

# Characteristics of self-employed women in the United States

*One in 15 employed women was self-employed in her main job in 1990; the decision to become self-employed appears intricately linked with several other decisions for a woman—as an individual, as a household member, and over the course of her life*

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**A**fter a long period of decline, the incidence of self-employment in the nonagricultural sector of the U.S. economy began to increase during the mid-1970's—both absolutely and relative to total employment.<sup>1</sup> According to data from the Current Population Survey (CPS),<sup>2</sup> the number of nonagricultural workers who were self-employed in their primary jobs increased by 74 percent between 1975 and 1990, while total nonagricultural employment increased by 33 percent. In turn, the nonagricultural self-employment rate (defined here as nonagricultural self-employment as a percentage of total nonagricultural employment) increased from 7.4 to 9.7 percent. (See table 1.)

Among the more striking aspects of this recent rise in self-employment has been the increased representation of women among the self-employed. As of 1975, women represented about 1 out of 4 self-employed workers. By 1990, they accounted for about 1 in 3. (See table 2.) In part, this change in the gender composition of the self-employed reflected differential changes in male-female employment rates—a 46-percent increase for women, versus a 24-percent increase for men. More important, however, was the relatively large proportionate increase in the female self-employment rate. The number of self-employed men increased by 54 percent and the male nonagricul-

tural self-employment rate increased from 10 to 12.4 percent between 1975 and 1990. Over the same period, the number of self-employed women more than doubled and the female self-employment rate increased 63 percent—from 4.1 percent in 1975 to 6.7 percent in 1990. (See table 3.) Overall, the net change in women's self-employment represented one-eighth of the net increase in their employment in the nonagricultural sector between 1975 and 1990.

Who are these new self-employed women? How do they compare to their wage-and-salary counterparts? To their male contemporaries? To self-employed women of the past? This article uses data from the March 1976 and March 1991 Current Population Surveys and Income Supplements to answer these basic questions. The section below discusses the available data and issues of measurement. It is followed by an overview of the characteristics of self-employed women and other worker groups in 1975 and 1990, accompanied by discussion of major similarities and differences among groups and changes over time.<sup>3</sup>

## Data sources

The statistics underlying this analysis are based on data collected in the March 1976–91 Current Population Surveys. Each year, the March survey

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Table 1. **Self-employment in the U.S. nonagricultural sector, 1975-90**

Year	Self-employment rate <sup>1</sup>	Year	Self-employment rate <sup>1</sup>
1975 ..	7.4	1983 ..	9.2
1976 ..	7.7	1984 ..	9.1
1977 ..	8.0	1985 ..	8.9
1978 ..	8.1	1986 ..	9.0
1979 ..	8.6	1987 ..	9.3
1980 ..	8.4	1988 ..	9.5
1981 ..	8.8	1989 ..	9.4
1982 ..	9.2	1990 ..	9.7

<sup>1</sup> In all tables, numbers pertain to civilians aged 16 or older who were employed in nonagricultural industries in jobs held longest during the year. The self-employment rate is defined as the percentage of these workers who reported being self-employed in their longest-held job.

contains an Income Supplement designed to collect, for each participating household, all labor market, income, and health care coverage data relating to the preceding calendar year. Some key definitions will aid in interpreting the analysis: a person is categorized as *employed* in this article if he or she worked one or more weeks during the reference year (including paid time off), and as *self-employed* if he or she was self-employed in the job held longest during the reference year. Persons who report self-employment income from a second job held during the reference year thus are excluded from the self-employed, while those who report wage-and-salary income from a second job are included.<sup>4</sup> Unpaid workers in family businesses, who represented less than 0.3 percent of the nonagricultural labor force during the period under study, also are excluded.

Note that there are two major differences between the employment and self-employment statistics reported here and those published by the Bureau of Labor Statistics (BLS) in its monthly periodicals, the *Monthly Labor Review* and *Employment and Earnings*. First, self-employment in both unincorporated and incorporated businesses is categorized as self-employment here, while BLS excludes incorporated businesses. Second, different data bases are used for calculations. The annual statistics reported by BLS are based on average data from all 12 months of the CPS. In contrast, the numbers reported here pertain to activity during the entire preceding year, as reported in the March Income Supplement. Because not all workers work a full year, the total number of persons who work at some time during a given calendar year will exceed the total number employed at a particular time during the year. It follows that employment levels reported here will be systematically higher than the adjusted levels reported by BLS. On the other hand, the total numbers of self-employed persons reported below may be higher or lower than the reported totals. Including the incorporated self-employed in this analysis will tend to push up the self-employment totals, relative to the BLS totals, but this might be offset by the effects of defining self-employment status on the basis of the job held longest during the year (that is, depending on the relationship between job duration and self-employment status), as is done here. As it turns out, a comparison of the two data sets indicates that the self-employment totals reported in this article are, in fact, slightly higher than the BLS totals.

Three factors influenced the decision to work with the March CPS and Income Supplement

Table 2. **Female representation in the U.S. nonagricultural sector by type of employment, 1975-90**

[Numbers in thousands]

Year	All employed		Wage-and-salary		Self-employed	
	Number	Percent	Number	Percent	Number	Percent
1975 .....	95,398	43.2	88,301	44.8	7,097	23.7
1976 .....	98,165	43.8	90,632	45.3	7,534	25.3
1977 .....	101,137	44.0	93,059	45.6	8,078	25.7
1978 .....	104,740	44.7	96,300	46.3	8,440	26.2
1979 .....	106,967	45.0	97,802	46.6	9,164	27.5
1980 .....	110,252	45.3	100,946	46.9	9,306	28.0
1981 .....	111,294	45.4	101,552	47.0	9,741	28.4
1982 .....	110,836	45.5	100,663	47.2	10,173	28.3
1983 .....	112,426	45.9	102,104	47.5	10,322	29.5
1984 .....	115,806	46.3	105,300	48.0	10,506	29.6
1985 .....	118,061	46.3	107,574	47.9	10,487	30.1
1986 .....	120,287	46.5	109,511	48.1	10,777	30.4
1987 .....	122,585	46.8	111,174	48.3	11,410	31.7
1988 .....	124,944	47.1	113,043	48.6	11,902	32.7
1989 .....	126,364	47.1	114,493	48.6	11,871	32.9
1990 .....	127,193	47.2	114,838	48.8	12,355	32.3

Table 3. Self-employment in the U.S. nonagricultural sector by sex, 1975-90

[Numbers in thousands]

Year	Women			Men		
	Employment	Self-employment	Self-employment rate <sup>1</sup>	Employment	Self-employment	Self-employment rate <sup>1</sup>
1975	41,214	1,682	4.1	54,183	5,414	10.0
1976	42,968	1,906	4.4	55,197	5,628	10.2
1977	44,533	2,077	4.7	56,604	6,001	10.6
1978	46,771	2,208	4.7	57,969	6,233	10.8
1979	48,152	2,531	5.3	58,814	6,633	11.3
1980	49,931	2,601	5.2	60,321	6,705	11.1
1981	50,526	2,770	5.5	60,768	6,971	11.5
1982	50,420	2,876	5.7	60,415	7,297	12.1
1983	51,596	3,057	5.9	60,830	7,265	11.9
1984	53,634	3,108	5.8	62,172	7,397	11.9
1985	54,645	3,161	5.8	63,416	7,326	11.6
1986	55,986	3,276	5.9	64,301	7,500	11.7
1987	57,339	3,620	6.3	65,246	7,790	11.9
1988	58,888	3,895	6.6	66,057	8,007	12.1
1989	59,562	3,911	6.6	66,802	7,960	11.9
1990	60,009	3,995	6.7	67,183	8,359	12.4

<sup>1</sup> The self-employment rate for women is defined as the percentage of women aged 16 or older in the nonagricultural sector who reported being self-employed on the job held longest during the calendar year. The male self-employment rate is similarly defined.

data—as opposed to the 12-month cps data—in the present study. First, the primary interest here is the distinction between working for oneself and working for someone else. While the monthly cps treated the incorporated self-employed as wage-and-salary workers during most of the period under study, the incorporated self-employed have been distinguished from wage-and-salary workers in the Income Supplements to the March cps since 1976.<sup>5</sup> Second, the period between the time the work is performed and the time the associated income is received might be quite different for self-employed workers, and the scheduling of both work and income receipt might also be more variable than for other workers. It follows that comparisons of annual earnings or average weekly earnings over a calendar year, based on Income Supplement data, might be regarded as more appropriate than comparisons of reference week earnings available from the 12-month cps sample. Third, the Income Supplements provide annual data on health care coverage for 1990, while information on this increasingly large part of nonwage compensation is not available for all monthly samples of the cps.

