

Henry Sole Trader Pulse

Australia

October 2024



How the Hnry Sole Trader Pulse was conducted

Hnry commissioned Resolve Strategic to conduct polling to measure and regularly track the sentiment, views and experiences of sole traders in Australia and New Zealand. This report contains the results of the latest track in Australia, with methodology and topics as follows:

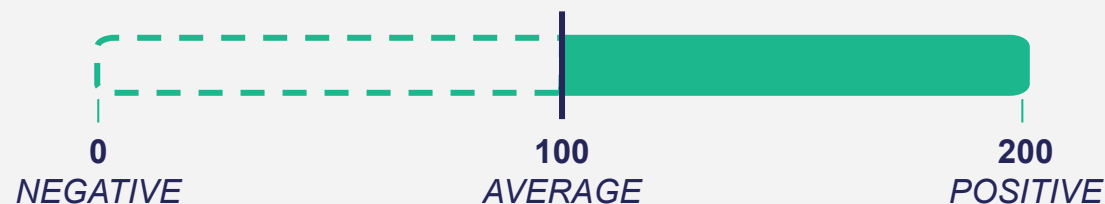
This Pulse was conducted between 1st to 9th October 2024.

- The survey polled 503 sole traders across New Zealand, with a maximum error margin of +/-4.4%.
- The poll was conducted online via reputable business and general population panels, with respondents screened to ensure they are sole traders (including contractors, consultants, freelancers, gig economy workers, tradies, etc.).
- A representative sample by age, sex, area and tenure when compared to known population parameters using minimum quotas and/or weighting where required.
- In this track the poll also asked a series of ad hoc questions about tax returns, moving for work, payments and invoicing, government focus and performance

How the Hnry Sole Trader Pulse works

The questionnaire employs several core questions asked in every track, notably:

- A pulse figure of sole trader sentiment, with 100 being 'average', 0 'negative' and 200 'positive', that can be tracked over time and broken down by sole trader groups. It is calculated using 12 variables, each grouped into current / future business performance, personal factors, business / economic conditions, and past business performance (using an average weighted in descending order).
- A series of attributes, such as sex, age, area, tenure, turnover, industry and whether have another job.



The headline measures include:

- Past financial performance: A combination of sole traders' financial performance in the last 12 months and the last quarter
- Current/future financial performance: A combination of sole traders' financial performance right now and expectations for financial performance in the next quarter and the next year
- Economic conditions: A combination of sole traders' perspective on business conditions right now, economic conditions right now and expected economic conditions in 6 months
- Personal conditions: A combination of sole traders' personal satisfaction, mental well-being, work life balance and degree of freedom

October 2024 Sole Trader Pulse Overview - AU

	LAST PULSE (June 2024)	TOTAL	INDUSTRY					BUSINESS TENURE			GENDER	
	Index Result	Index Result	Tradie	Freelancer / Creative	Consultant	Health / Wellness	Others	< 2 years	3-10 years	11+ years	Males	Females
Past Financial Performance												
Financial Performance - Last Quarter	134	136	141	109	139	158	133	140	145	127	142	123
Current / Future Financial Performance												
Financial Performance Right Now	134	138	142	117	145	150	138	143	146	131	143	129
Financial Performance Next Quarter	138	144	146	129	149	156	140	147	151	138	148	138
Business & Economic Conditions												
Health of the Economy Right Now	96	94	99	76	102	108	76	106	106	81	103	77
Health of the Economy in 6 Months	104	104	103	90	108	118	94	120	115	90	111	92
Personal Factors												
Personal Satisfaction and Enjoyment	153	154	156	142	166	151	152	153	159	151	157	148
Wellbeing	146	140	132	131	150	149	140	136	146	138	145	130
Work-life balance	148	155	151	146	168	166	146	148	149	161	155	155
Financial Security	138	139	142	117	155	147	127	133	151	134	147	124
Job Security	144	145	150	126	153	149	143	139	149	146	149	139
Total Index	134	135	136	118	144	145	129	136	142	130	140	125

Executive Summary (1/2)

- **We have observed a very slight improvement in the total index driven by better work-life balance among sole traders and a more optimistic outlook in future financials**
 - The index of sole trader experiences, expectations and opinions is only slightly improved, with the total index at 135, up from 134 last quarter, indicating a general stability after the ups and downs over the past year.
 - The biggest areas in which there was an uplift were outlooks on future financial performance, which increased from 138 in June to 144 in this pulse and sole trader work-life balance, which increased from 148 in June to 155 in this pulse.
 - While these changes are not strictly significant in statistical terms, they do confirm observations from the polling of the general population where there has been an improvement in economic outlook.
 - Sole traders in NSW were the most positive, with a total index of 142. Male sole traders were also much more positive than female sole traders in this pulse, with a total index of 140 for males, compared with 125 for females.
- **Sole traders have seen an improvement in their financial performance from the last quarter. Freelancers and creatives are the profession with the lowest levels of improvement in financial performance, and the lowest levels of financial security**
 - The improved index ratings for financial performance are also reflected in sole traders' reported change in income. For the second quarter in a row, around half (55%) of all sole traders report that their turnover is higher than before. Freelancers and creatives are the profession reporting the lowest levels of improvement, with 39% of them stating that their income this quarter was lower than the quarter prior (compared with only 24% of the total sole trader population who said the same thing).
 - Feelings of financial security are not dramatically changed, with 59% of sole traders saying their financial security is good (compared with 57% in the last pulse) and just 15% reporting it is poor (the same as the last pulse). There are indications that freelancers and creatives are feeling less financially secure, with only 46% of them reporting their financial security to be good.

Executive Summary (2/2)

- **The majority of sole traders do not believe that they are well understood by politicians, especially during critical moments such as setting up their sole trading business. By contrast, over half of all sole traders state that the ATO that they felt it understood them well**
 - Just over half of sole traders report that the ATO (55%) and big businesses (53%) understand them well. The worst ratings are reserved for governments and politicians, with only one in three (33%) believing that sole traders are well understood by federal government departments and agencies and a staggering one in five (21%) believing that they are well understood by politicians.
 - Given those poor ratings, it is little surprise that less than half of all sole traders rate the politicians as helpful in critical moments, such as setting up their sole trading business (only 47% stated that the government was helpful), preparing a tax return (47%), running their sole trading business (40%), finding out what support is available (38%) and hiring people (33%).
- **The time and financial commitment of managing tax and financial affairs is the highest we have seen in the past 10 pulses. Those using programs and apps to manage their tax and financial admin were spending less than those using accountants**
 - Time and money spent managing financial and tax affairs has lifted this in this pulse in a way that it has not done around this time of year before, where sole traders are spending an average of 8 hours per week and \$554 per month to manage their tax and financial affairs. This may therefore reflect higher prices being charged.
 - Those using programs and apps to manage their tax and financial affairs were paying less on average, at \$297 per month, compared with \$651 per month for those using an accountant.
 - As was the case last year, around half (51%) of sole traders report that they have not yet submitted this year's tax return. 10% have not even starting preparing one yet. The most common reasons given for not submitting a return are a lack of time, avoiding a stressful process and trying to avoid a tax bill from the ATO.