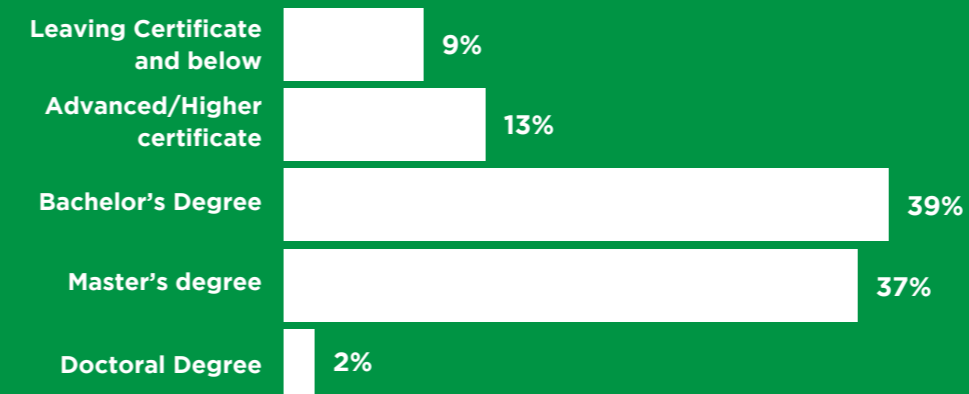
AGE RANGE



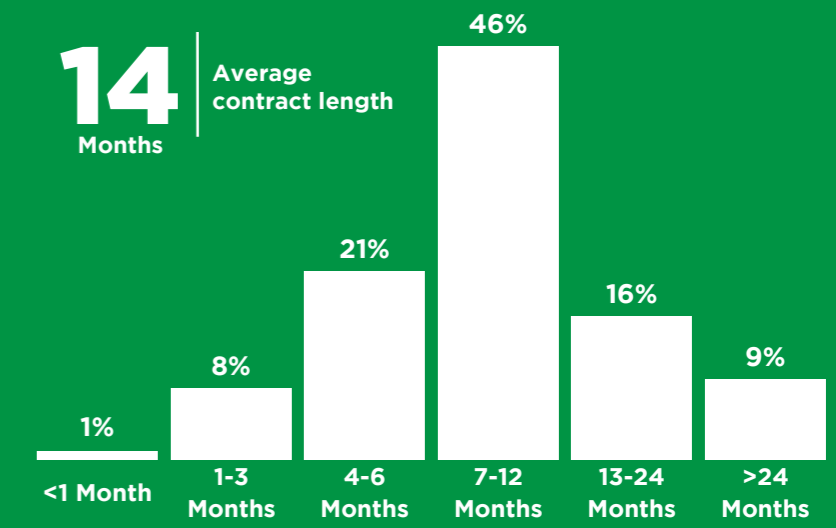
ICT EMPLOYABILITY



EDUCATION



CONTRACT LENGTH



ICT FUTURE EXPECTATIONS



+35 Confidence Index



+16 Confidence Index

Decrease Same Increase

Leave us be, don't interfere and start making organisations treat us like permanent employees. We don't want permanent jobs, we like making good money and looking after our own interests.

- Anonymous respondent

FINANCE

FINANCE

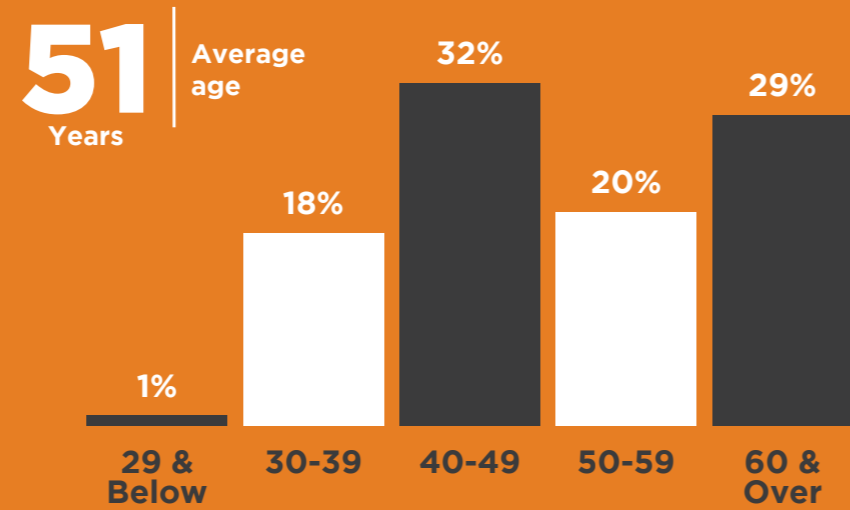
It is great to see the Finance sector well represented in this report with just over 13% of all survey respondents operating in this category. It seems that where companies may have called on accountancy firms in the past to resolve their shortfall in experience or skills in this area they are now quite comfortable engaging a professional contractor to carry out the work.

Finance is now becoming one of the key professional contracting sectors in Ireland.