Data on personal characteristics reported below were collected in the basic March Current Population Surveys and, with the exception of age, pertain to individuals' characteristics as of the March interview dates; ages reported for the March interview dates are reduced by 1 year, so that they correspond more closely to the age of respondents during the year for which labor mar-

ket activities are measured. Throughout the article, attention is restricted to civilians aged 16 or older (based on the adjusted age observations) who were employed in nonagricultural industries in their longest-held jobs. The underlying calculations use the March Supplement population weights provided in the Census Bureau's Public Use Files, and reported population sizes are estimates based on these weights.<sup>6</sup>

### Characteristics of self-employed women

In some respects, the characteristics of recent waves of self-employed women have been similar to those of their wage-and-salary counterparts, of new waves of self-employed men, and of self-employed women of the past. In other respects, they have been quite distinct.

*Race and Hispanic origin.* Table 4 presents data by race and Hispanic origin. The most striking aspect of these data is the concentration of self-employment among nonblack workers. Less than 4 percent of all self-employed women were black in both 1975 and 1990, versus 11 to 12 percent of all female wage-and-salary workers. Like their male counterparts, non-Hispanic black women had substantially lower self-employment rates than did other women throughout the 1975-90 period.

Despite large proportionate increases in self-employment rates for Hispanic women, their representation among self-employed women also remained relatively low by 1990. Women of

non-Hispanic origin who were nonwhite and nonblack maintained the highest self-employment rates throughout the period, but this group represented less than 4 percent of all employed women by 1990. Overall, the typical self-employed woman in the United States was less likely to be black and more likely to be of non-Hispanic origin than her wage-and-salary counterpart throughout the 1975–90 period.<sup>7</sup>

**Age.** Table 4 presents data by age and self-employment status. On average, self-employed women tend to be older than their wage-and-salary counterparts, although the difference declined slightly between 1975 and 1990. The change in self-employment rates for women aged 35 to 44 suggests that female baby-boomers had a large effect as they entered this age group. Not only did the proportion of all employed women in the group increase, but the self-employment rate for these women also grew from 5.3 percent in 1975 to 8.6 percent in 1990. Note, however, that the influx of baby-boomers was not the complete story behind the overall rise in female self-employment. Self-employment rates for women aged 45 to 54 and 55 to 64 also increased substantially after 1975. Women aged 65 and older maintained the highest self-employment rate throughout the 1975–90 period, but the proportionate change over time was relatively small for this group. The total number of employed women over age 64 also remained quite low.

The age pattern for employed men was similar to that of women. Self-employed men tended to be older than their wage-and-salary counterparts, on average. They also were slightly older than self-employed women, due primarily to relatively high self-employment rates for men over age 44.

**Marital status.** Self-employed women were consistently more likely to be married with spouse present than were their wage-and-salary counterparts, as shown in table 4. Specifically, married, spouse-present women represented about three-fourths of all self-employed women throughout the 1975–90 period, as compared to less than 60 percent of all female wage-and-salary workers. Self-employed women who were not married with spouse present also were more likely to have been married previously—never-married women represented more than 25 percent of all female wage-and-salary workers, but just 7.3 percent of all self-employed women. Looking at the numbers in the reverse direction, the self-employment rate rose steadily from 5.1 to 9.0 percent for married, spouse-present women, compared with increases of from 1.2 to 2.0 percent for the never-married, and from 4.4 to 6.1 percent for previously married women.

Table 4. **Percent distribution of self-employed and wage-and-salary workers by gender and other selected characteristics, 1975 and 1990**

Characteristic	Women		Men	
	1975	1990	1975	1990
<b>Race and Hispanic origin</b>				
Self-employed:				
White .....	94.2	91.7	95.5	92.1
Black .....	3.8	3.9	2.8	4.2
Other .....	2.1	4.4	1.7	3.7
Hispanic origin <sup>1</sup> .....	2.4	4.4	2.6	4.7
Wage-and-salary:				
White .....	87.0	84.5	89.3	86.2
Black .....	11.3	12.2	9.2	10.5
Other .....	1.7	3.3	1.6	3.4
Hispanic origin .....	3.9	6.8	4.3	8.3
Self-employment rate: <sup>2</sup>				
Non-Hispanic white .....	4.5	7.4	10.8	13.7
Non-Hispanic black .....	1.4	2.3	3.3	5.4
Other non-Hispanic .....	5.0	9.0	10.9	13.9
Hispanic origin .....	2.5	4.5	6.2	7.4
<b>Age</b>				
Self-employed: <sup>3</sup>				
Mean age .....	44.1	43.4	45.0	44.3
Percent aged:				
16 to 19 years .....	2.8	.1	1.5	.9
20 to 24 years .....	5.4	2.8	4.3	2.8
25 to 34 years .....	21.5	23.0	19.7	21.0
35 to 44 years .....	22.1	31.8	23.6	29.9
45 to 54 years .....	22.5	21.6	25.8	22.5
55 to 64 years .....	17.1	13.3	17.5	15.5
65 years and older .....	8.5	6.7	7.7	7.5
Wage-and-salary:				
Mean age .....	35.6	36.4	36.5	36.5
Percent aged:				
16 to 19 years .....	13.5	8.4	10.9	7.9
20 to 24 years .....	16.7	12.7	14.9	12.5
25 to 34 years .....	23.2	28.5	25.3	29.5
35 to 44 years .....	17.0	24.2	17.8	24.0
45 to 54 years .....	16.7	15.1	17.4	14.6
55 to 64 years .....	10.3	8.5	11.1	9.0
65 years and older .....	2.6	2.7	2.6	2.5
Self-employment rate:				
16 to 19 years .....	.9	.6	1.5	1.6
20 to 24 years .....	1.4	1.6	3.1	3.1
25 to 34 years .....	3.8	5.5	7.9	9.2
35 to 44 years .....	5.3	8.6	12.9	15.1
45 to 54 years .....	5.4	9.3	14.2	18.0
55 to 64 years .....	6.6	10.1	14.8	19.6
65 years and older .....	12.3	15.2	24.8	29.6
<b>Marital status</b>				
Self-employed:				
Married with spouse present	73.4	74.7	85.4	75.2
Previously married <sup>4</sup> .....	19.8	18.0	7.3	11.7
Never married .....	6.8	7.3	7.3	13.2
Wage-and-salary:				
Married with spouse present	57.9	54.1	68.2	58.2
Previously married .....	18.4	19.8	7.6	11.5
Never married .....	23.7	26.1	24.2	30.3
Self-employment rate:				
Married with spouse present	5.1	9.0	12.2	15.5
Previously married .....	4.4	6.1	9.7	12.6
Never married .....	1.2	2.0	3.2	5.8

See footnotes at end of table.

