

Unpaid family workers: long-term decline continues

The number of those working without pay in family businesses dropped by 1981 to less than half of the 1950 total; agriculture, where most had been employed, registered the sharpest loss of jobs

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For more than 30 years, the total number of persons working without pay in family businesses has dwindled to a point that, by 1981, was less than half of the 1950 total. At 650,000, unpaid family workers accounted for less than 1 percent of total employment in 1981, down from almost 3 percent in 1950.

Historically, the vast majority of unpaid family workers had been in the agricultural sector, but there are now fewer unpaid family workers in agriculture than in other industries. Unpaid family workers accounted for one-sixth of farm employment in 1950, but for less than one-tenth in 1981. The largest numerical decline occurred between 1960 and 1970, a decade which experienced dramatic declines in total agricultural employment. Although the number of unpaid family workers in nonagricultural industries has fluctuated in the last 30 years, the levels for 1950 and 1981 were virtually the same at about 400,000, a very small share of nonfarm employment. (See table 1.)

This article is the first by the Bureau of Labor Statistics to examine and analyze the available data on unpaid family workers. The group, although numerically small, exhibits some interesting characteristics and reflects some of the widespread changes in the work force and the economy.

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Classification of workers

Since the 1940's, the Current Population Survey (a monthly survey of households) has obtained information on an individual's labor force activity during a designated period. Based on the responses of a household member to a series of questions, each individual aged 16 years and older is classified as employed, unemployed, or not in the labor force. To be considered employed, a person must be paid for at least one hour of work (wage and salary worker); operate one's own business, profession, or farm (self-employed); or work without pay for 15 or more hours per week in a family business or on a family farm (unpaid family worker). Those who have a job but are not at work temporarily for such reasons as illness, vacation, or an industrial dispute are also counted as employed, whether or not they are paid.

The first question asked the respondent about each appropriate household member is, "What was . . . doing most of last week—working or something else?" This is followed by "Did . . . do any work at all last week, not counting work around the house?" If there is already a farm or business operator enumerated in the household, the respondent is asked specifically about unpaid work.

Data are collected on hours worked at all jobs; however, an individual is assigned to an occupation, industry, and class-of-worker category based on the job in which he or she worked the most hours. Thus, individu-

Table 1. Unpaid family workers in agriculture and nonagricultural industries by sex, annual averages, selected years, 1950-81

[Numbers in thousands]

Industry and year	Total		Men		Women	
	Number	Percent of employment	Number	Percent of employment	Number	Percent of employment
All industries:						
1950	1,573	2.7	523	1.3	1,050	6.1
1960	1,499	2.3	385	.9	1,114	5.1
1970	1,001	1.3	213	.4	788	2.7
1981	656	.7	138	.2	519	1.2
Agriculture:						
1950	1,190	16.6	466	7.8	724	62.5
1960	901	16.5	310	6.9	596	60.4
1970	499	14.4	160	5.6	339	56.4
1981	266	7.9	91	3.4	176	26.4
Nonagriculture:						
1950	383	.7	57	.2	326	2.0
1960	598	1.0	75	.2	518	2.5
1970	502	.7	53	.1	449	2.2
1981	390	.4	47	.1	343	.8

als who do unpaid family work but work more hours in another job are not counted as unpaid family workers.

Demographic changes

Sex. Women are far more likely to be unpaid family workers than men, particularly in nonagricultural industries. As the mix between agriculture and nonagricultural industries has changed, the female proportion of unpaid family workers has increased:

	1950	1960	1970	1981
Total employment (in percent):				
Men	30	26	21	21
Women	70	74	79	79
Agriculture:				
Men	35	34	32	34
Women	65	66	68	66
Nonagriculture:				
Men	15	13	11	12
Women	85	87	89	88

The number of unpaid female family workers declined by 530,000 between 1950 and 1981 and the number of male workers, by 300,000. The percentage declines were more drastic for men overall (74 percent) than for women (51 percent). Table 1 provides employment levels and the percent of agriculture and nonagricultural employment which unpaid family work represents.

The employment declines may reflect changing societal values and economic conditions which include the fact that more women are seeking paid employment and that there is an increasing societal acceptance and expectation of this phenomenon. In agriculture, particularly, the trends are consistent with the breakup of the traditional family farm which has resulted in increases in farm size, decreases in the number of farms, more incorporations, and more part-time farming.