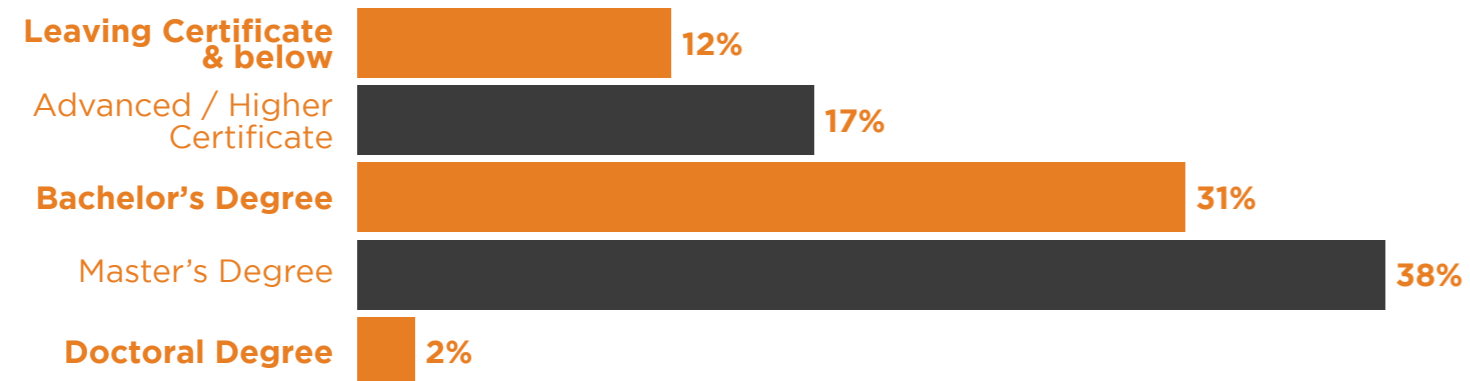
GENDER SPLIT



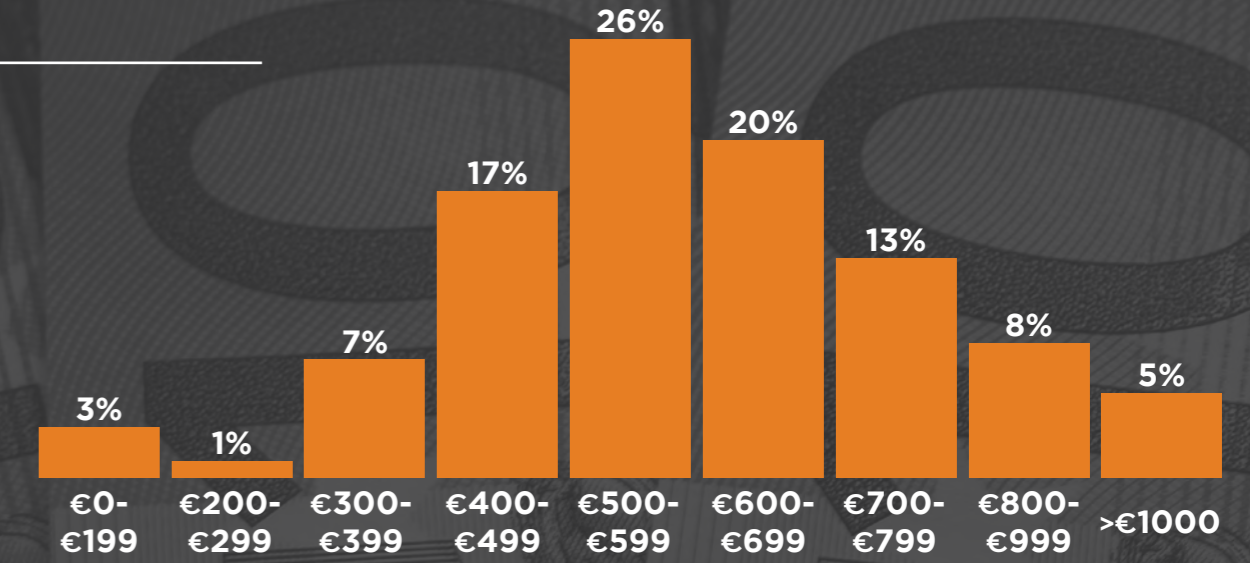
AGE



EDUCATION



WHAT FINANCE CONTRACTORS ARE EARNING



AVERAGE DAILY RATE BY AGE

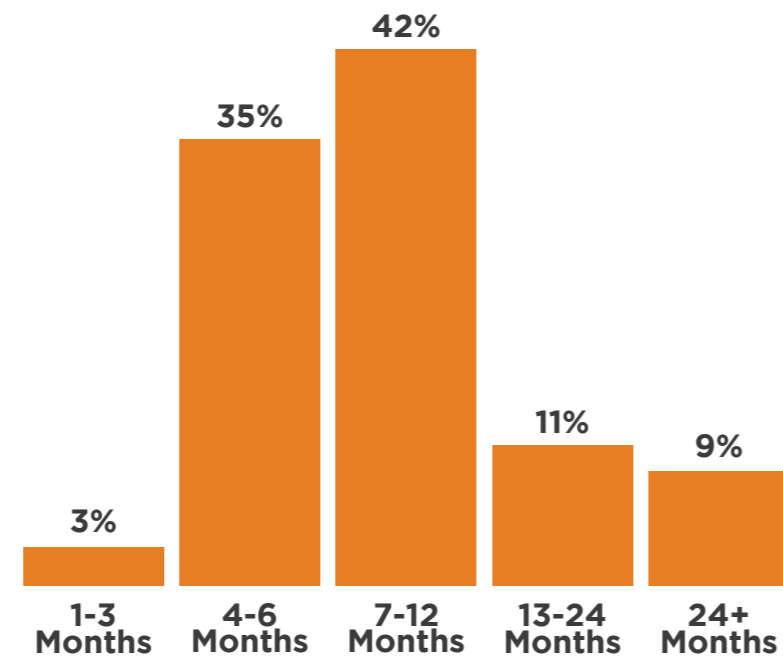
€598 Average daily rate

SECTOR



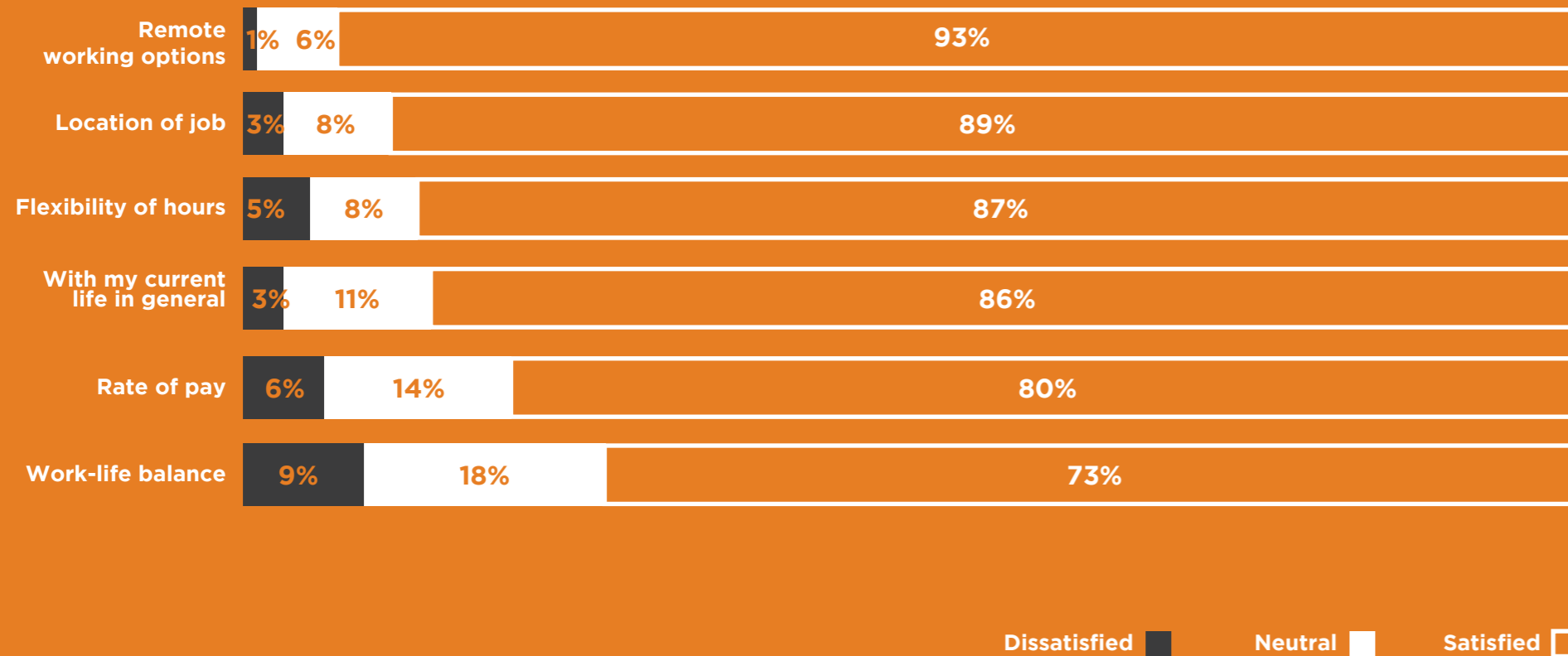
CONTRACT LENGTH

13
months
Average contract length

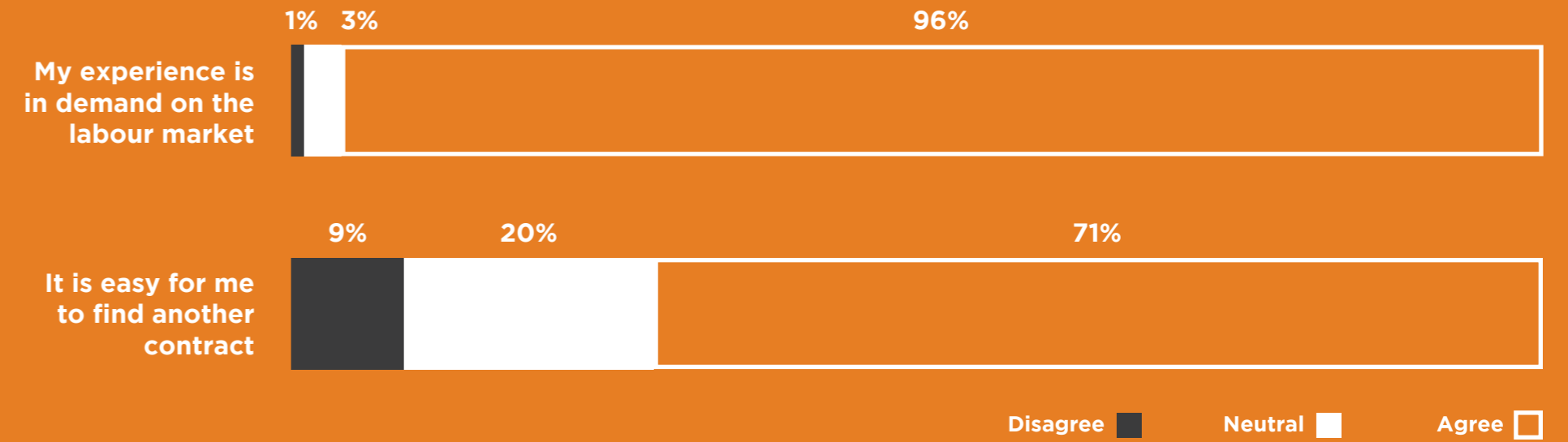


HOW FINANCE CONTRACTORS FEEL ABOUT THEIR WORK

Finance contractors are generally satisfied with their work, with remote working options gaining the highest satisfaction rating of 93%. They find the work itself highly satisfying with a rating of 84%. The lowest satisfaction rating was for their work life balance, which received a rating of 73%. However the reported a satisfaction rating of 86% for their current life in general.



EMPLOYABILITY

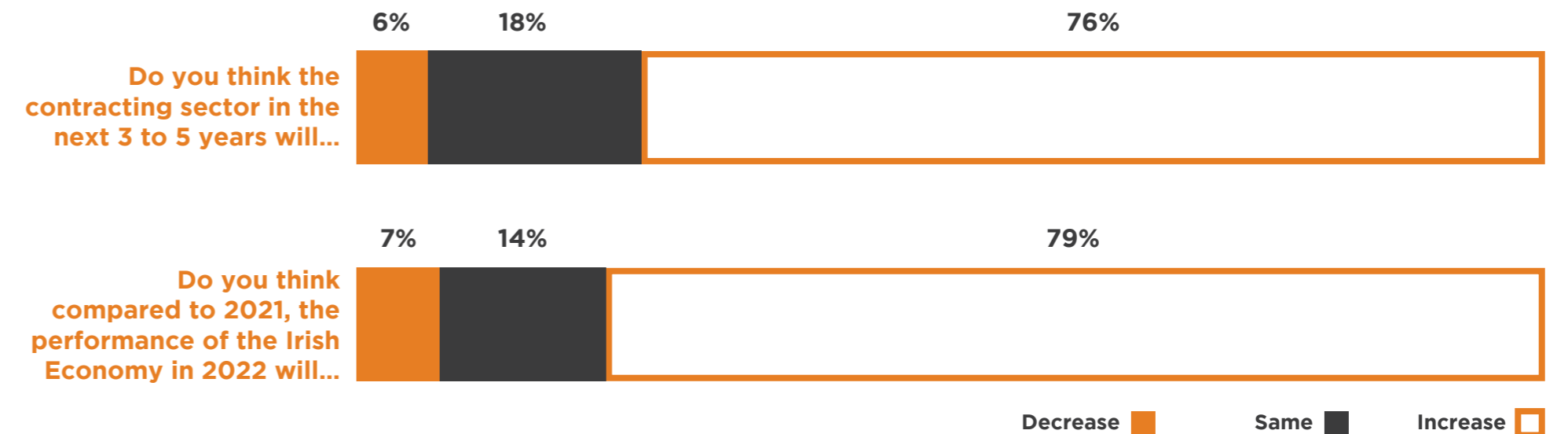


FUTURE EXPECTATION

Finance contractors are extremely optimistic about the future with 96% agreeing that their skills are in demand.

71% agree that it will be easy to get a new contract, and 20% agreeing that it will remain the same as it is at the moment.

76% of finance contractors expect the contracting sector to increase in the next 3 to 5 years. Their opinion in 2022 is much more optimistic than that which they held in 2021, when only 67% of Finance contractors expected the contracting sector performance to increase. 79% of respondents expect the performance of the Irish Economy to increase, again this is significantly more optimistic than the 46% who expected the Irish economy's performance to increase when asked this question in the 2021 survey.



CONFIDENCE INDEX

The confidence index in the performance of the Finance contracting sector moved from +37 in 2021 to +40 in 2022. The confidence index in the performance of the Irish Economy moved from +7 in 2021 to +40 in 2022, showing a significant increase in the positive expectations held by those contracting in the finance sector.

+40
Confidence Index

The contracting sector in the next 3 to 5 years

+40
Confidence Index

The performance of the Irish Economy in 2022

2021

FIGURES

FINANCE

HOW FINANCE CONTRACTORS FEEL ABOUT THEIR WORK

GENDER	Male 75% Female 25%
AVERAGE AGE	46
AVERAGE CONTRACT LENGTH	13 months
AVERAGE DAILY RATE	€589
AVERAGE ANNUAL EARNINGS	€128,959
CONFIDENCE INDEX: CONTRACTING SECTOR IN THE NEXT 3 - 5 YEARS	+37

	SATISFIED
Remote working options	87%
The work it self	85%
Location of job	84%
Flexibility of hours	82%
Rate of pay	81%
With my current life in general	81%
The work-life balance	76%

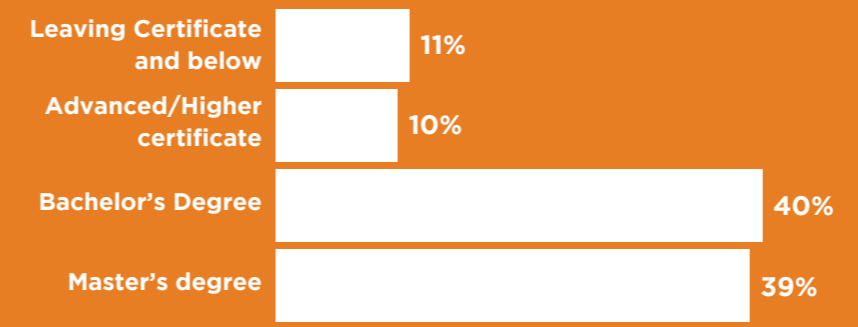
AVERAGE DAILY RATE BY AGE



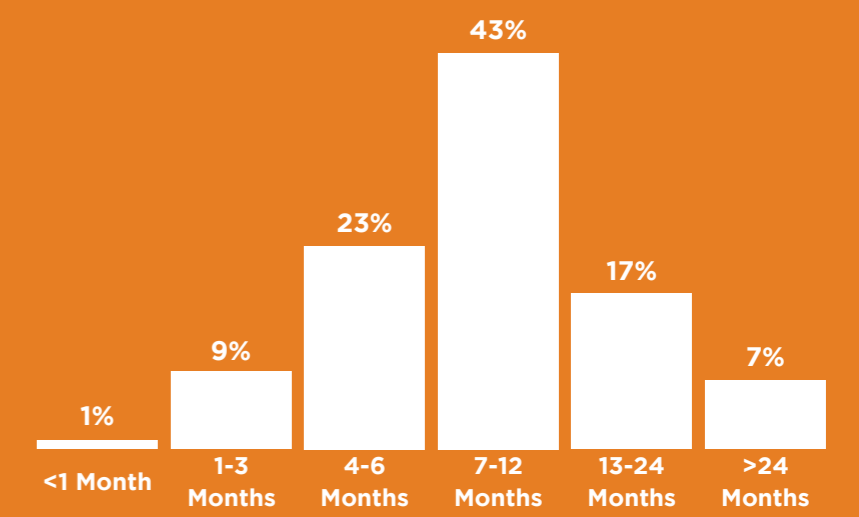
FINANCE EMPLOYABILITY

	AGREED
My experience is in demand on the labour market	89%
It is easy for me to find another contract	65%

EDUCATION



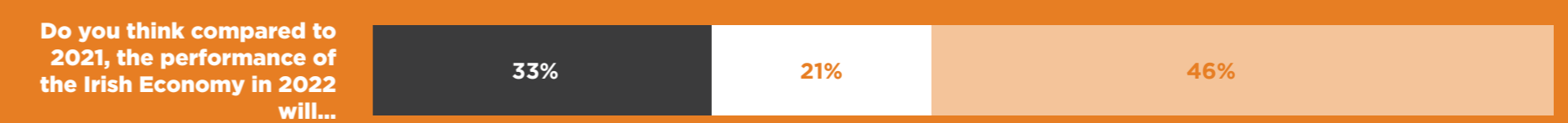
CONTRACT LENGTH



FINANCE FUTURE EXPECTATIONS



+37 Confidence Index



+7 Confidence Index

Decrease Same Increase

ENGINEERING

& TECHNICAL ACTIVITIES



I feel very secure in my job. I have made myself irreplaceable due to the work I do and how I do it.

- Anonymous respondent

ENGINEERING & TECHNICAL ACTIVITIES

There are over 200 companies in the industrial technology sector, generating over €4.7 billion in exports annually. The Architectural Engineering and Construction (AEV) services industry is expected to be one of the most dynamic industry sectors in the coming years according to the IDA. Ireland is the European location of choice for a growing number of multinational industrial engineering and technology companies involved in manufacturing, research and innovation activities.

Engineers Ireland 2021 reports the sector as robust in terms of remuneration, job opportunities and outlook.

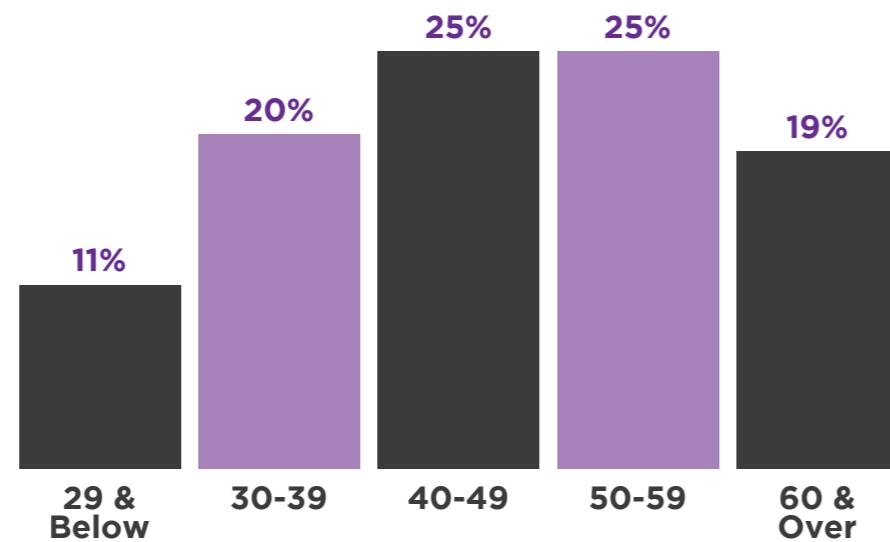
GENDER SPLIT

There has been significant change to the gender make-up of the Engineering sector since the last survey was completed in 2021. In 2021 just 7% of those contracting in the engineering sector were female, this has increased to 19% in 2022. There has been a huge emphasis placed on recruiting women into the sector and obviously it has started to pay off with a significant increase in numbers in the course of one year.