Table 4. **Continued—Percent distribution of self-employed and wage-and-salary workers by gender and other selected characteristics, 1975 and 1990**

Characteristic	Women		Men	
	1975	1990	1975	1990
<b>Weeks worked and usual hours<sup>a</sup></b>				
Self-employed:				
Number of usual weekly hours:				
Mean .....	32.0	35.3	46.2	44.6
Standard deviation .....	19.1	17.6	15.8	14.5
Number of weeks worked per year:				
Mean .....	40.9	43.8	47.3	47.5
Standard deviation .....	15.3	13.7	10.5	10.4
Percent working:				
Full time .....	50.3	59.7	87.6	84.6
Full year .....	33.5	45.4	71.2	71.0
Part year .....	16.8	14.3	16.4	13.6
Part time .....	49.7	40.3	12.4	15.4
Full year .....	20.9	18.7	5.5	6.5
Part year .....	28.8	21.6	6.9	8.9
Wage-and-salary:				
Number of usual weekly hours:				
Mean .....	34.1	35.5	40.6	40.9
Standard deviation .....	11.6	11.1	10.3	10.5
Number of weeks worked per year:				
Mean .....	39.8	43.5	44.6	46.0
Standard deviation .....	16.3	14.2	13.4	12.3
Percent working:				
Full time .....	69.2	71.2	89.3	87.9
Full year .....	43.0	52.7	64.9	69.1
Part year .....	26.2	18.6	24.5	18.8
Part time .....	30.9	28.8	10.7	12.1
Full year .....	11.2	12.3	3.7	4.8
Part year .....	19.7	16.5	7.0	7.3
Self-employment rate:				
Full time and full year .....	3.2	5.8	10.9	12.8
Full time and part year .....	2.7	5.2	6.9	9.3
Part time and full year .....	7.4	9.8	14.3	16.2
Part time and part year .....	5.9	8.6	9.9	14.6
<b>Educational attainment</b>				
Self-employed:				
Number of years of schooling completed:				
Mean .....	12.1	13.3	12.7	13.6
Standard deviation .....	2.7	2.6	3.3	3.0
Percent with schooling of:				
Less than 12 years .....	25.0	10.7	24.4	13.2
12 years .....	44.3	41.8	31.8	31.9
13 to 15 years .....	16.1	22.5	18.2	20.7
16 years .....	8.8	13.9	12.3	17.3
More than 16 years .....	5.7	11.2	13.5	17.0
Wage-and-salary:				
Number of years of schooling completed:				
Mean .....	12.2	13.0	12.2	13.0
Standard deviation .....	2.6	2.5	3.1	2.8

See footnotes at end of table.

The marital status trends for men differed somewhat from those for women. Proportionate increases in the self-employment rates for men who were not married were relatively large, and these changes were accompanied by a relatively large shift in the marital status composition of employed men away from the married, spouse-present category. Thus, although the self-employment rate for married, spouse-present men increased and remained higher than self-employment rates for other men, representation of those in the married, spouse-present category actually dropped from more than 85.4 percent of all self-employed men in 1975 to 75.2 percent by 1990.

*Weeks worked and usual hours.* Among the most striking contrasts between self-employed women and self-employed men, and also between self-employed women and their wage-and-salary counterparts, are those related to full-time and full-year work (defined, respectively, as usual weekly hours equal to 35 or more, and 50 or more weeks worked annually, paid time off included). These data are shown in table 4.

Among men, self-employment rates remained highest for full-year workers and, conversely, the self-employed were more likely to report working a full year.<sup>8</sup> Self-employed men also worked more hours, on average, than did their wage-and-salary counterparts, although the difference tended to decline through the 1980's, and were slightly more likely to work part-time hours. Over the study period, the proportion of self-employed men working full time, full year fluctuated between 70 and 74 percent.

The picture was quite different for women. By 1990, 45.4 percent of all self-employed women worked full time and full year. While this represented a significant increase from the 33.5 percent reported in 1975, the likelihood that self-employed women had full-time and full-year work remained well below not only that of self-employed men, but also below that of female wage-and-salary workers; 52.7 percent of all women wage-and-salary workers were full time and full year by 1990. The source of the difference between wage-and-salary and self-employed women was not a difference in the incidence of full-year work. The proportion of self-employed women working full year exhibited almost exactly the same trend as did the incidence of full-year work among female wage-and-salary workers—a steady increase from about one-half to about two-thirds over the 1975–90 period (including the recession years of the early 1980's). On the other hand, although the percentage of self-employed women working full time increased steadily from 50.3 to 59.7 percent, this contrasted with about 70 percent of all female wage-and-salary workers during the

entire 1975–90 period. Self-employment rates for part-time women workers remained substantially higher than self-employment rates for their full-time counterparts, despite large proportionate changes in the latter.

As shown in table 5, the relatively high proportion of self-employed women working part-time primarily reflected the behavior of those who were married, spouse present and self-employed. These women were consistently less likely to work full time than their self-employed counterparts in other marital status groups, while those who were married, spouse present in the wage-and-salary sector were more likely to work full-time than their counterparts in other marital status groups. Note also in table 5 that the distributions of hours for self-employed women who worked part time were centered at lower levels than the hours distribution for their part-time wage-and-salary counterparts, despite upward shifts up in both distributions over time. In contrast, the full-time hours distributions for women who were self-employed centered at relatively high levels. Also interesting is the fact that the part-time and the full-time hours distributions for married, spouse-present and other self-employed women generally exhibited greater variation than corresponding hours distributions for wage-and-salary workers. Overall, the data suggest that self-employed women faced (or at least exercised) more choice in terms of hours worked, whether or not they were married with spouse present.

**Education.** Self-employment rates increased for women in all educational attainment groups between 1975 and 1990, but proportionate increases were greatest for those with at least 4 years of college, as shown in table 4. Higher levels of educational attainment also were reached by increasingly large proportions of employed women over time. Thus, self-employed women had more years of education completed, on average, than did their wage-and-salary counterparts by 1990. They also were increasingly more likely to have at least 4 years of college.

A slightly different pattern was apparent among men. Relative to male wage-and-salary workers, self-employed men started out the 1975–90 period with high levels of educational attainment. Over time, this gap widened slightly. In turn, although mean levels of educational attainment for men and women were basically identical in the wage-and-salary sector, educational attainment levels for self-employed men started out and remained substantially higher than those of self-employed women. Hence, the difference in mean education levels between self-employed women and female wage-and-salary workers was small relative to the difference observed for men.

Table 4. **Continued—Percent distribution of self-employed and wage-and-salary workers by gender and other selected characteristics, 1975 and 1990**

Characteristic	Women		Men	
	1975	1990	1975	1990
Percent with schooling of:				
Less than 12 years . . . . .	24.1	13.4	28.0	17.2
12 years . . . . .	45.0	41.7	37.0	38.3
13 to 15 years . . . . .	17.1	23.4	17.2	21.1
16 years . . . . .	9.2	13.8	10.4	13.7
More than 16 years . . . . .	4.6	7.9	7.5	9.8
Self-employment rate by years of schooling:				
Less than 12 years . . . . .	4.2	5.4	8.8	9.9
12 years . . . . .	4.0	6.7	8.7	10.6
13 to 15 years . . . . .	3.9	6.4	10.5	12.2
16 years . . . . .	3.9	6.7	11.6	15.2
More than 16 years . . . . .	5.1	9.2	16.6	19.8
<b>Reported negative earnings</b>				
Percentage of: <sup>6</sup>				
All self-employed . . . . .	7.7	6.4	3.6	3.3
Full time and full year . . . . .	7.8	5.1	2.4	2.2
Part time or part year . . . . .	7.7	7.5	6.7	6.1
Unincorporated . . . . .	8.4	7.6	4.7	4.7
Incorporated . . . . .	1.1	1.0	.4	.2
Married with spouse present . . . . .	7.8	6.6	3.0	3.1
Other marital status . . . . .	7.5	5.9	7.2	4.1
All wage and salary . . . . .	(?)	(?)	.1	(?)

<sup>1</sup> Persons of Hispanic origin may be of any race.

<sup>2</sup> For each group, the self-employment rate is defined as the self-employed as a percentage of nonagricultural employment.

<sup>3</sup> Percentages may not add to 100 due to rounding.