Age. One of the ways in which young persons can gain valuable experience and assist their families until they begin their own careers is by doing unpaid family work. As the following percentage distribution of 1981 data suggests, the vast majority of male unpaid family workers are under 25 years of age, while most women in this category are in the central age group—25 to 54:

	Agriculture		Nonagriculture	
	Men	Women	Men	Women
Total number (in thousands)	91	176	47	343
Percent	100	100	100	100
Ages 16-24	81	13	57	7
Ages 25-54	11	67	23	73
Ages 55 and over	8	20	19	20

The large differential may reflect the fact that men in the central age group were somewhat more likely to seek paid employment. What may be more important, however, is that, in a family operated business or farm, the husband may be counted as self-employed and the wife as an unpaid family worker. This would explain the large percentage of female unpaid family workers in the 25-54 age group. The fact that men accounted for almost 90 percent of the self-employed in agriculture and nearly 70 percent in nonagricultural industries lends some support to this interpretation.

Race. Although black and other minority races made up about 13 percent of the civilian labor force, they accounted for only 2 percent of unpaid family workers in agricultural industries and 6 percent of those in nonagricultural industries. This is undoubtedly related to the low proportion of blacks and other minorities operating their own farms and businesses—4 percent of self-employed workers in agriculture and 7 percent in other industries.

Occupational trends

An examination of data on unpaid family workers by occupation revealed sharp differences between men and women as well as a shift from farm to white-collar occupations as the most common job categories for unpaid family workers. Women accounted for almost 80 percent of unpaid family workers in 1981 and they had more jobs than men in every occupational group. More than half were doing white-collar work, while most of the male unpaid family workers were in farming.

With the decline in unpaid family work on farms, white-collar occupations have overtaken farm occupations as the dominant group for unpaid family workers. Within the white-collar group, three-fourths of unpaid family workers had clerical jobs in 1981 and more than 100,000 were bookkeepers. Unpaid family workers were

also frequently employed as secretaries and as sales clerks in retail trade. Individuals doing unpaid family work were dispersed throughout other white-collar occupations, and a sprinkling may be found in blue-collar and service occupations.

The number of farm laborers declined by half a million between 1960 and 1970 and by a quarter million since 1970. Nevertheless, at 254,000 in 1981, farm laborers ranked the highest among the specific occupations.

The nature of various occupations obviously makes them more or less suitable for unpaid family work. It is more likely that a family member will be called upon to do farm chores or typing than plumbing or carpentry.

Patterns by industry

In general, there was a higher incidence of unpaid family workers in industries with a large number of self-employed workers. Agriculture, for instance, had an extremely high percentage of self-employed workers (almost half), and thus had the largest percentage and number of unpaid family workers.

Trade also had a substantial number of unpaid family workers—about 170,000 in 1981 or one-fourth of all unpaid family workers. Most unpaid family workers were in retail trade, with particularly high concentrations in eating and drinking places, groceries, and gasoline service stations—establishments which had a high number of self-employed workers.

Among the service industries, business and repair services such as automobile repair, personal services such as laundry and cleaning, and professional services such as those of physicians and dentists employed more unpaid family workers than others. The self-employed were also well represented in these industries.

Between 1970 and 1981, the greatest industrial change among unpaid family workers was the decline in agricultural employment as its proportion of the total dropped from 50 to 41 percent, representing a reduction of over 200,000 workers. The construction, manufacturing, and miscellaneous service industries all gained in the percentage of unpaid family workers, although only construction and manufacturing actually added jobs.

Hours worked

Unpaid family workers who put in less than 15 hours a week on the job are classified as not in the labor force

rather than as employed.¹ In 1981, there were 130,000 persons in this group—mostly women in nonagricultural jobs.

Although obtaining information on the number of hours worked is important, it may be difficult to remember exactly how many hours were worked if no pay was involved. Reporting by another household member (proxy response) may be even less reliable. Nonetheless, it is worthwhile to compare average hours at work for agricultural and nonagricultural workers by whether they work for wages or salary, or are self-employed, or are unpaid family workers:

	<i>Agriculture</i>	<i>Nonagriculture</i>
Wage and salary	40.8	37.7
Self-employed	49.3	40.5
Unpaid family workers . .	39.4	35.8

While unpaid family workers averaged fewer hours than either wage and salary or self-employed workers, the differential was not as large as might be anticipated. Thus, in terms of worker input as measured by time, unpaid family work is not a marginal form of employment but rather a significant contribution to family businesses.

THE ECONOMIC STRUCTURE and labor force trends in recent years would seem to preclude the possibility of an increase in either the number or concentration of unpaid family workers in the foreseeable future. If employment in agriculture continues to decline, unpaid family workers will undoubtedly do the same. This tendency is compounded as farms grow larger, incorporate, and consequently employ more wage and salary workers. Because unpaid family work accounts for less than 1 percent of total employment, the aggregate changes are not of great importance. The real significance is the socioeconomic changes which influence a person to choose this kind of work. □

— FOOTNOTE —

¹ The number of hours worked is integral to the assignment of a worker to the unpaid family worker category, in that the individual must work 15 or more hours per week to be counted in this group.