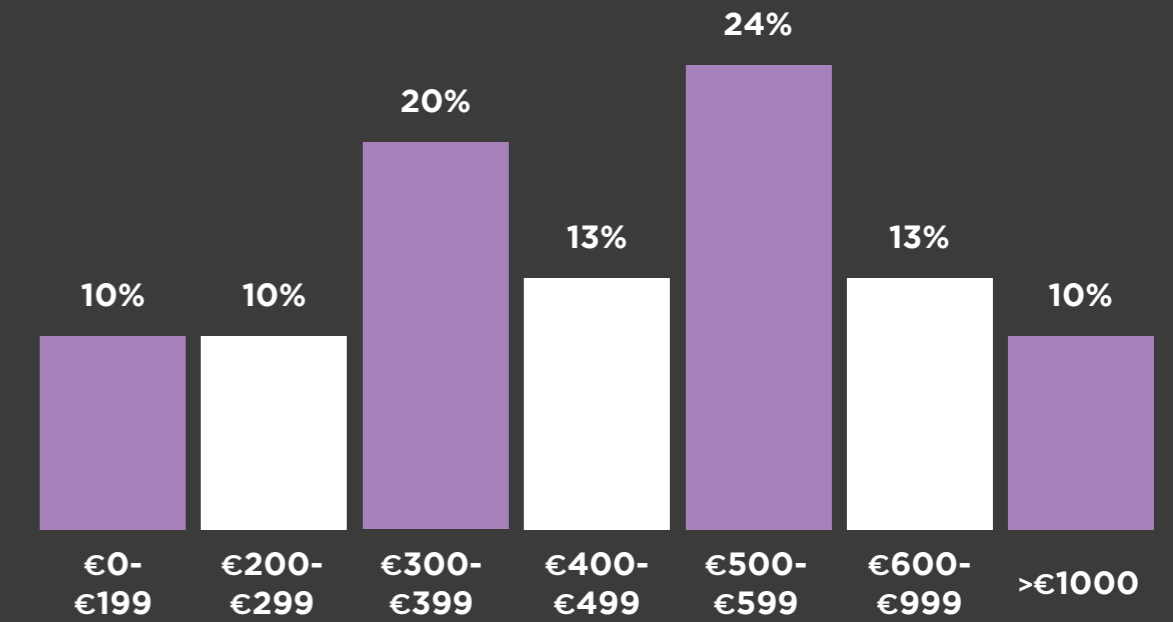
AGE

47 Years
Average age

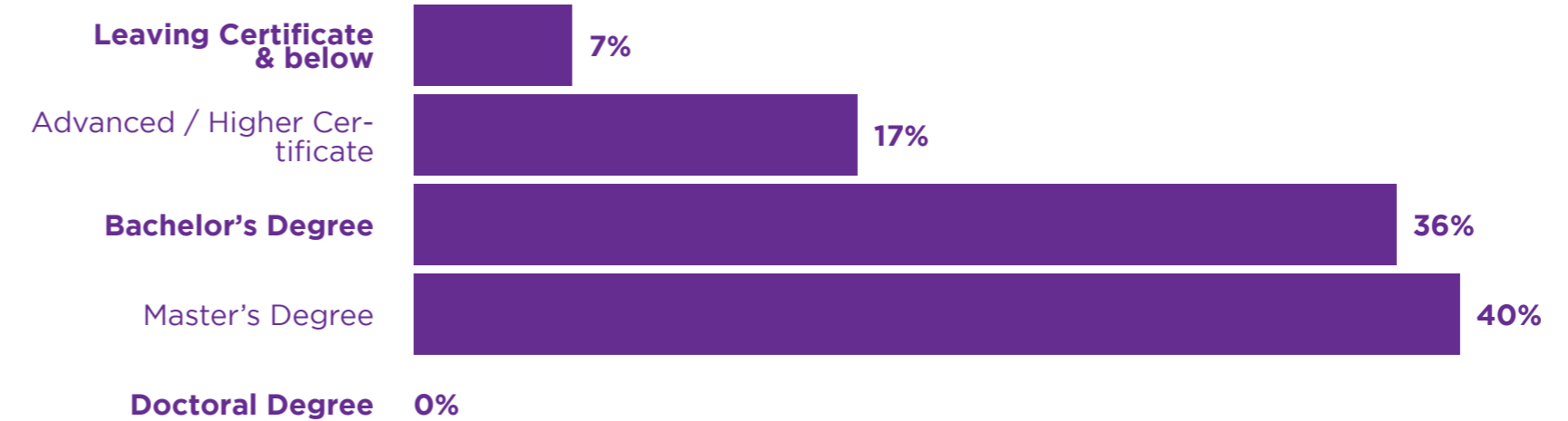


DAILY RATE

€565 Average daily rate



EDUCATION

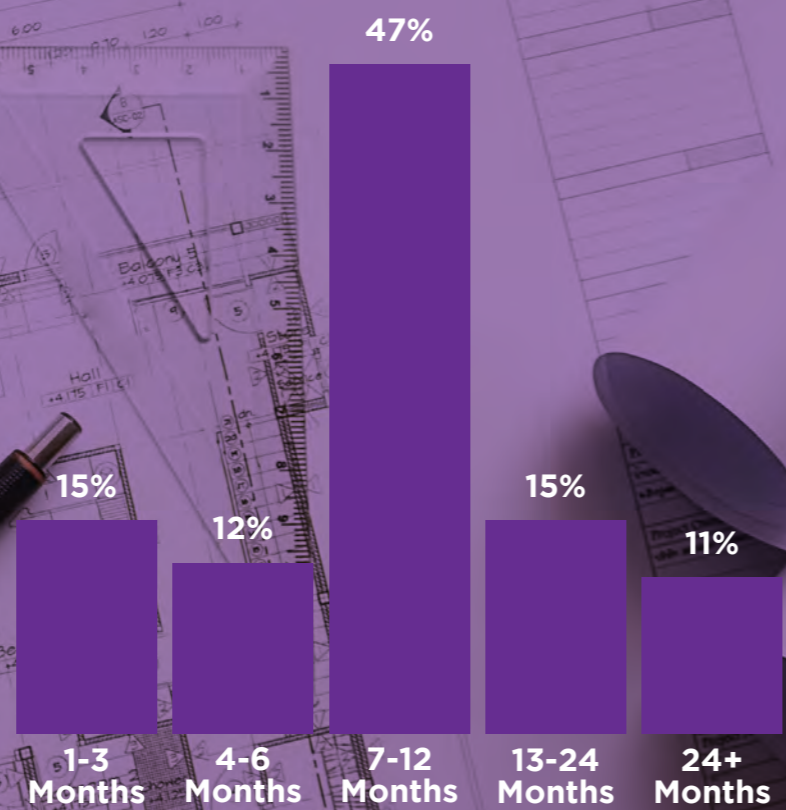




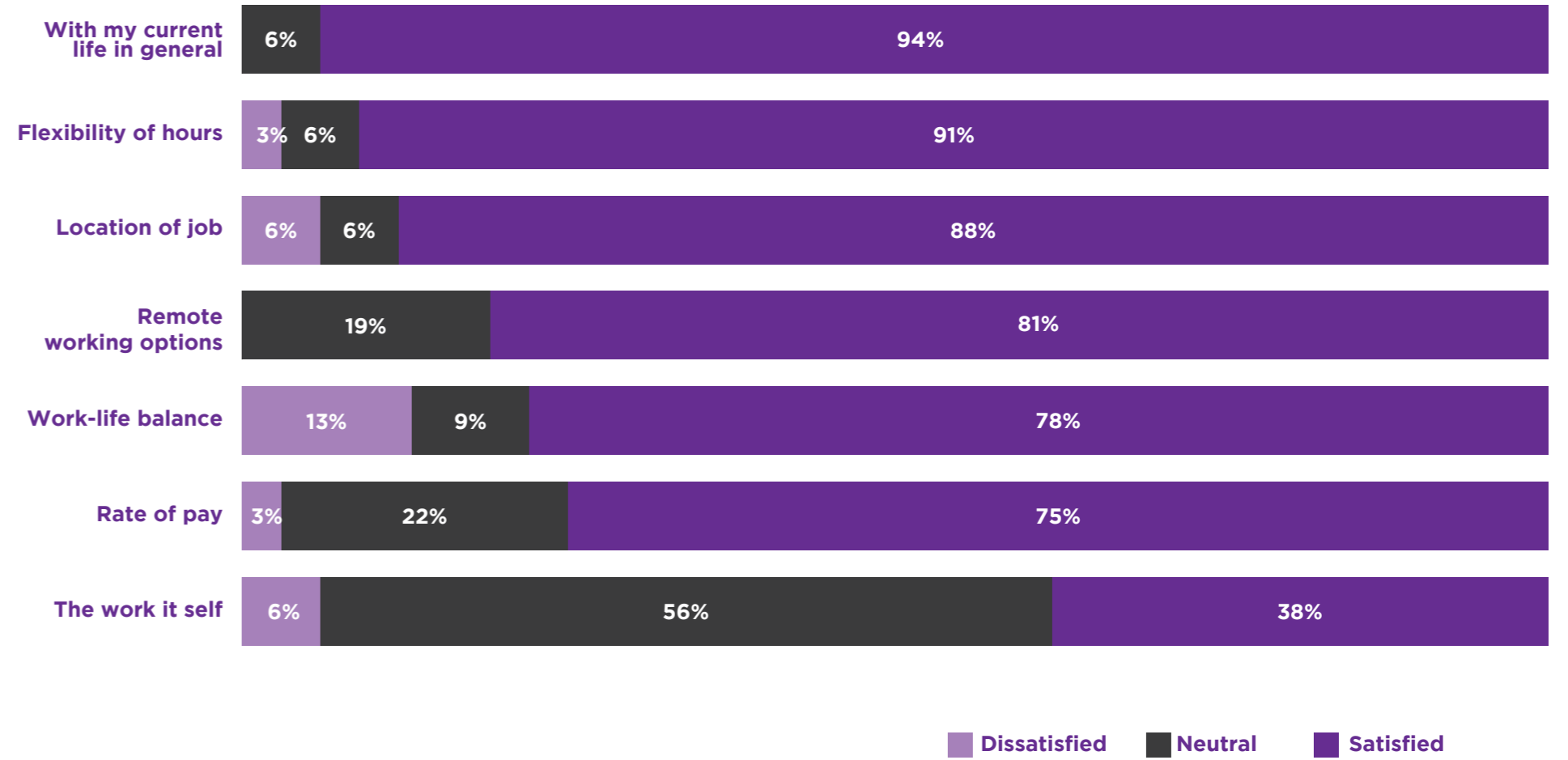
CONTRACT LENGTH

17 months
Average contract length

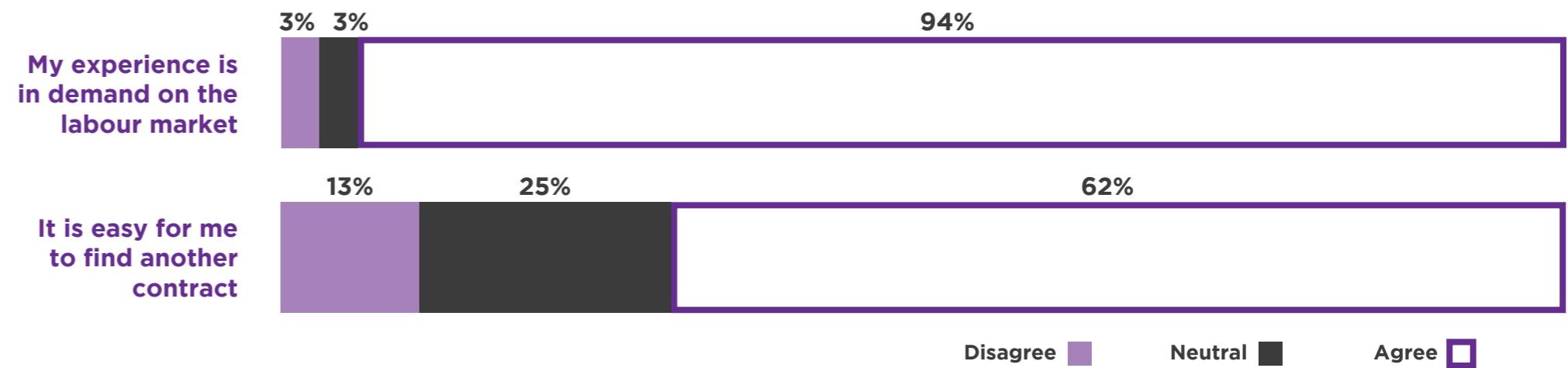
Average contract length



HOW ENGINEERING & TECHNICAL CONTRACTORS FEEL ABOUT THEIR WORK



EMPLOYABILITY

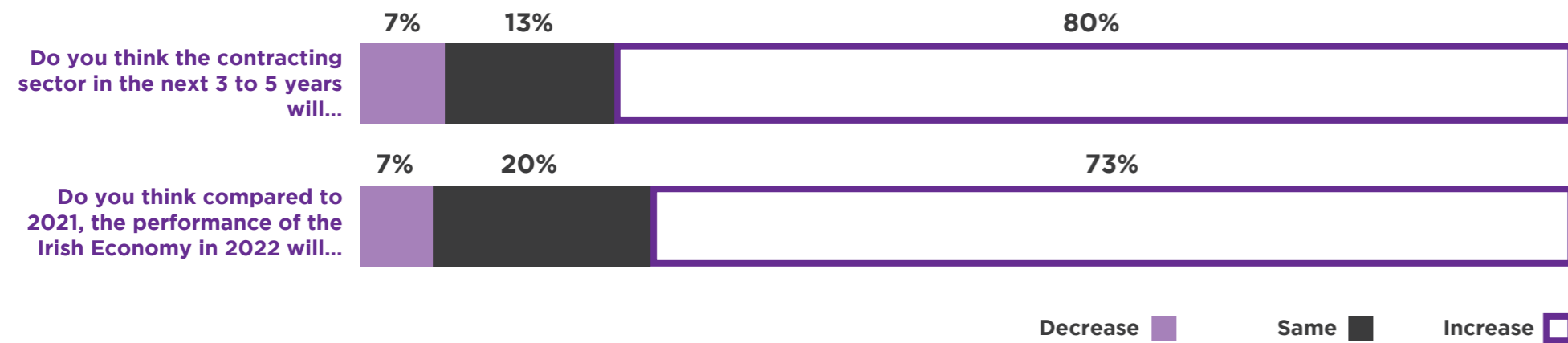


FUTURE EXPECTATIONS

Independent contractors in the Engineering and Technical sector are very optimistic about the future of work in their sector with 94% agreeing that their skills are in demand. This is a much more positive outlook since the 2021 survey took place, when only 75% of Engineering and Technical contractors agreed their skills were in demand.