<sup>4</sup> Previously married includes those with spouse absent.

<sup>5</sup> Full time is defined as usual weekly hours equal to 35 or more. Full year is defined as 50 weeks or more of work or paid time off.

<sup>6</sup> Percent of group reporting earnings of less than 0—that is, losses—for the year from all jobs.

<sup>7</sup> Less than 0.1 percent.

Table 6 presents data on the educational attainment of employed women by marital and full-time and full-year job status. Note that the mean level of educational attainment for self-employed women who were married with spouse present and who worked full time and full year was relatively low in the mid-1970's, at least when compared to that of their part-time or part-year self-employed counterparts, and women wage-and-salary employees who worked full time, full year. Their mean level of educational attainment reached a level comparable to the levels of the other groups of women only in the late 1980's.

Among women who were not married with spouse present, one observes a somewhat different trend. Through the late 1970's, self-employed women who worked full time and full year and who were not currently married also had less education than their full-time and full-year wage-and-salary counterparts, on average, but more education than self-employed women who worked part time or part year. By 1990, however, the mean level of educational attainment for these women

Table 5. **Percent distribution of women workers by type of employment, full-time/part-time schedules, and marital status, 1975 and 1990**

Characteristic	Married, spouse present		Other marital status	
	1975	1990	1975	1990
<b>Self-employed:</b>				
Percent working: <sup>1</sup>				
Full time .....	46.1	57.7	61.8	65.6
Full year .....	29.1	43.7	45.6	50.4
Part year .....	17.0	14.0	16.2	15.2
Part time .....	53.9	42.3	38.3	34.4
Full year .....	21.9	20.1	18.2	14.4
Part year .....	32.0	22.1	20.1	19.9
Usual hours of full-time workers:				
Mean .....	47.6	46.5	47.5	47.9
Standard deviation .....	13.0	11.3	12.4	12.0
Usual hours of part-time workers:				
Mean .....	16.4	18.0	15.6	18.4
Standard deviation .....	8.4	8.7	8.8	9.3
<b>Wage-and-salary:</b>				
Percent working:				
Full time .....	68.9	71.4	69.5	71.0
Full year .....	41.6	53.2	43.5	52.1
Part year .....	26.4	18.3	26.0	18.9
Part time .....	31.1	28.6	30.5	29.0
Full year .....	11.7	12.9	10.4	11.6
Part year .....	19.4	15.6	20.1	17.4
Usual hours of full-time workers:				
Mean .....	40.4	41.0	40.9	41.6
Standard deviation .....	4.7	5.3	5.9	6.2
Usual hours of part-time workers:				
Mean .....	19.8	21.3	19.3	21.1
Standard deviation .....	8.5	7.9	8.0	7.6

<sup>1</sup> Full time is defined as usual weekly hours equal to 35 or more. Full year is defined as 50 weeks or more of work or paid time off.

Table 6. **Years of educational attainment for employed women by type of employment, full-time/part-time schedules, and marital status, 1975 and 1990**

Characteristic	1975		1990	
	Full time and full year	Part time or part year	Full time and full year	Part time or part year
<b>Self-employed:</b>				
Total:				
Mean .....	12.0	12.2	13.4	13.2
Standard deviation .....	2.7	2.7	2.6	2.7
Married, spouse present:				
Mean .....	11.8	12.4	13.2	13.2
Standard deviation .....	2.7	2.6	2.5	2.5
Other marital status:				
Mean .....	12.3	11.5	13.8	12.8
Standard deviation .....	2.8	2.9	2.9	3.1
<b>Wage-and-salary:</b>				
Total:				
Mean .....	12.5	12.0	13.3	12.7
Standard deviation .....	2.6	2.6	2.5	2.5
Married, spouse present:				
Mean .....	12.5	12.0	13.3	13.0
Standard deviation .....	2.5	2.6	2.5	2.5
Other marital status:				
Mean .....	12.6	11.9	13.3	12.5
Standard deviation .....	2.6	2.5	2.5	2.5

exceeded that of self-employed men. This being the case, the mean level of educational attainment for this group exceeded the mean levels for all other groups of employed women.

## Occupations

Both the similarities and differences that existed between the occupational distributions<sup>9</sup> of self-employed women and other worker groups in 1975 basically remained in place through 1990, as shown in table 7. First, while the proportion of female wage-and-salary earners in executive, administrative, and managerial occupations more than doubled, it remained low relative to the proportion of self-employed women in these occupations. Self-employed women also were more likely to be in sales and service occupations than those in wage-and-salary jobs. On the other hand, self-employed women were much less likely to be in administrative support occupations, and just about as likely to be in professional specialty occupations.

Turning to the data for men, one observes contrasts between the self-employed and wage-and-salary earners for executive, administrative, and managerial occupations and for sales occupations that are qualitatively similar to those observed for women, but much larger in magnitude—particularly in the case of executive, administrative, and managerial occupations. And, although the proportion of female wage-and-salary workers in executive, administrative, and managerial occupations showed signs of catching up with the proportion of their male counterparts in these occupations, a substantial difference in proportions persisted between self-employed men and women through 1990. Both self-employed men and wage-and-salary men also were concentrated more heavily than women in precision production, craft, and repair jobs, and less heavily in service occupations. Perhaps most interesting is the gender difference in the professional specialty occupations. While proportions of self-employed women and wage-and-salary women in professional specialty occupations were very similar by 1990, the proportion of self-employed men in such occupations remained substantially higher than the proportion of wage-and-salary men throughout the 1975-90 period.

## Industry

Table 7 presents industrial distributions of employment for the self-employed versus wage-and-salary workers.<sup>10</sup> These statistics show some major changes between 1975 and 1990. In both years, self-employed women were much more likely to be employed in service industries than were either female wage-and-salary workers or any category

Table 7. **Percent distribution of workers by gender, type of employment, full-time/part-time schedules, occupation, and industry of employment, 1975 and 1990**

Occupation or industry <sup>1</sup>	Women				Men			
	1975 <sup>2</sup>		1990		1975 <sup>2</sup>		1990	
	Wage-and-salary	Self-employed	Wage-and-salary	Self-employed	Wage-and-salary	Self-employed	Wage-and-salary	Self-employed
<b>Major occupational group</b>								
Executive, administrative, and managerial . . . . .	4.8	18.1	10.5	16.9	10.4	28.7	11.9	25.4
Professional specialty . . . . .	14.0	18.1	14.7	14.4	10.4	15.5	11.3	15.5
Technicians and related support . . . . .	1.5	.7	3.6	.6	2.7	.2	3.3	.9
Sales . . . . .	11.7	21.1	13.1	20.0	8.7	24.0	9.9	22.9
Administrative support, including clerical . . . . .	31.8	7.8	28.8	11.5	6.7	.8	6.8	1.0
Private household . . . . .	3.2	1.1	1.5	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Protective services . . . . .	.2	( <sup>3</sup> )	.7	( <sup>3</sup> )	2.9	.1	3.2	.1
Other services . . . . .	17.5	25.7	15.7	29.1	7.7	2.9	8.8	3.5
Farming, forestry, and fishing . . . . .	.1	( <sup>3</sup> )	.1	.2	1.3	.8	1.0	.6
Precision production, craft, and repair . . . . .	1.5	4.9	2.2	4.2	20.6	20.5	19.6	21.4
Machine operators, assemblers, and inspectors . . . . .	10.4	2.0	6.6	1.8	11.8	1.9	8.9	2.0
Transportation and material moving . . . . .	.6	.4	.9	.6	8.4	3.9	7.7	5.4
Handlers, equipment cleaners, helpers, and laborers . . . . .	2.5	.2	1.7	.5	8.1	.4	7.7	1.1
<b>Major industry group</b>								
Construction . . . . .	.9	1.0	1.2	3.0	9.4	20.4	10.3	22.3
Mining . . . . .	.2	.1	.3	.1	1.4	.4	1.1	.5
Manufacturing . . . . .	17.7	3.1	13.3	5.3	30.4	7.3	24.9	6.0
Transportation, communications, and utilities . . . . .	4.0	1.4	4.4	2.0	10.3	4.1	9.7	5.5
Wholesale trade . . . . .	2.3	1.2	2.7	2.7	5.0	6.7	5.0	6.5
Retail trade . . . . .	21.6	31.9	20.2	23.5	14.3	24.2	16.0	16.5
Finance, insurance, and real estate . . . . .	6.7	4.4	8.6	5.5	4.2	6.7	4.6	7.4
Business and repair services . . . . .	2.4	8.3	4.9	15.4	3.3	9.9	6.5	14.6
Personal services . . . . .	7.0	29.6	5.2	22.1	1.8	4.5	2.1	4.1
Professional services . . . . .	31.8	16.9	33.1	19.0	12.2	14.0	12.6	14.1
Entertainment and recreation services . . . . .	1.1	2.1	1.3	1.5	1.4	1.7	1.6	2.4
Public administration . . . . .	4.3	( <sup>3</sup> )	4.8	( <sup>3</sup> )	6.3	( <sup>3</sup> )	5.7	( <sup>3</sup> )

<sup>1</sup> Occupations are presented in terms of 1980 Major Occupational Groups. Industries are defined in terms of 1980 Major Industry Codes.

<sup>2</sup> See text for discussion of occupation assignments for 1975.

<sup>3</sup> Less than 0.1 percent in the group.

of employed men. Specifically, more than 55 percent of all self-employed women were in services industries (excluding finance, insurance, and real estate) in 1975 and again in 1990, compared with fewer than 50 percent of all women wage-and-salary earners, and 30 to 36 percent of all self-employed men. Note, however, that the industrial composition of women's self-employment did shift among service industries during the period. In particular, there was a dramatic shift out of personal services (such as beauty and dressmaking shops) and a major shift into business and repair industries. The proportion of self-employed women in retail trade also decreased considerably over time, but the numbers of these women remained relatively high in 1990.

Changes in representation in business and repair industries and retail trade for self-employed men were similar to those for self-employed women, while major contrasts appeared in per-

sonal services and construction. While more than 1 in 5 self-employed women remained in personal services (even after the 1975-90 decline), very few self-employed men were in such industries. The opposite was true for construction industries.

*Incorporated business status.* The incidence of incorporated self-employment remained low for women, relative to men, throughout the 1975-90 period. Nevertheless, the number of women self-employed in incorporated businesses more than quintupled, increasing from 8.5 to 18.4 percent of all self-employed women:

	Women		Men	
	1975	1990	1975	1990
Percent self-employed in:				
Incorporated businesses . . . . .	8.5	18.4	23.6	31.0
Unincorporated businesses . . . . .	91.5	81.6	76.4	69.0



Self-Employed Women

Table 8. **Distribution of incorporated and unincorporated self-employed women by selected characteristics, 1975 and 1990**

[In percent, unless otherwise indicated]

Characteristic	1975		1990	
	Incorporated	Unincorporated	Incorporated	Unincorporated
Numbers of women (in thousands)	143	1,539	737	3,259
Race and Hispanic origin:				
White	98.9	93.7	92.1	91.6
Black	( <sup>1</sup> )	4.1	3.1	4.0
Hispanic origin <sup>2</sup>	2.9	2.3	2.2	4.9
Age:				
Mean age in years	44.2	44.1	45.1	43.1
Percent aged:				
16 to 19 years	1.6	3.0	( <sup>1</sup> )	.9
20 to 24 years	2.4	5.7	1.1	3.2
25 to 34 years	16.3	22.0	14.7	24.9
35 to 44 years	34.4	21.0	35.0	31.1
45 to 54 years	26.3	22.2	27.2	20.3
55 to 64 years	13.7	17.4	16.2	12.7
65 years and older	5.4	8.7	5.9	6.9
Marital status:				
Married with spouse present	79.0	72.9	79.3	73.6
Previously married	18.2	20.0	13.6	19.0
Never married	2.9	7.1	7.1	7.4
Years of education completed:				
Mean number of years	12.8	12.1	13.9	13.1
Percent with:				
Less than 12 years	15.4	25.9	5.1	12.0
12 years	47.5	44.1	34.6	43.4
13 to 15 years	21.2	15.7	27.1	21.4
16 years	12.5	8.5	19.0	12.7
More than 16 years	3.5	6.0	14.2	10.5
Hours and weeks worked:				
Full time	78.8	47.6	70.6	57.3
Full year	62.4	30.8	63.0	41.4
Part year	16.3	16.8	7.6	15.9
Part time	21.2	52.4	29.4	42.7
Full year	13.3	21.6	19.4	18.5
Part year	8.0	30.8	10.0	24.2
Occupation:				
Executive, administrative, and managerial	32.0	16.7	31.3	13.7
Professional specialty	10.3	18.8	12.0	14.9
Technicians and related support	1.5	.5	.2	.7
Sales	18.7	21.4	19.5	20.2
Administrative support, including clerical	27.4	6.0	28.9	7.6
Private household	( <sup>1</sup> )	1.2	( <sup>1</sup> )	( <sup>1</sup> )
Protective services	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.1
Other services	7.8	27.3	5.0	34.5
Farming, forestry, and fishing	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.2
Precision production, craft, and repair	1.1	5.3	.9	5.0
Machine operators, assemblers, and inspectors	1.2	2.0	.5	2.2
Transportation and material moving	( <sup>1</sup> )	.5	1.6	.4
Handlers, equipment cleaners, helpers, and laborers	( <sup>1</sup> )	.3	.3	.5
Industry: <sup>3</sup>				
Construction	5.6	.6	8.1	1.8
Mining	( <sup>1</sup> )	.1	.4	( <sup>1</sup> )
Manufacturing	7.9	2.6	9.8	4.2
Transportation, communications, and utilities	4.3	1.1	6.7	.9
Wholesale trade	7.5	.6	6.9	1.7
Retail trade	42.9	30.9	28.4	22.3
Finance, insurance, and real estate	4.4	4.4	6.1	5.4
Business and repair services	5.7	8.5	16.0	15.3
Personal services	10.4	31.4	3.5	26.3
Professional services	8.9	17.7	12.7	20.4
Entertainment and recreation services	2.4	2.1	1.3	1.5

<sup>1</sup> Less than 0.1 percent.

<sup>2</sup> Persons of Hispanic origin may be of any race.

<sup>3</sup> Note that there are no self-employed workers in public administration.

Turning to table 8, one observes that certain characteristics of incorporated self-employed women differed substantially from those of their unincorporated counterparts throughout the 1975-90 period. Incorporated self-employed women tended to have more education. They also were less likely to be black than were those who were self-employed in unincorporated businesses. In the section of the table that presents data on occupations by incorporation status, one also observes relatively large proportions of incorporated women in executive, administrative, and managerial occupations and also in administrative support.<sup>11</sup> In the statistics presenting the industrial distributions of female self-employment by incorporation status, there are some major contrasts. Incorporated self-employed women were much more likely to be employed in construction and manufacturing industries than were their unincorporated counterparts, and much less likely to be employed in personal services.

However, between 1975 and 1990, some major changes in the characteristics of incorporated

self-employed women tended to increase the similarities between incorporated individuals and other employed women. First, the growth of incorporated self-employment was not concentrated among full-time and full-year self-employed women. Instead, the largest proportionate increases were among part-time self-employed women. Thus, although the proportion of incorporated self-employed women working full-time remained higher than the proportion of their unincorporated counterparts throughout the 1975-90 period, the percentage working full-time did decrease, so that the incorporated self-employed were less likely to work full-time than female wage-and-salary workers by 1990. Table 8 also shows a dramatic drop in the percentage of incorporated self-employed women in retail trade industries. In turn, although service sector employment remained relatively low among incorporated self-employed women, it increased substantially during the 1975-90 period. The increase in incorporated female self-employment in business and repair services was particularly large.