Engineering and Technical contractors are satisfied, with 94% expressing satisfaction with their lives in general. The work itself received a satisfaction rating of 38% which is very low however 56% expressed neither satisfaction nor dissatisfaction with the work itself.

62% of contractors agree that it will be easy for them to get a new contract. 80% also think that the contracting sector will increase in the next 3 to 5 years. 73% of Engineering and Technical contractors think that the performance of the Irish economy will increase in 2022 when compared to 2021.



CONFIDENCE INDEX

The confidence index in the performance of the Engineering and Technical contracting sector moved from +25 in 2021 to +40 in 2022.

The confidence index in the performance of the Irish Economy moved from +2 in 2021 to +35 in 2022.

+40
Confidence Index

The contracting sector in the next 3 to 5 years

+35
Confidence Index

The performance of the Irish Economy in 2022

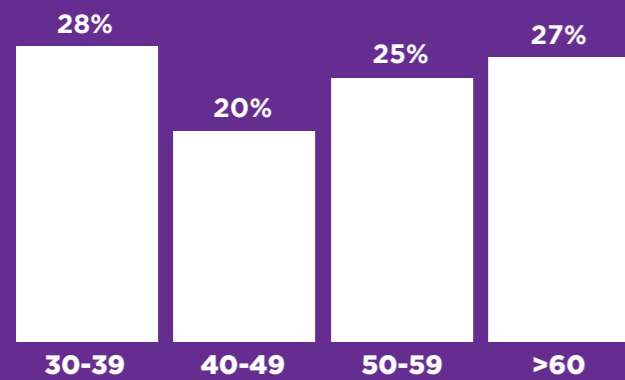
2021

FIGURES

ENGINEERING AND TECHNICAL ACTIVITIES

GENDER	Male 93% Female 7%
AVERAGE AGE	49
AVERAGE CONTRACT LENGTH	20 months
AVERAGE DAILY RATE	€460
AVERAGE ANNUAL EARNINGS	€102,267
CONFIDENCE INDEX: CONTRACTING SECTOR IN THE NEXT 3 - 5 YEARS	+25

AGE RANGE



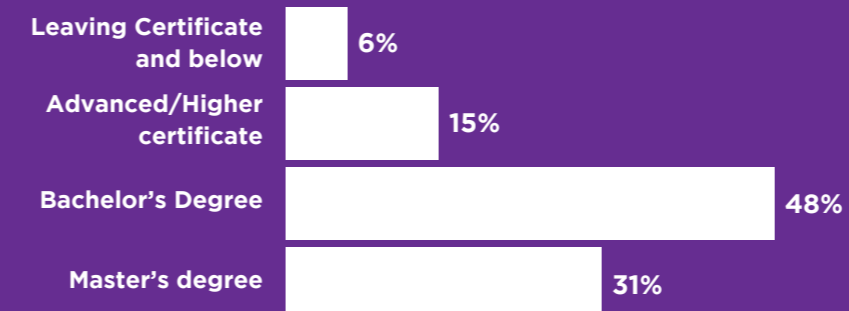
HOW ENGINEERING & TECHNICAL CONTRACTORS FEEL ABOUT THEIR WORK

	SATISFIED
The work it self	84%
With my current life in general	84%
Location of job	81%
Flexibility of hours	81%
Remote working options	81%
The work-life balance	77%
Rate of pay	77%

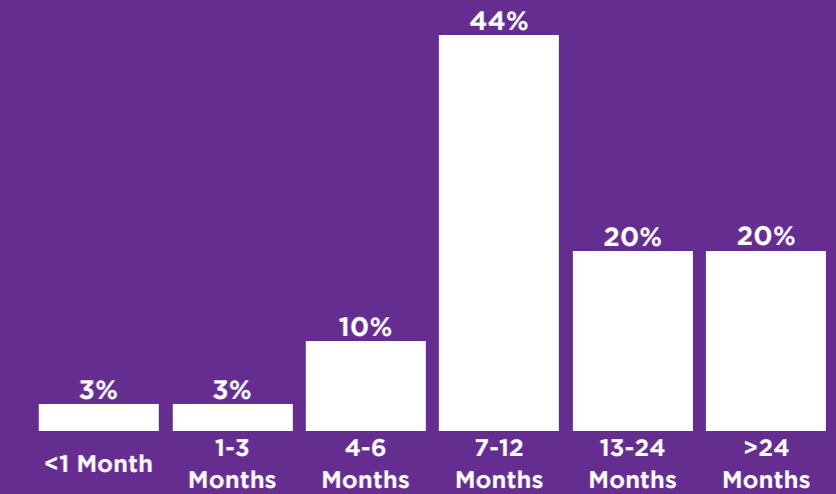
ENGINEERING EMPLOYABILITY

	AGREED
My experience is in demand on the labour market	75%
It is easy for me to find another contract	60%

EDUCATION



CONTRACT LENGTH



ENGINEERING FUTURE EXPECTATIONS

Do you think the contracting sector in the next 3 to 5 years will...



+25 Confidence Index

Do you think compared to 2021, the performance of the Irish Economy in 2022 will...



+2 Confidence Index

Decrease Same Increase

MEDICAL LOCUM



Government could give medical locums back their travel and subsistence expenses. I think it is disgusting that they were removed from medical locums after one of the hardest years coping with the pandemic. You would think medical locums would be rewarded not penalized.

- Anonymous respondent

MEDICAL LOCUM

Locums of all levels work in the medical sector, however in terms of the professional element we are dealing mostly with pharmacists, doctors, psychiatrists, and counsellors.

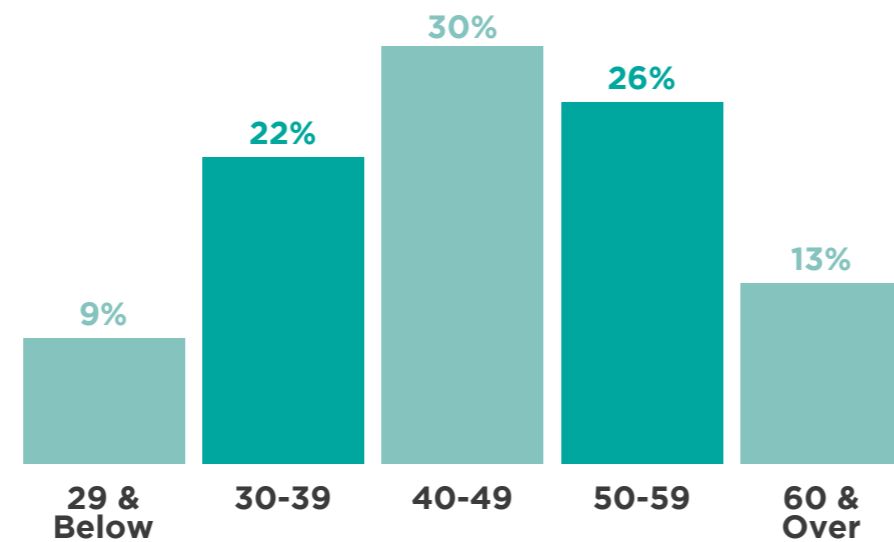
The medical sector in Ireland is currently under immense pressure. In February 2022 the Irish College of General Practitioners (ICGP) warned of severe shortages of GP's with 2,000 doctors required to cover current shortages and doctors due to retire over the next 5 to 10 years. Following almost two years of the pandemic, many medical workers are experiencing burnout. Consultants and doctors particularly in the areas of mental health are in high demand with many vacancies available throughout the country. When there is a shortage of skills in the market the number of contract roles usually increases.