Table 9. **Median earning levels in self-employment and in wage-and-salary employment by gender and selected employment characteristics, 1975 and 1990**

Characteristic	Women						Men					
	1975			1990			1975			1990		
	Annual	Weekly	Hourly	Annual	Weekly	Hourly	Annual	Weekly	Hourly	Annual	Weekly	Hourly
Total:												
Wage-and-salary . . . . .	\$ 8,312	\$204	\$ 6.05	\$10,870	\$237	\$ 6.69	\$20,450	\$434	\$10.37	\$19,130	\$402	\$ 9.41
Self-employed . . . . .	\$ 3,190	\$ 82	\$ 3.84	\$ 6,087	\$139	\$ 4.60	\$21,472	\$472	\$10.01	\$21,739	\$425	\$10.03
Self-employed/ wage-and-salary . . . . .	.38	.40	.64	.56	.59	.69	1.05	1.09	.97	1.14	1.06	1.07
Full-time and full- year:												
Wage-and-salary . . . . .	\$14,928	\$286	\$ 7.16	\$16,696	\$323	\$ 7.92	\$25,562	\$491	\$11.80	\$24,348	\$468	\$10.63
Self-employed . . . . .	\$ 9,202	\$180	\$ 3.93	\$12,174	\$234	\$ 5.02	\$28,630	\$550	\$10.82	\$26,087	\$502	\$10.45
Self-employed/ wage-and-salary . . . . .	.62	.63	.55	.73	.72	.63	1.12	1.12	.92	1.07	1.07	.98
Part-time or part- year:												
Wage-and-salary . . . . .	\$ 4,090	\$149	\$ 5.11	\$ 4,696	\$143	\$ 5.22	\$ 7,362	\$266	\$ 7.46	\$ 6,522	\$210	\$ 6.34
Self-employed . . . . .	\$ 1,851	\$ 61	\$ 3.78	\$ 3,043	\$ 87	\$ 4.20	\$ 9,202	\$288	\$ 8.32	\$ 9,289	\$267	\$ 8.70
Self-employed/ wage-and-salary . . . . .	.45	.41	.74	.65	.61	.80	1.25	1.08	1.12	1.42	1.27	1.37
Self-employed in:												
Unincorporated business . . . . .	\$ 2,454	\$ 74	\$ 3.27	\$ 4,773	\$116	\$ 3.84	\$18,405	\$393	\$ 8.85	\$17,391	\$349	\$ 8.37
Incorporated business . . . . .	\$13,292	\$276	\$ 7.38	\$13,913	\$285	\$ 8.37	\$34,696	\$673	\$14.29	\$34,783	\$669	\$14.10
Unincorporated/ wage-and-salary . . . . .	.30	.36	.54	.44	.49	.57	.90	.91	.85	.91	.87	.89
Incorporated/ wage-and-salary . . . . .	1.60	1.35	1.22	1.28	1.20	1.25	1.70	1.55	1.38	1.82	1.66	1.49
Unincorporated/ incorporated . . . . .	.18	.27	.44	.34	.41	.46	.53	.58	.62	.50	.52	.59

NOTE: All earnings are deflated to 1987 U.S. dollars using the Personal Consumption Expenditure Deflator. Weekly earnings are defined as total earnings for the year from all jobs, divided by weeks worked (paid time off included). Hourly earnings equal weekly earnings divided by usual weekly hours.

Table 10. Ratios of women's median earnings to those of men by type of employment and full-time/part-time schedules, 1975 and 1990

Characteristic	1975			1990		
	Annual	Weekly	Hourly	Annual	Weekly	Hourly
<b>Wage-and-salary:</b>						
Total	0.41	0.47	0.58	0.57	0.59	0.71
Full time and full year	.58	.58	.61	.69	.69	.75
Part time or part year	.56	.56	.69	.72	.68	.82
<b>Self-employed:</b>						
Total	.15	.17	.38	.28	.33	.46
Full time and full year	.32	.33	.36	.47	.47	.48
Part time or part year	.20	.21	.45	.33	.33	.48
<b>Unincorporated business:</b>						
Full time and full year	.31	.32	.34	.44	.43	.48
Part time or part year	.21	.21	.44	.30	.32	.45
<b>Incorporated business:</b>						
Full time and full year	.51	.51	.52	.50	.50	.56
Part time or part year	.41	.37	.43	.38	.35	.62

Table 11. Percent of employed persons with health care coverage in 1990 by worker characteristics and type of benefit plan, 1990

Characteristic	Women				Men			
	Any health plan	Job-related plan	Family plan	Government plan	Any health plan	Job-related plan	Family plan	Government plan
<b>All workers:</b>								
Wage-and-salary	87.2	49.9	22.3	10.4	83.9	64.7	41.4	7.1
Self-employed	83.2	12.6	5.0	14.2	78.7	32.9	24.7	11.5
<b>Full time and full year:</b>								
Wage-and-salary	91.1	72.0	32.1	4.9	89.1	78.5	51.7	3.9
Self-employed	81.8	15.9	6.0	8.6	82.0	38.2	28.9	6.8
<b>Part time or part year:</b>								
Wage-and-salary	83.0	25.3	11.4	16.5	72.3	33.9	18.5	14.4
Self-employed	84.3	9.8	4.1	18.9	70.4	20.0	14.6	23.0
<b>Married with spouse present:</b>								
<b>Wage-and-salary:</b>								
Wage-and-salary	92.2	48.3	31.5	8.4	91.1	75.3	65.4	8.0
Self-employed	87.6	10.8	5.7	11.6	84.6	36.0	31.6	12.5
<b>Full time and full year:</b>								
Wage-and-salary	94.9	67.1	44.1	5.4	93.6	81.8	71.4	4.4
Self-employed	86.4	13.6	6.9	8.4	86.6	40.6	35.3	7.5
<b>Part time or part year:</b>								
Wage-and-salary	89.0	26.9	17.2	11.9	81.4	50.2	42.6	22.0
Self-employed	88.5	8.6	4.9	14.0	78.7	22.8	20.9	27.0
<b>Self-employed in:</b>								
Unincorporated business	81.8	9.3	3.8	15.4	73.6	23.2	17.0	13.0
Incorporated business	89.4	27.1	10.5	9.1	89.9	54.6	42.0	8.3

Note: Variables are defined as follows:

- Health plan: Private or government health insurance or group health coverage, in one's own name or through another's coverage.
- Job-related plan: Private health insurance or group health coverage, in one's own name through employment.
- Family plan: Other family or household members covered under own job plan.
- Government plan: A government health plan (Medicare, Medicaid, Champus, or Champva).

Note that coverage may be for all or part of the 1990 calendar year, and also that an individual may be in more than one category during the year.

**Earnings.** Several factors complicate earnings comparisons between wage-and-salary and self-employed workers. First, some self-employed workers draw regular salaries from their business, but most do not. Accompanying this phenomenon are differences in workers' interpretation of business "profits" and "losses," whether or not a regular salary is received. All business gains and

losses might be regarded as labor market earnings by self-employed workers (whether incorporated or unincorporated), and might therefore be reported as such in the cps. Alternatively, a self-employed worker might regard all business-related spending as investment, and report business profits and losses as asset earnings as opposed to labor market earnings—just as a wage-and-salary

worker with no self-employment activity would report asset earnings and losses. Moreover, earnings reported to the CPS are gross earnings, and there may be differences between self-employed and wage-and-salary earnings in the translation from gross to net due to differences in tax rates and allowable business deductions. That there are differences in fringe benefits, deferred compensation, and nonpecuniary job characteristics (such as commuting distances and flexibility of hours) also is probable, and these differences should be reflected in reported money earnings.

Beyond these issues, which exist independently of the structure of the CPS questionnaire, additional issues arise *because* of its structure. First, the CPS data do not allow one to determine how respondents with both self-employment and wage-and-salary employment allocate their weekly "usual hours" between jobs. The same holds for the distribution of weeks worked between jobs during the year. Second, although the March income supplements distinguish between wage-and-salary employment and incorporated self-employment when data are collected on the longest job held during the year, earnings from incorporated self-employment are counted as wage-and-salary earnings.

Given these constraints, data on earnings from all jobs held during the year are examined here, with weekly and hourly measures calculated using total weeks worked and usual hours during the year. A summary of the results appears in table 9.

Although the issues raised above mean that caution must be exercised when drawing conclusions from table 9, the contrasts that appear are nevertheless striking.<sup>12</sup> Focusing first on the data for all self-employed women versus all female wage-and-salary workers, one observes that median real earnings for self-employed women increased between 1975 and 1990, both absolutely and relative to the earnings of their wage-and-salary counterparts. Whether working full time and full year or part time and part year, however, self-employed women continued to report considerably lower labor market earnings, on average, than female wage-and-salary workers—annually, weekly, and hourly. The self-employment/wage-and-salary median hourly earnings ratio for women increased to just 0.69 by 1990.

However, the distinction between self-employment in an incorporated business versus unincorporated self-employment is an important one when it comes to comparisons of reported earnings. For women, we observe that both absolute and proportionate gains in median real earnings for unincorporated women exceeded those for incorporated individuals between 1975 and 1990. The same held for real earnings gains of female wage-and-salary workers, relative to incorporated

women—at least on the weekly and annual bases. By 1990, however, self-employed women who were incorporated continued to earn considerably more than their unincorporated and wage-and-salary counterparts. In terms of hourly earnings for 1990 (the least extreme comparison), the median for incorporated self-employed women was about 25 percent higher than that for female wage-and-salary earners, and more than twice the level for unincorporated self-employed women.

Somewhat different patterns are apparent for men. Median real annual earnings for all self-employed men also increased during the 1975–90 period, but their real weekly earnings declined and their real hourly earnings basically remained the same. Moreover, the hourly earnings data for men working full time and full year, versus part time or part year, show real earnings for full-time and full-year self-employed men to have declined at all levels. In contrast to changes over time in real earnings for female wage-and-salary workers, however, median real earnings declined substantially for men between 1975 and 1990. Thus, the self-employed/wage-and-salary earnings ratios increased substantially for men on an hourly and annual basis, and declined slightly in weekly terms. As in the case of women, however, earning comparisons based on data for all self-employed workers mask sharp differences between the incorporated and unincorporated. Median real earnings of unincorporated men declined sharply, and this change produced most of the decrease in the earnings for all self-employed men, relative to male wage-and-salary workers.

Table 10 presents female/male median earnings ratios. Overall, the earnings of self-employed women improved over time, relative to the earnings of self-employed men. However, this improvement lagged behind the relative

Table 12. **Percent of employed women with young children in the household by selected characteristics, 1975 and 1990**

Characteristic	1975		1990	
	Self-employed	Wage-and-salary	Self-employed	Wage-and-salary
Total with children under age 6 in the household . . .	17.3	16.7	20.0	18.6
Married with spouse present . . . . .	21.9	22.3	23.8	24.9
Full time and full year . . .	12.1	13.7	16.6	19.7
Part time or part year . . .	25.9	28.7	29.4	30.9
Other marital status . . . . .	4.7	9.0	8.7	11.0
Full time and full year . . .	3.2	7.4	5.8	8.2
Part time or part year . . .	5.9	10.2	11.7	14.1
Incorporated . . . . .	6.7	—	13.2	—
Unincorporated . . . . .	18.3	—	21.5	—

NOTE: Dash indicates not applicable.

gains for women in the wage-and-salary sector. The female/male hourly earnings ratio (which again represents the least extreme comparison) reached just 0.46 for self-employed workers by 1990, while the hourly earnings ratio for wage-and-salary workers had risen to 0.71. Even among the incorporated self-employed who worked full-time and full year, the female/male hourly earnings ratio was just 0.56 by 1990, as compared to 0.75 among full-time and full-year wage-and-salary workers.

Tied to the relatively low female/male self-employment median earnings ratios were relatively large proportions of women reporting negative labor market earnings, as shown in table 4. In part, this difference in reported losses reflected gender differences in incorporation status, and thus differences in the methods used to report earnings. Even among the unincorporated, however, the proportions of women reporting losses were larger in both 1975 and in 1990. Also worth noting is the gender difference that appears in the proportions of married, spouse-present versus other self-employed workers reporting losses. Women who were married with spouse present were slightly more likely to report losses in each of the 2 years, while the reverse held true for men.

**Health care coverage.** In addition to differences in reported money earnings between self-employed women and other workers, substantial differences in health care coverage also appear in the 1990 data in table 11.<sup>13</sup>

In general, employed women were more likely than employed men to have had some type of health care coverage during the year and, among women, the self-employed were less likely to have coverage than their wage-and-salary counterparts. More striking, however, is the pattern for coverage through employment. While fewer than 1 in 7 self-employed women with health care coverage received it through their own jobs, more than half of female wage-and-salary workers with coverage had plans through their jobs. For those married with spouse present, the contrast was even more dramatic—particularly for those employed full time and full year. About 1 of 6 of the self-employed women in this group with coverage was covered through her job, versus 7 of 10 of her wage-and-salary counterparts. The contrast between incorporated self-employed women and female wage-and-salary workers was less striking, but still nonnegligible. Also worth noting is the fact that relatively few self-employed women provided coverage for other family members.

The coverage pattern for self-employed versus wage-and-salary status among men was qualitatively similar to the pattern for women, but less dramatic. About 3 out of 4 male wage-and-salary

workers with coverage had plans in their own names through their employment, while 2 out of 5 self-employed men with coverage had similar plans.

**Children.** No discussion of female labor market activity would be complete without considering the presence of young children. Overall, employed women became increasingly likely to be in households with young children during the 1975–90 period. This was true for both self-employed and wage-and-salary workers, as shown in table 12. Perhaps surprising is the similarity between the proportions of the two groups having young children in their households in both years. In part, this reflected the disproportionate representation of married women with spouse present who worked less than full time and full year among the self-employed. Married, spouse-present women working full time and full year—whether self-employed or wage-and-salary workers—were less than half as likely to have young children in their households in 1975. By 1990, this difference had diminished, but it nevertheless remained large.

The most striking change with respect to the presence of young children occurred among women who were self-employed in incorporated

Table 13. **Husband's employment status by wife's self-employment status,<sup>1</sup> 1975 and 1990**

Employment status	1975	1990
<b>Wage-and salary wives:</b>		
Number (in thousands) .....	22,875	27,364
Percent with husband:		
Employed .....	91.5	93.0
Self-employed .....	11.3	12.8
Unincorporated .....	9.3	9.0
Incorporated .....	2.1	3.8
Percent with husband:		
Unemployed 1 week or more ..	17.0	9.6
<b>Self-employed wives:</b>		
Number (in thousands) .....	1,235	2,701
Percent with husband:		
Employed .....	91.3	95.2
Self-employed .....	28.9	40.2
Unincorporated .....	22.4	25.3
Incorporated .....	6.5	19.3
Percentage of wives:		
Unincorporated .....	90.8	80.7
Incorporated .....	9.2	14.9
Percentage of households with husband and wife both:		
Unincorporated .....	21.2	24.6
Incorporated .....	5.3	11.7
Percent with husband:		
Unemployed 1 week or more ..	11.8	6.4

<sup>1</sup>The numbers presented here pertain only to husband-wife households, with both spouses present and wives employed 1 or more weeks during the year.