GENDER SPLIT



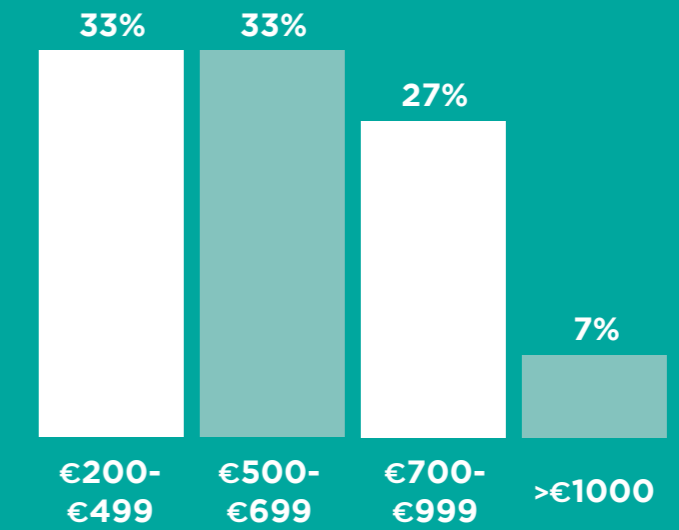
AGE

46 Average age

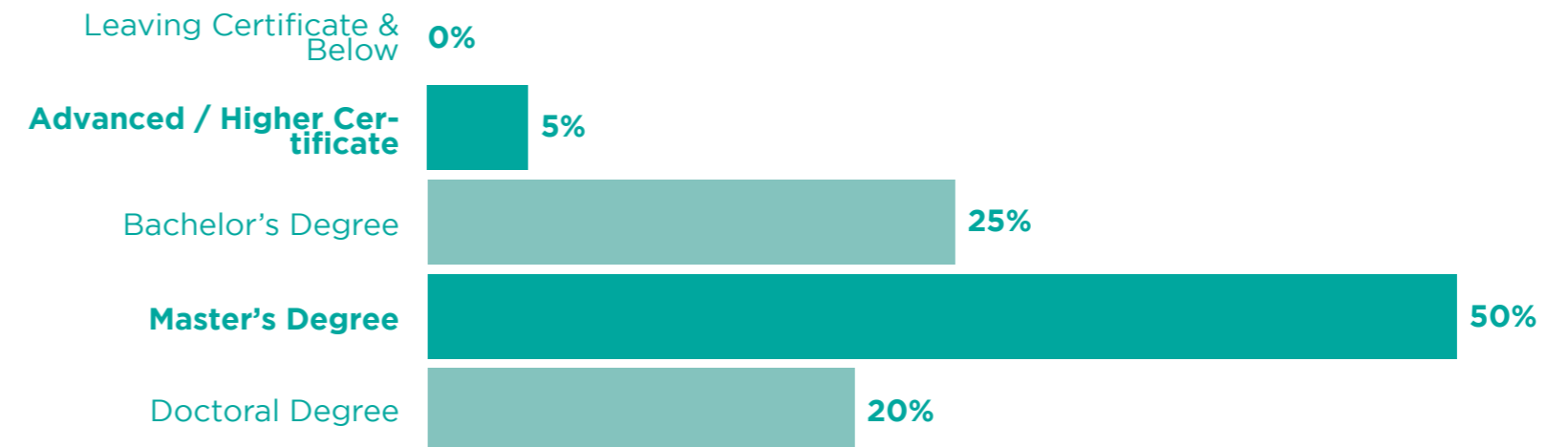


DAILY RATE

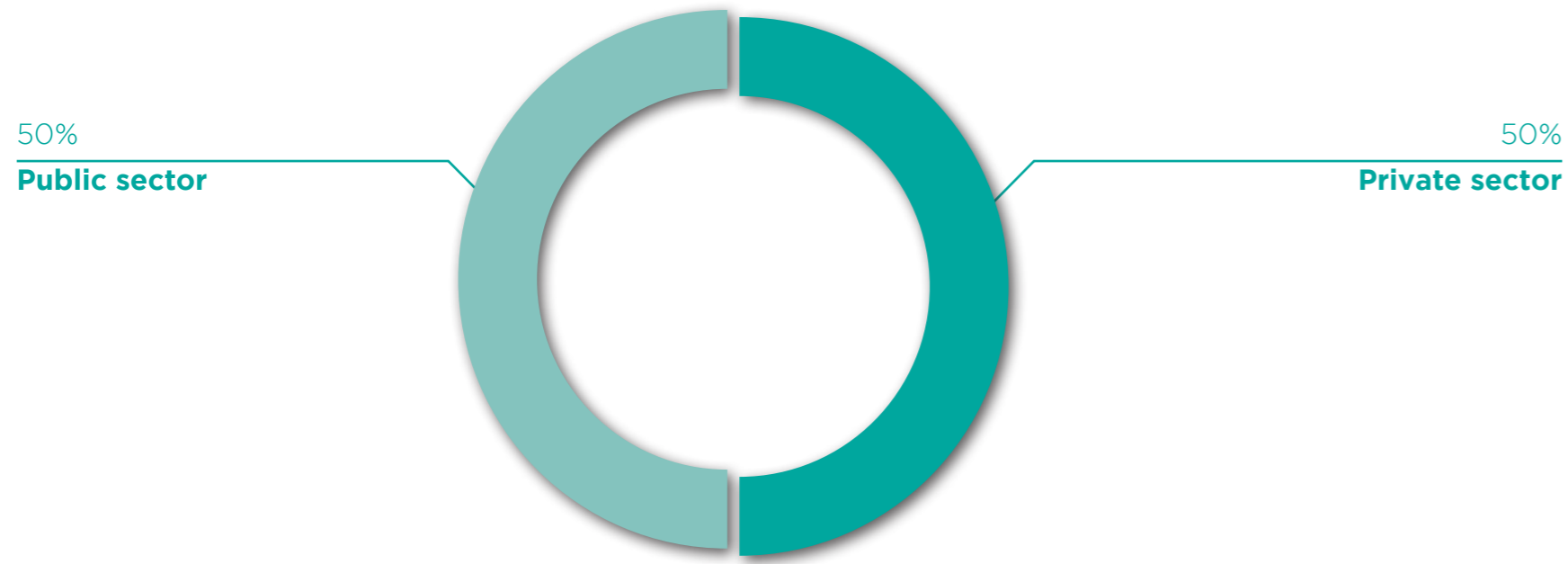
€594 Average daily rate



EDUCATION



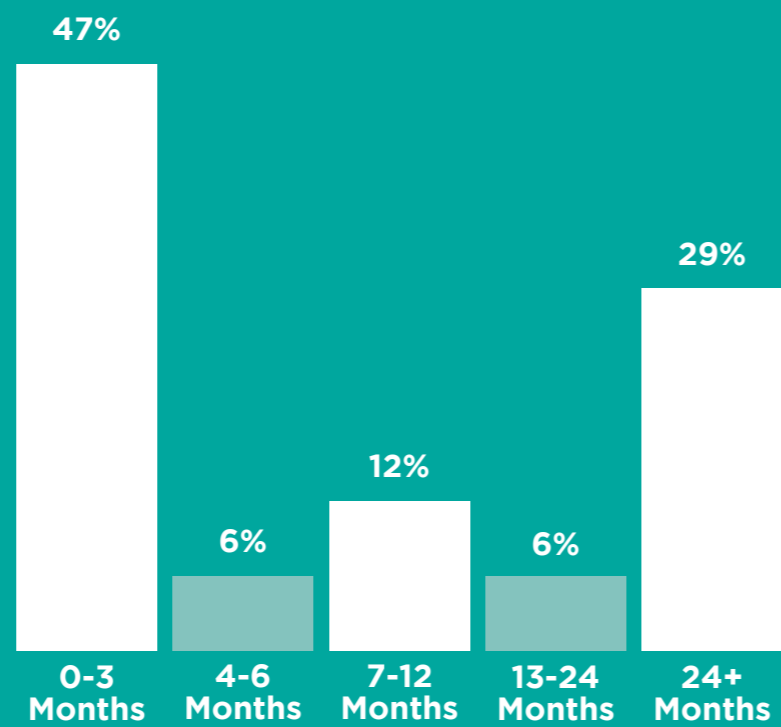
SECTOR



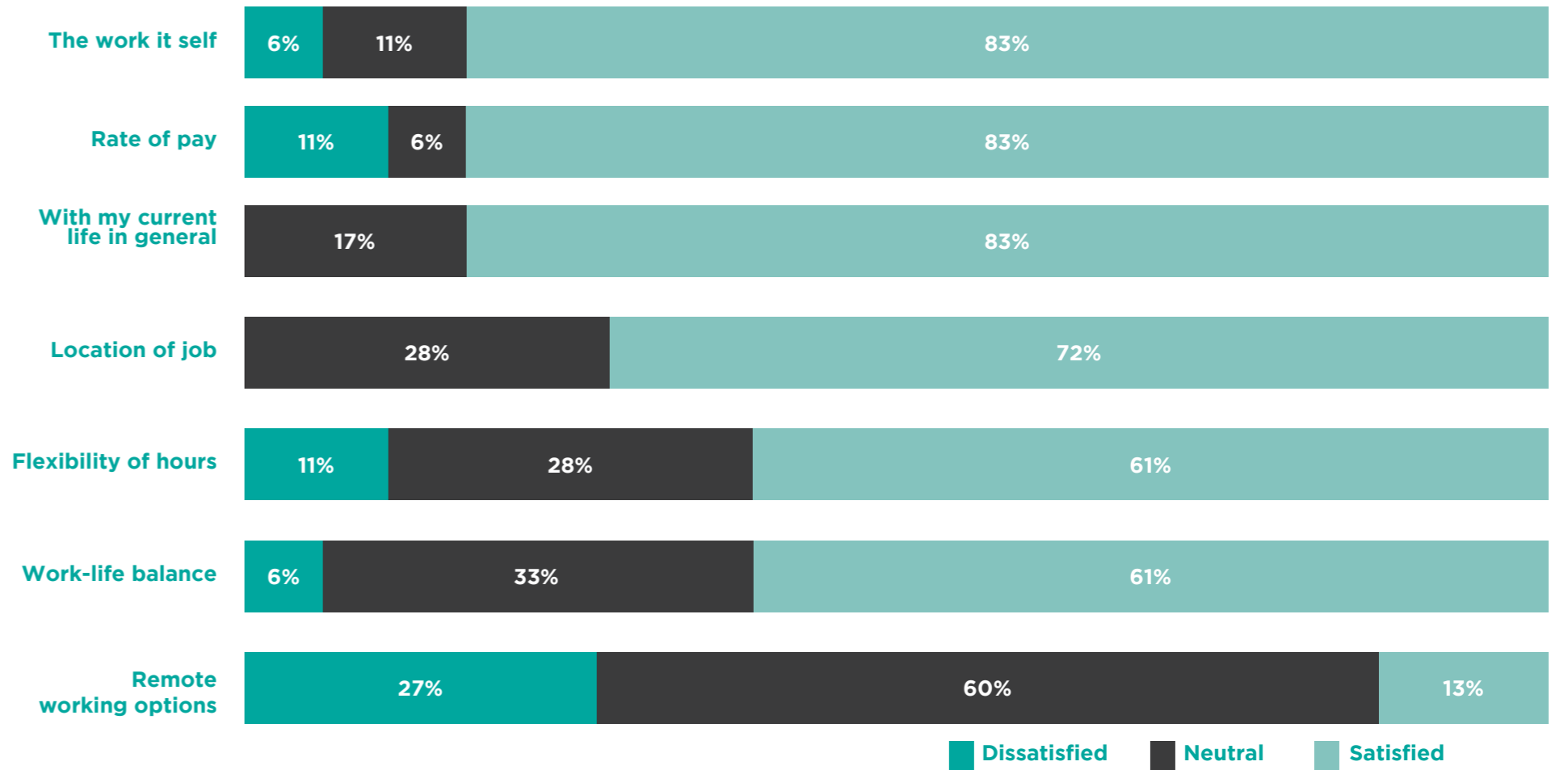
CONTRACT LENGTH

34
months

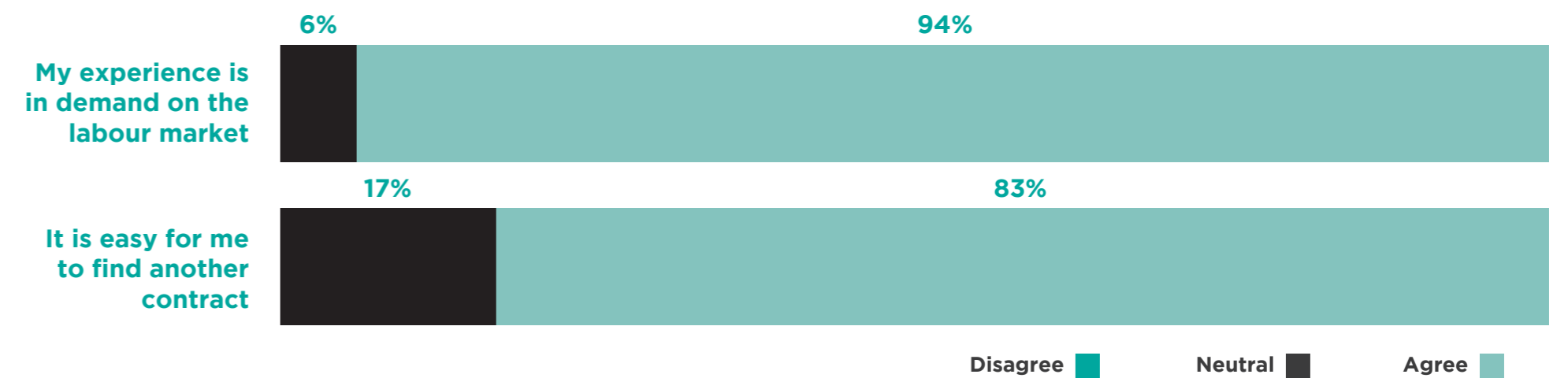
Average contract length



HOW MEDICAL LOCUMS FEEL ABOUT THEIR WORK



EMPLOYABILITY

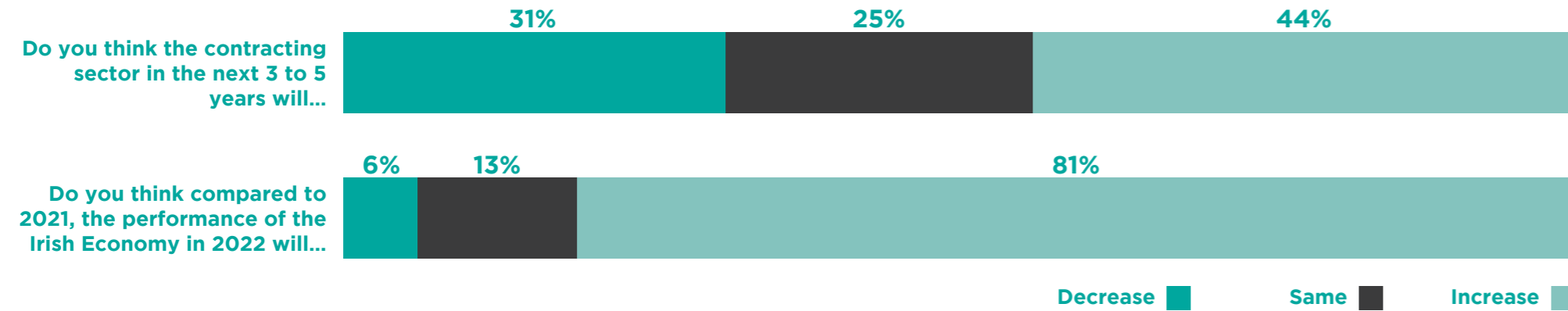


FUTURE EXPECTATIONS

Medical Locums are optimistic about their skills are needed in the marketplace with 94% agreeing that their experience is in demand. 83% agree that it will be easy for them to find another contract position.

Unsurprisingly they report a low satisfaction rating with remote working options. However Medical Locums are satisfied with the work itself, this factor received a satisfaction rating of 83%. Medical locums also rated their satisfaction level with their life in general at 83%.

69% of contractors in Medical Locum sector expect the sector to remain the same or increase in the next 3 to 5 years. The medical locum contractors are more optimistic about the expected performance of the Irish Economy with 81% of them expecting the economy to perform better in 2022 compared to 2021.



CONFIDENCE INDEX

+13
Confidence Index

The contracting sector in the next 3 to 5 years

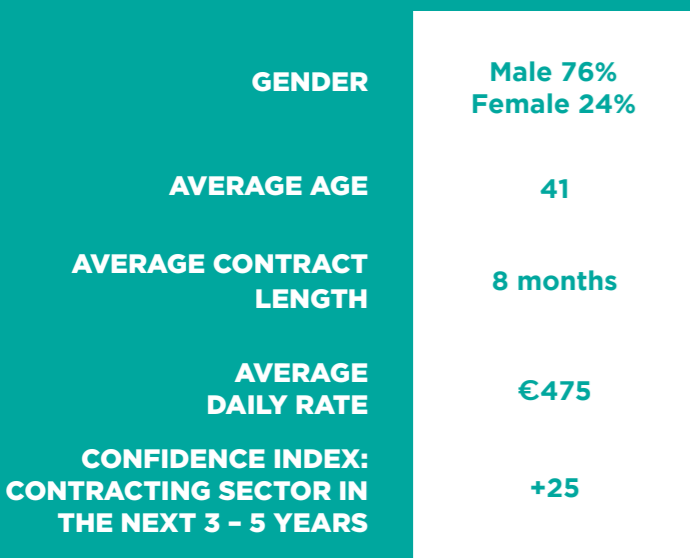
+44
Confidence Index

The performance of the Irish Economy in 2022

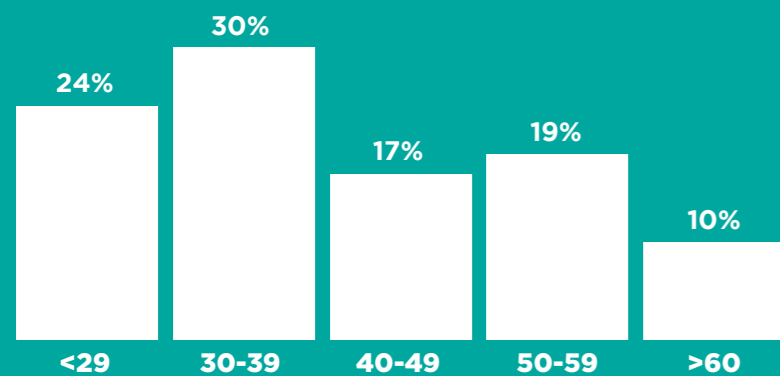
2021

FIGURES

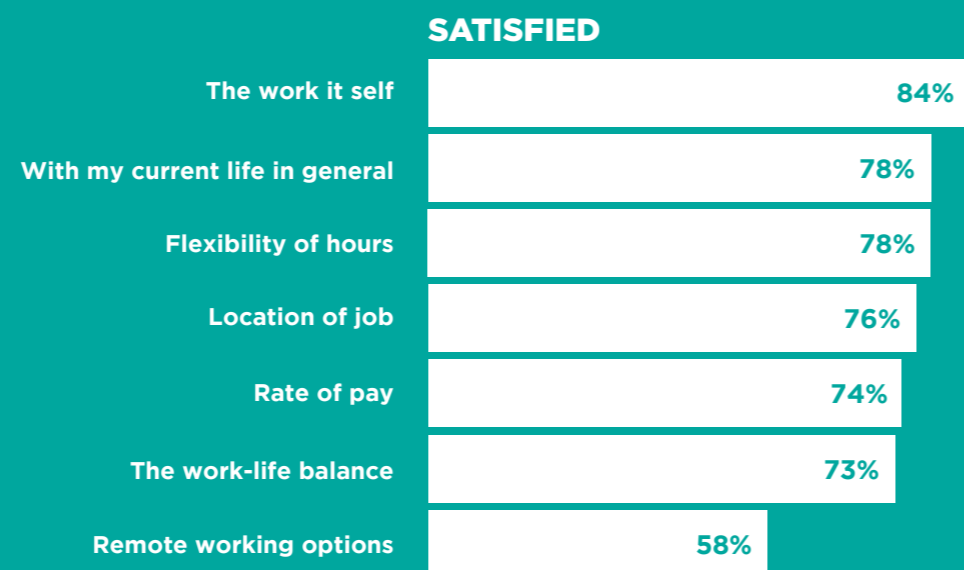
MEDICAL LOCUM



AGE RANGE



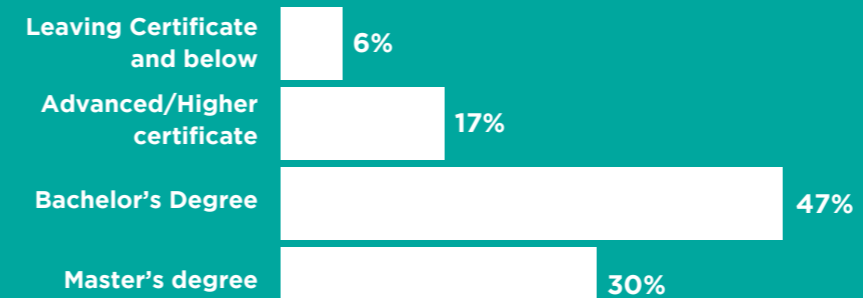
HOW MEDICAL LOCUMS FEEL ABOUT THEIR WORK



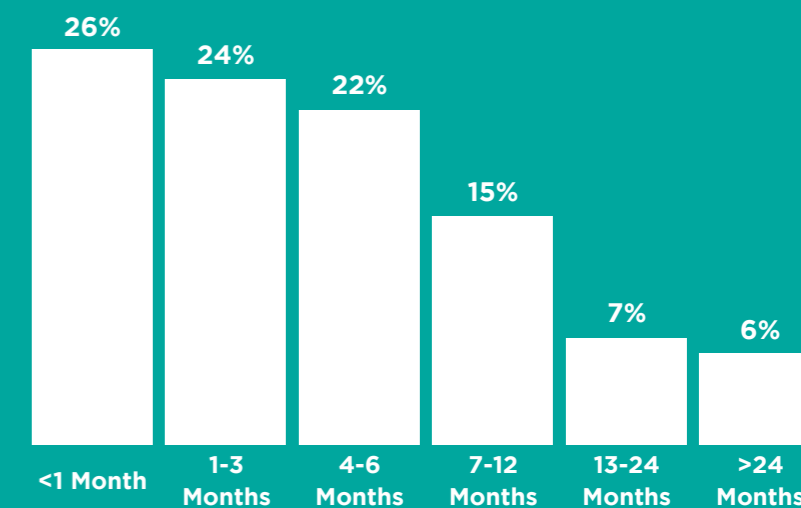
EMPLOYABILITY



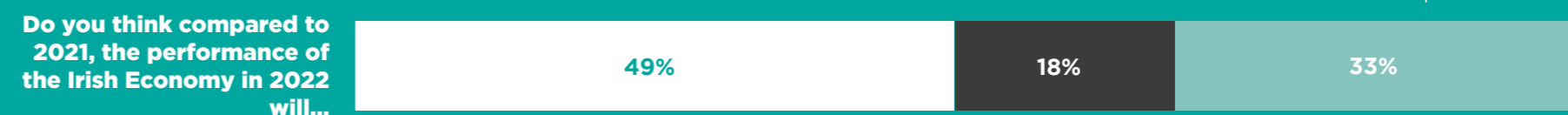
EDUCATION



CONTRACT LENGTH



FUTURE EXPECTATIONS



+25 Confidence Index

+2 Confidence Index

Decrease Same Increase

HERE'S WHAT THE RECRUITERS SAY

There's an increasing squeeze on skilled contractors in biotech/pharma, especially for niche expertise. We need to ensure we facilitate talent coming into Ireland from EU and non-EU sources.

- Anonymous respondent

12.

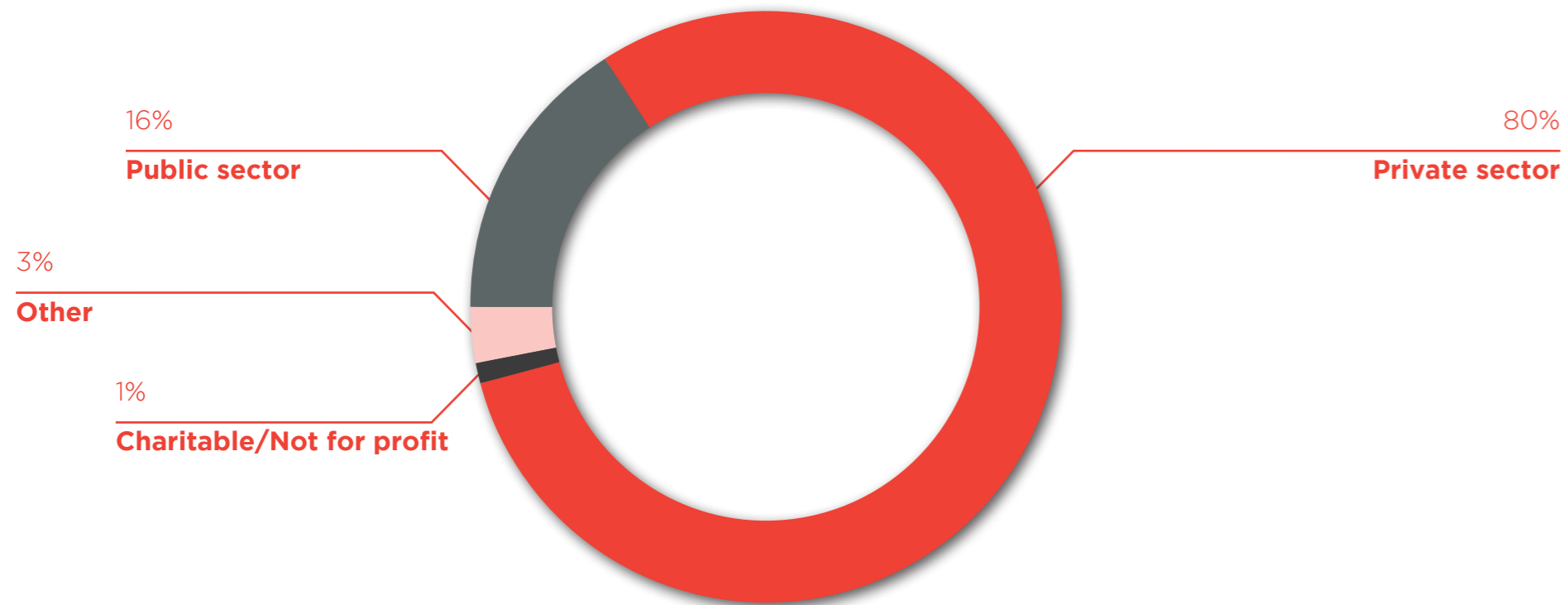
108



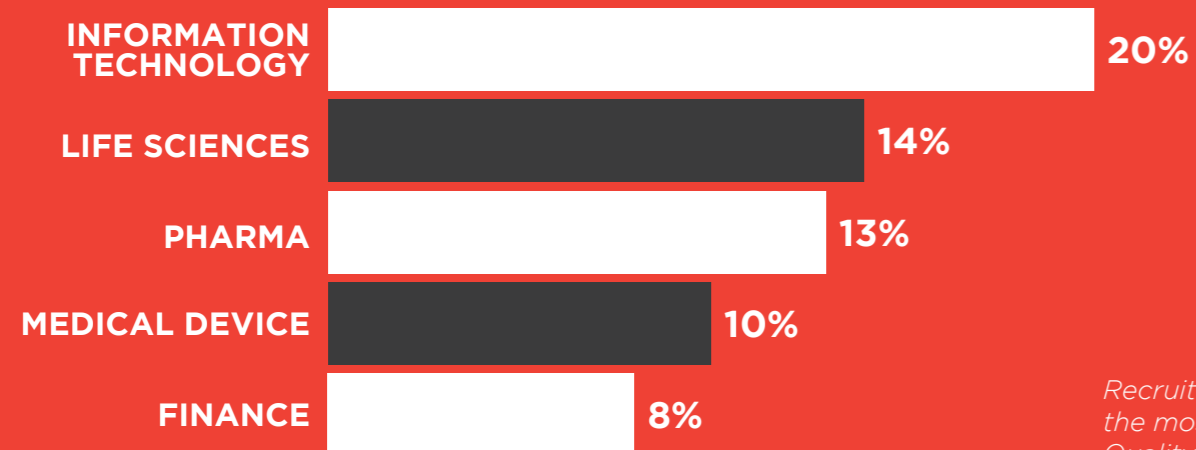
RECRUITERS

The 'Great Resignation' trend is still evident, with many people evaluating their career and work/life balance in a post-pandemic Ireland. Organisations are scaling up, restarting projects and need more people urgently to handle the rapidly increasing workload. These factors create an increased demand for professional contractors. With the growth in the engagement of professional contractors recruiters are becoming more and more aware of their value and importance.

Recruiters are acutely aware of the difference between low skilled, low paid workers and high skilled, high paid workers. They want government to recognise the difference as creating a one size fits all policy, will almost certainly disadvantage the professional contractors, and ultimately make contracting a less appealing option, which could have negative consequences on Ireland's attractiveness for Foreign Direct Investment.



MORE THAN HALF OF ALL CONTRACT ROLES RECRUITED FOR ARE IN JUST 5 INDUSTRIES, INFORMATION TECHNOLOGY, LIFE SCIENCES, PHARMA, MEDICAL DEVICE, AND FINANCE.



Recruiters reported many skills in high demand but currently the most difficult roles to fill include, Cyber security roles, Quality assurance roles in pharma operations, IT development, IT architecture, ERP, Automation, and manufacturing IT systems.

DRIVING DEMAND FOR CONTRACTOR ROLES

Recruiters reported that an increase in the number of projects, the expansions of existing projects and the increased availability of more task/project type work are all key drivers. The opportunity to earn more money, remote working opportunities and the lack of fulltime in-house skills are also driving demand.

CHALLENGES FOR RECRUITERS WHEN PLACING CONTRACTORS

This year contractors worry around mortgages is the biggest challenge recruiters have to overcome when positioning a contract role. 90% of recruiters surveyed said that contractors expressed worry about mortgages this is up from 72% in 2021.

76% of recruiters had to overcome candidates' worry around loss of benefits and 74% of recruiters said contractors had expressed worry about leaving a PAYE role. Talent shortages in the market-place and the large amount of roles available meant the 68% of recruiters had challenges with counteroffers and 61% of recruiters said that they had challenges from other recruiters to deal with when they were trying to place contractors.

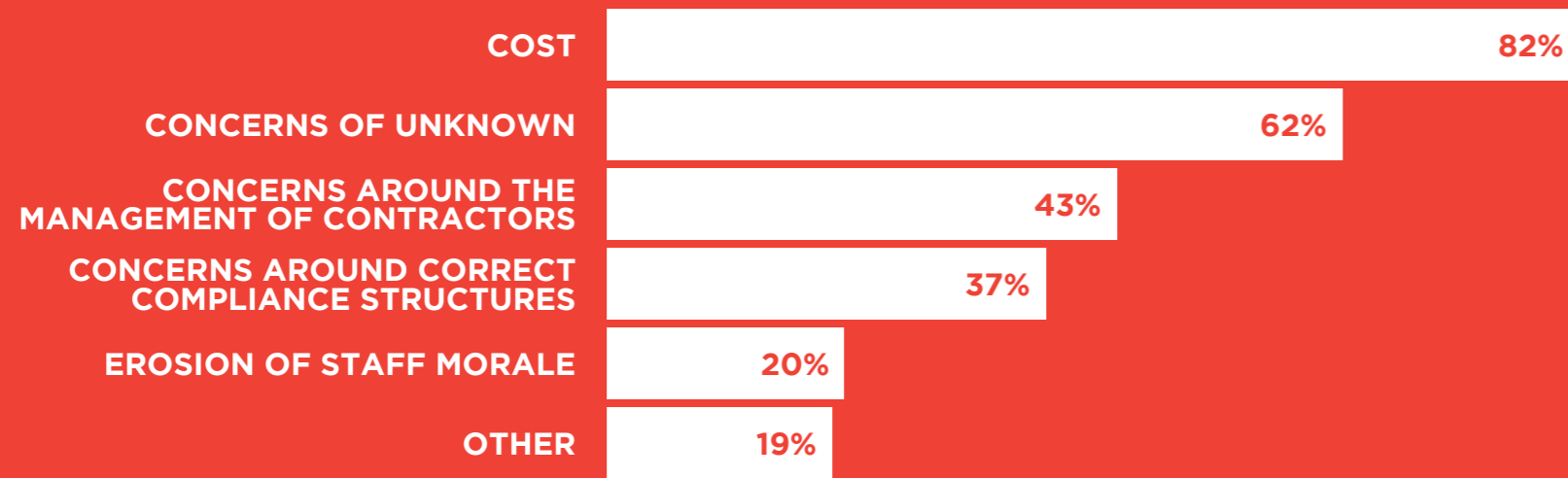
Some other challenges identified by recruiters when trying to place contractors were, multiple contract opportunities available for every contractor looking for a role. Contractors lacking technical skills in terms of new technologies, rates on offer were not high enough and recruiters also reported that contractors were taking up roles abroad where the rates were reportedly higher.

	2022	2021
CANDIDATES WORRIED ABOUT GETTING A MORTGAGE	90%	72%
CANDIDATES WORRIED ABOUT JOB SECURITY	83%	82%
CANDIDATES WORRIED ABOUT A LOSS OF BENEFITS	76%	65%
CANDIDATES WORRIED ABOUT LEAVING A PAYE ROLE	74%	61%
COUNTEROFFER FROM EMPLOYER OR CLIENT COMPANY	68%	-
COMPETITION FROM OTHER RECRUITERS	61%	-
FINDING CANDIDATES WITH THE RIGHT SKILLS	47%	76%
OTHER	19%	-

BARRIERS TO RECRUITING CONTRACTORS

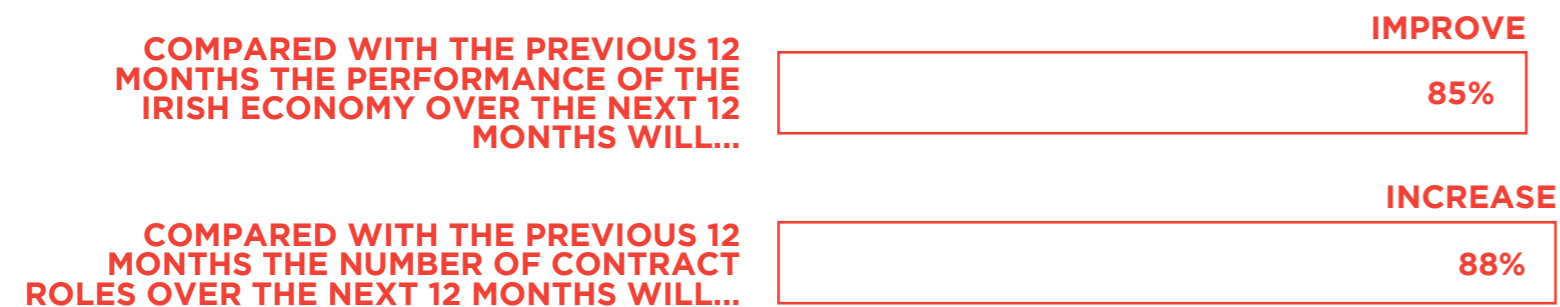
When dealing with client companies recruiters claim that the cost of engaging contractors is seen as the biggest barrier for client companies, 82% expressing cost as a concern.

43% of recruiters reported that client companies had concerns around the management of contractors and 37% had concerns about their operational compliance. 20% of recruiters surveyed said clients expressed concerns about the impact contractors had on the erosion on existing staff morale.



FUTURE EXPECTATIONS

Recruiters expressed very positive expectations about both the performance of the contracting sector, and the economy. When asked about the next 12 months versus the past 12 months, 88% expect the number of contracting roles to increase, 85% expect the Irish economy to perform better.



CONFIDENCE INDEX

Recruiters' confidence in the performance of the economy and the contracting sector is high. The confidence index in both the contracting sector +56 and the Irish economy +49 has increased since 2021 where it was +49 and +35 respectively.

+56 | THE NUMBER OF CONTRACT ROLES IN THE NEXT 12 MONTHS

+49 | THE PERFORMANCE OF IRISH ECONOMY IN 2022

WHAT THE RECRUITERS SAID

- The government could make things easier around legislation for mortgage applications.*
- Lack of training opportunities / funding for upskilling Tax incentives for Pharma sector.*
- We work in the Life Sciences sector, so some skills need to be found overseas. Legislation does not allow for fully remote contractors.*
- With contracting growing in Ireland, the government could offer more tax incentives to Contractors.*
- Irish Government could do more around expenses.*
- There needs to be ways for contractors to be able to apply for certain benefits to encourage them to make the move. Also, if contractors are typically earning more than PAYE employees, there should be clauses for the likes of mortgage applications etc. particularly as the market moves to hire more contractors than ever before and we're in the midst of a skills shortage.*
- I believe they should review policies to offer more flexible Visa and then we should have high skilled people bringing more diversity to Irish companies if we were allowed to bring people from other countries like Brazil, India and out of EU countries as well.*

HERE'S WHAT THE CLIENTS SAY

We see contractors now as an integral piece of the overall business - this was not the case even 2-3 years ago

- Anonymous respondent

13.

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13. THE CLIENTS

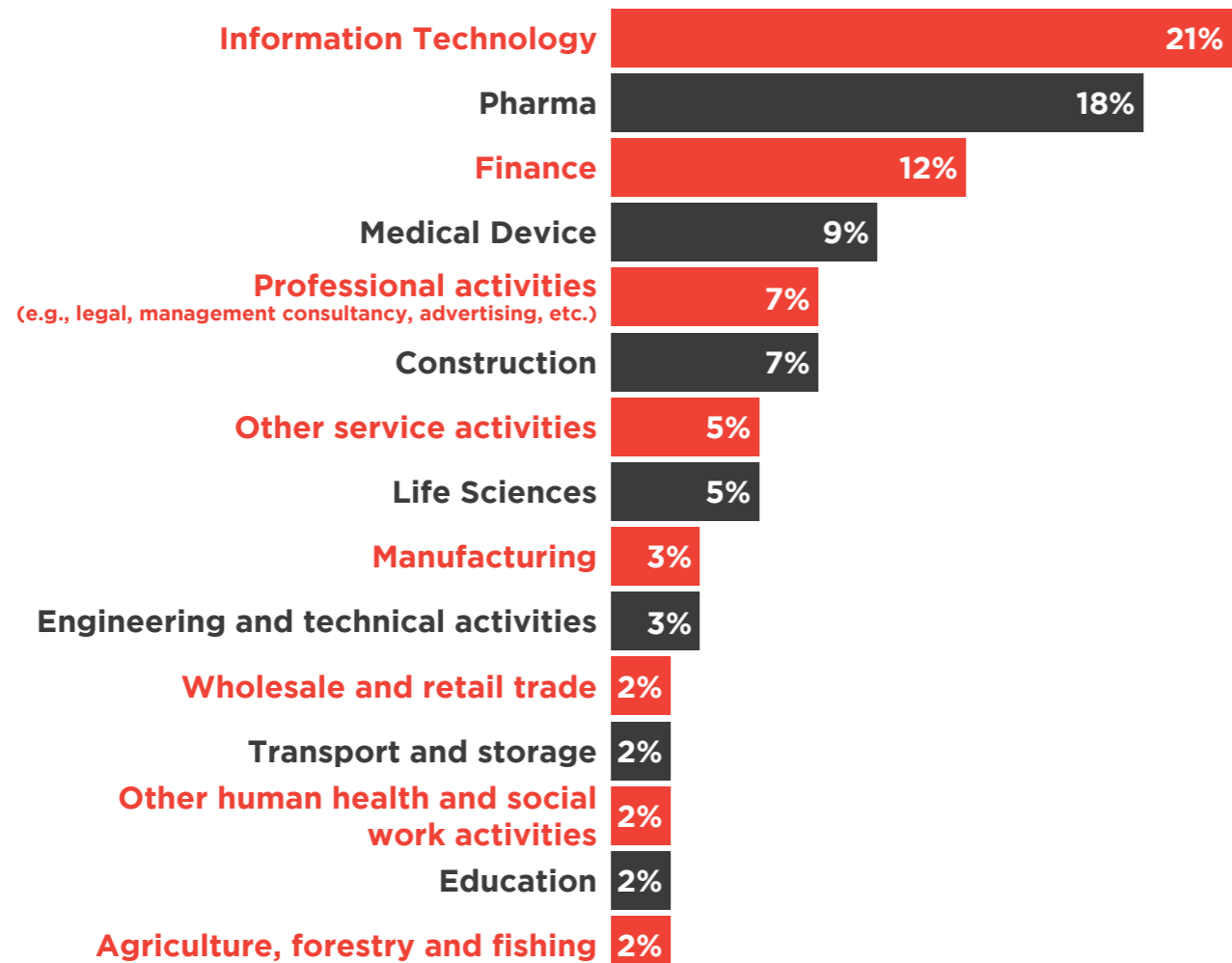
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Full time employees take a long time to identify, interview, hire and onboard. Resources are required at short notice, for projects that are often ~12 months, hence contractors are essential.

EMPLOYERS AND CONTRACTING

The tight labour market and the shortage of some skills bodes well for professional contractors. Client companies understand the huge value professional contractors bring to their organisation. Contractors allow companies to progress projects quickly. Engaging with contractors keeps companies agile and responsive to both project and market conditions. Specific skills required but not readily available inhouse can be contracted in for short lengths of time, facilitating the project needs without the need to hire and incur unnecessary long-term labour costs.

78% of client companies who responded to the survey operate in the private sector. Companies engaging with contractors were evidenced across most industries with 21% of respondents engaging in the IT sector, followed by 18% in Pharma and 12% in the Finance sector. The percentage of contractors engaged by client companies varies significantly, however almost 80% of companies had more than 10 contractors engaged at any one time.



ENGAGING CONTRACTORS

How many contractors does your organisation actively engage at any one time?

	2022	2021
1-10	21%	18%
11-30	9%	15%
31-50	2%	4%
51-100	15%	15%
100-200	8%	7%
200+	28%	22%
NOT SURE	17%	18%

What percentage of your total workforce do contractors make up?

	2022	2021
1-10%	24%	34%
11-25%	25%	21%
26-50%	35%	31%
51-100%	16%	13%

The percentage of client companies' total workforce made up by contractors is increasing with 76% of companies having more than 10% of their total workforce made up of professional contractors, up from 65% in 2021.

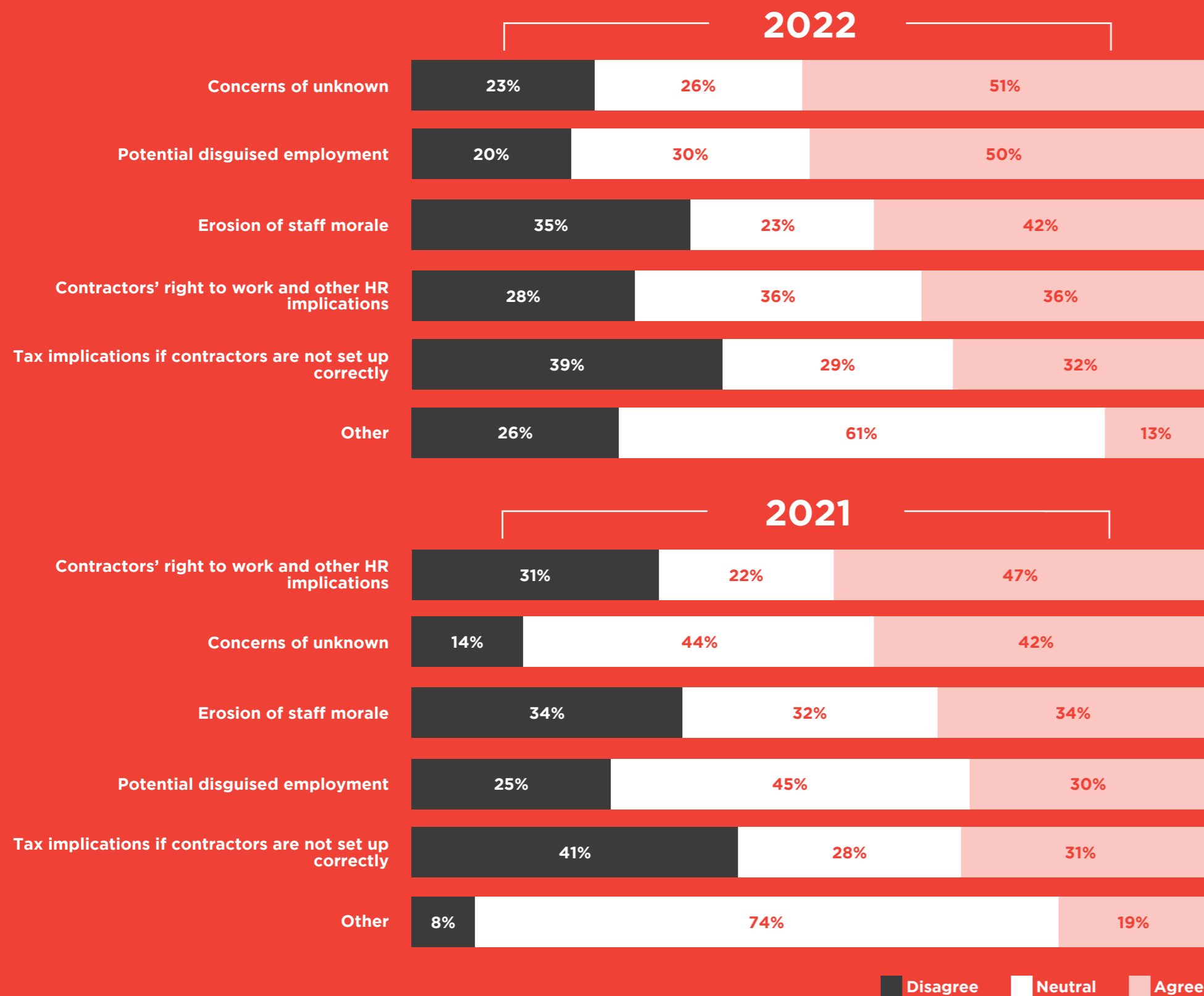
WHY COMPANIES USE RECRUITMENT AGENCIES



THE BIGGEST CONCERNS OR BARRIERS TO ENGAGING CONTRACTORS

The biggest concerns to engaging contractors are around compliance. The introduction of IR35 in the UK has alert client companies to the liabilities of disguised employment. While there is currently no similar IR35 ruling in Ireland the awareness of compliance and disguised employment has risen as a concern for client companies from 30% in 2021 to 50% in 2022.

Concerns around the erosion of staff morale is also significant at 42%, this will be an important issue to address, as the talent pool reduces retention of staff becomes more and more important so anything that affects staff morale needs to be addressed.



WHAT THE EMPLOYERS SAID

Client companies reported 2 significant changes in the drivers of demand for contract roles between 2021 and 2022. Peers in the industry as a driver of demand is up from 24% in 2021 to 40% in 2022, suggesting that industry dynamics in engaging with contractors has shifted. There has also been a significant move from the candidate side with 51% of client companies reporting candidates as a key driver for the increase in contract roles up from 34% in 2021.

DRIVING DEMAND FOR CONTRACT ROLES

2022	Disagree	Neutral	Agree
INTERNAL COMPANY NEEDS	5%	11%	84%
TIGHT SKILLS MARKET	5%	19%	76%
CANDIDATES	24%	25%	51%
PEERS IN THE INDUSTRY	28%	32%	40%
SUGGESTED BY AGENCY	28%	47%	25%
OTHER	11%	68%	21%

2021	Disagree	Neutral	Agree
INTERNAL COMPANY NEEDS	4%	8%	88%
TIGHT SKILLS MARKET	14%	16%	70%
CANDIDATES	27%	35%	39%
SUGGESTED BY AGENCY	44%	32%	24%
PEERS IN THE INDUSTRY	27%	49%	24%
OTHER	12%	77%	12%

FUTURE EXPECTATION

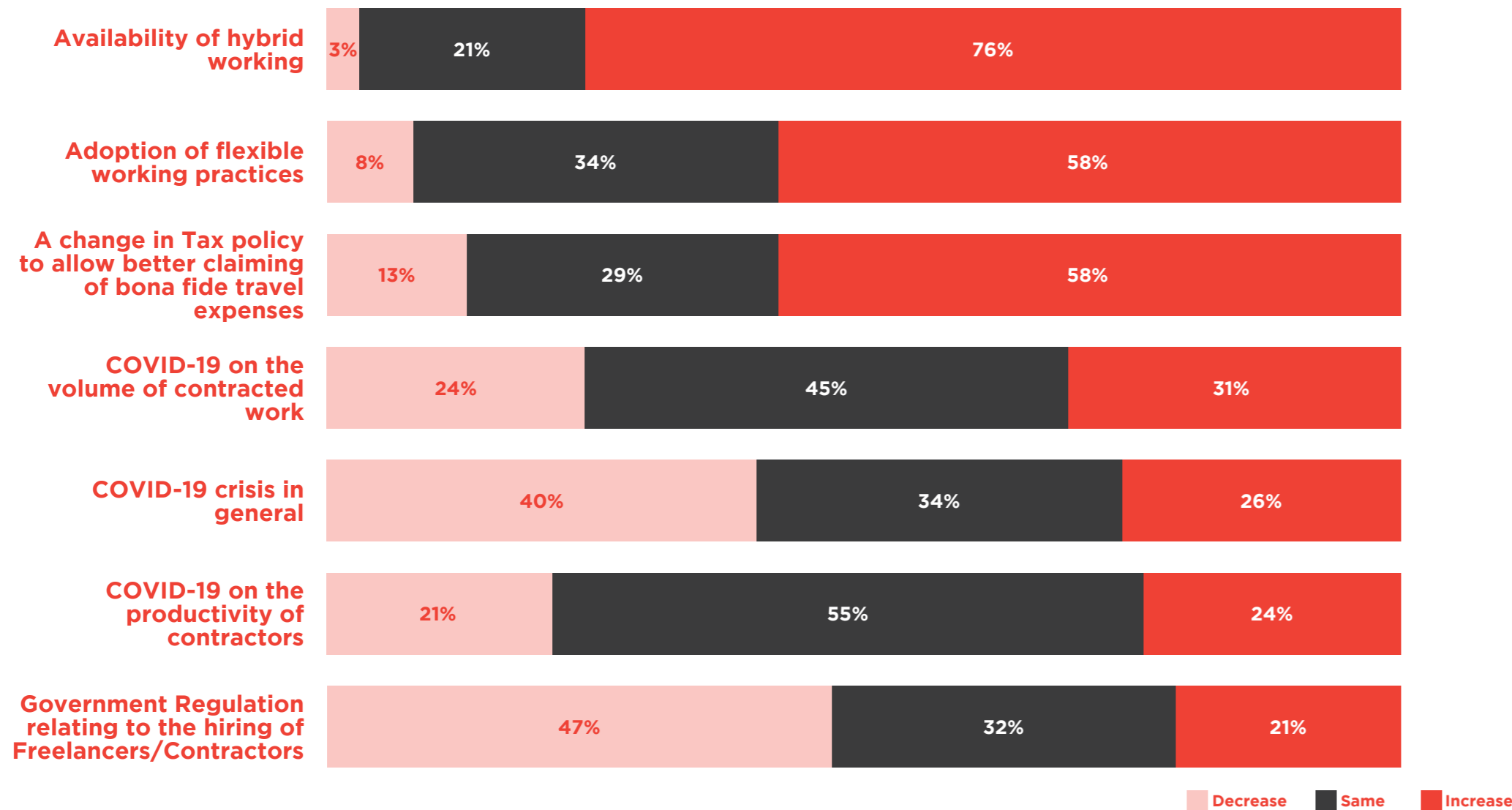
Client company outlook for 2022 is very positive with 81% expecting contracting roles to increase and 84% expecting the performance of the Irish economy in the next 12 months to outperform the last 12 months.

COMPARED WITH THE PREVIOUS 12 MONTHS



IMPACT ON ORGANISATIONS PERFORMANCE OF CONTRACTOR ROLES

COMPARED WITH THE PREVIOUS 12 MONTHS



CONFIDENCE INDEX

The confidence index has increased significantly for client companies, their confidence index score in relation to the contracting sector has moved from +25 in 2021 to +46 in 2022, and the confidence score in the performance of the Irish economy has moved from +13 to +50.

	The number of contract roles in the next 12 months	The performance of Irish economy in 2022
2022	+46	+50
2021	+25	+13

REPORTED REASONS WHY ORGANISATIONS ENGAGE CONTRACTORS

- Contractors allow the organisation to resource up and resource down when needed.
- Less management requirements and more flexible in terms of reacting to market fluctuations.
- Business need
- Expertise IT etc.
- To fill positions to complete projects, which are unable to be filled by Staff.
- Complete the job in time.
- To access talent, provides greater flexibility.
- To allow to ramp up quickly according to needs. Also does not need the commitment of full time employment.
- skill sets not in house.
- On site expertise not available.
- We're a multi-disciplinary organisation and we react as the needs arise from our clients and hire as necessary.
- To fulfill temporary roles.
- To manage peaks and troughs of clients.
- Cost reduction and scaling operations
- Short term additional capacity
- Fulfill skilled positions where the skills are not internally available.

ANDREW BURKE

Dean of Trinity Business School and Chair of Business Studies

Professor Andrew Burke is Dean of Trinity Business School and the Chair of Business Studies. He became a Fellow of Trinity College, Dublin in 2016 and joined the Board of the University in 2018. Previously he held the Bettany Chair of Entrepreneurship at Cranfield School of Management where he was founder and Director of the Bettany Centre for Entrepreneurship. He also served as Director of Graduate Programmes and a member of the Executive at Cranfield School of Management.

He was Chairperson of the Centre for Research on Self-Employment (CRSE) in London from 2014-20. He was a Visiting Professor at the Anderson School of Management, UCLA, USA in 2002 and 2012. He was a Research Professor at the Max Planck Institute for Economics, Germany from 2003-2009. He is widely published in top ranked international journals such as the Harvard Business Review and Journal of Management Studies. His research has been presented at the EU Commission, World Trade Organisation, HM's Treasury, UK Houses of Commons and Lords as well as through media such as BBC Television.

NA FU

Associate professor of human resource management at Trinity Business School

Na Fu is an associate professor of human resource management at Trinity Business School, Trinity College Dublin. She is the Founder and Associate Director of MSc Human Resource Management, a Fellow of Trinity, and an Academic Fellow of CIPD.

Professor Fu's research focuses on strategic human resource management, professional service firms, people analytics and digital transformation where she has published extensively in high impact international journals. As a recipient of multi-awards in research and teaching, Professor Fu is passionate about helping organisations to achieve their employee's full potential in all aspects. She has led a number of research projects in both the private and public sectors around people management relevant to organisational growth and innovation.

Professor Fu's work benefits to the economy and society beyond academia. Insights derived from her research have been directly applied by professional bodies including the Great Place to Work and the CIPD. Professor Fu is a respected and sought-after speaker, giving keynote talks at industry events, serving as judge for industry awards, and publishing industry reports to inform policy makers.

ACKNOWLEDGEMENT

We would like to express our gratitude to all the professional contractors and organisations who participated in the study and provided valuable insights into Ireland's project economy landscape. We are also very grateful to Geraldine Penney from Contracting Plus for her timeliness efforts to assist us on this project. Sincere thanks are also given to Lucinda Gavigan, Sarah McLoughlin, Sara Tedesco, Conor Edwards, and Sandra Rafter at Trinity Business School for their strong support.

Yue Sun (PhD Scholar)

Research Fellow at Trinity Business School

PhD student at Trinity Business School, Trinity College Dublin. Yue Sun currently holds a MSc Human Resource Management 2020 - 2021 from Trinity Business School. Her research focused on digital transformation and employees well-being. Prior to joining Trinity Business School, Yue studied human resource management for two years as an undergraduate and achieved her professional certification.

JIMMY SHEEHAN

Managing Director, Contracting PLUS

Jimmy Sheehan is a qualified accountant whose career history includes various accounting roles up to Financial Controller level before establishing his own audit and accountancy practice. This was subsequently acquired by a well-known Top 10 accountancy firm.

Following this, he undertook some consulting arrangements, experiencing first-hand the life of a professional contractor and also held a role as Head of Commercial Development with a national accountancy firm.

Sheehan joined Contracting PLUS in 2018 and together with the existing management team has helped cement the company's reputation as the leader in the provision of Umbrella Company solutions and focused accounting services and tax advice for Ireland's independent professionals

Jimmy is an advocate for all independent professional workers, but specifically those contracting in the Project Economy, ensuring the collective voices of Ireland's independent contractors are heard. Contracting PLUS have, and will continue to, lobby for fair taxation policies which acknowledge the valuable contribution professional contractors make to our economy.





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