Table 14. **Wife's self-employment status by husband's employment status,<sup>1</sup> 1975 and 1990**

Employment status	1975	1990
<b>All employed wives:</b>		
Number (in thousands) . . . . .	24,110	30,066
Percentage of wives:		
Self-employed . . . . .	5.1	9.0
Unincorporated . . . . .	4.7	7.3
Incorporated . . . . .	0.5	1.7
<b>Wives with nonemployed husbands:</b>		
Number (in thousands) . . . . .	20,055	2,050
Percentage of wives:		
Self-employed . . . . .	5.2	6.3
Unincorporated . . . . .	4.9	5.6
Incorporated . . . . .	.3	.7
<b>Wives with employed husbands:</b>		
Number (in thousands) . . . . .	22,055	28,015
Percentage of wives:		
Self-employed . . . . .	5.1	9.2
Unincorporated . . . . .	4.6	7.4
Incorporated . . . . .	.5	1.8
<b>Wives with wage-and-salary husbands:</b>		
Number (in thousands) . . . . .	19,105	23,421
Percentage of wives:		
Self-employed . . . . .	4.0	6.3
Unincorporated . . . . .	3.9	5.6
Incorporated . . . . .	.1	0.7
<b>Wives with self-employed husbands:</b>		
Number (in thousands) . . . . .	2,950	4,594
Percentage of wives:		
Self-employed . . . . .	12.1	23.6
Unincorporated . . . . .	9.4	16.3
Incorporated . . . . .	2.7	7.3
<b>Percentage of wives with husbands:</b>		
Unincorporated . . . . .	81.2	68.4
Incorporated . . . . .	18.8	31.6
<b>Percentage of households with husbands and wife both:</b>		
Unincorporated . . . . .	8.9	14.5
Incorporated . . . . .	2.2	6.9

<sup>1</sup>The numbers presented here pertain only to husband-wife households, with both spouses present and wives employed 1 or more weeks during the year.

businesses. By 1990, incorporated self-employed women were still less likely to have young children in their households than other employed counterparts, but the proportion of incorporated self-employed women with young children in the household had almost doubled.

*Husband's employment status.* Given the disproportionate representation among the self-employed of individuals who are married with spouse present, it is unfortunate that the CPS does not identify joint husband-wife business ventures. However, one can link husband-and-wife labor market activities within husband-wife type households. These data appear in table 13.

According to the table, 40.2 percent of all self-employed women in husband-wife households had self-employed spouses by 1990. Also worth

noting is the fact that husbands of self-employed women were less likely to experience unemployment during the year.

Looking at the numbers in the reverse direction, one observes that 23.6 percent of all employed wives with self-employed husbands were also self-employed in their primary jobs by 1990, up from 12.1 percent in 1975. This contrasts sharply with the 6.3 percent of employed women with husbands who were not employed, and 6.3 percent of employed women whose husbands were wage-and-salary earners. Moreover, almost one-third of the self-employed women with self-employed spouses were in incorporated businesses (7.3 percent out of 23.6 percent), and almost all of these women had husbands who also were self-employed in incorporated businesses (6.9 percent out of 7.3 percent).

IN SUM, the sheer numbers of women choosing self-employment in recent years make the topic important. One out of fifteen employed women in all age categories and about one out of ten of those over age 35 was self-employed in her main job in 1990—and it appears that this was part of an upward trend. The data for 1990 suggest that the “average self-employed woman” was older, more likely to be married with spouse present, to be covered by someone else's health care policy, to be more than a high school graduate, to be in a managerial or administrative occupation, and to work either a relatively small number of hours or a relatively large number of hours per week than the “average wage-and-salary woman.” She also was less likely to be black, about as likely to have young children and, if married, more likely to have a self-employed husband. And she earned less money. Note, however, that there was a lot of variation about this “average.” The picture that emerges from the data is one in which the self-employment versus wage-and-salary employment decision appears intricately linked with several other decisions for a woman—as an individual, as a household member, at a point in time, and over the course of her life. Investigations into the precise nature of these linkages in future research should yield interesting findings. □

## Footnotes

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<sup>1</sup> This turnaround in the nonagricultural sector appears to have been identified by T. Scott Fain, “Self-employed Americans: their number has increased,” *Monthly Labor Review*, November 1980, pp. 3-8. For more detail on the long-term trend through 1983, see Eugene H. Becker, “Self-employed workers: an update to 1983,” *Monthly Labor Review*, July 1984, pp. 14-18.

## Self-Employed Women

<sup>2</sup> The Current Population Survey is a survey of about 60,000 households conducted monthly by the Bureau of the Census for the Bureau of Labor Statistics to collect demographic, social, and economic information about the U.S. population of working age (16 years and over).

<sup>3</sup> The increase in female self-employment has not been totally ignored to date. In particular, Robert L. Aronson presents a lengthy discussion of the importance of the increase in female self-employment in producing the recent increase in U.S. self-employment in his survey of the self-employment literature, *Self-Employment: A Labor Market Perspective* (Ithaca, NY: ILR Press, 1991). However, Aronson relies on data published by the Bureau of Labor Statistics, the Small Business Administration, and other sources as a basis for his discussion. He thus does not have access to the detailed demographic, income, and job characteristics information reported below.

<sup>4</sup> Dates of employment are not reported in the Income Supplement, so multiple-jobholders and persons with sequential jobs cannot be distinguished. The definition of self-employment adopted here (based on longest job held during the year) represents the only operational definition available if one wants to focus on self-employment in primary employment.

<sup>5</sup> Although the CPS questionnaire was altered earlier, the 1989 CPS files were the first monthly files containing separate data on incorporated self-employment. Note also that data for the years preceding 1975 are not used here because of the lack of information on incorporated self-employment. Coincidentally, the upturn in unincorporated self-employment occurred around 1975, as well. See footnote 1 for references.

<sup>6</sup> Note that nonagricultural employment is based on the Census Bureau 2-digit industry classification codes. Additional issues arising in the measurement of earnings, occupations, and industries are discussed below.

<sup>7</sup> Self-employment rates by race and Hispanic origin, corresponding to the various demographic partitions used here, are presented in an appendix that will be provided by the author upon request. These numbers generally suggest that the aggregate statistics mask some major differences by race and Hispanic origin both for men and women.

<sup>8</sup> Note that the term "work" generally is interpreted as work for pay. However, part of the difference in weeks worked between the self-employed and wage-and-salary workers may be due to deviations from this interpretation among the self-employed. That is, while wage-and-salary workers would not report unpaid work, self-employed workers may do so (as in the case of a shop owner who stays open all day, but has no customers). This should be kept in mind when viewing the data.

<sup>9</sup> In 1983, the occupation codes in the CPS were updated from the 1970 census codes to the 1980 census codes. This change was important because some detailed 1970 groups were mapped into several 1980 detailed and major groups, while some entirely new detailed groups that had no match in 1970 were added to the 1980 codes. Unfortunately, this means that an exact match between the codes used before and after 1983 is impossible, even at the major occupation level.

For the purposes of the present analysis, the most impor-

tant translation is that of workers in sales management and supervisory positions, particularly 1970 occupation code 245, because sole proprietors are in this group. How one deals with these workers greatly affects the 1975 distribution of workers between "executive, administrative, and managerial" and "sales" occupations.

In calculating the distributions that appear in tables 7 and 8, workers in 1975 who had been classified by 1970 3-digit occupations, and who were then mapped into more than one 1980 major group, have been assigned to the set of 1980 major groups according to the 1982-83 partition for all workers presented in "1970-1980 Occupation Classification," mimeo (U.S. Bureau of the Census, April 1984). Given that the original mapping by the Census Bureau was done for all workers, one might be concerned about applying the partition to data grouped by gender and self-employment status. (For example, it might be quite inaccurate for the individual subgroups.) As a rough check on the magnitude of such inaccuracy, occupation distributions were calculated by gender and self-employment status using 1982 CPS data and the 1982-83 mapping for all workers, and then compared to 1983 CPS distributions by gender and self-employment status. Although some changes between the 1982 and 1983 distributions for the self-employed were somewhat large and others were somewhat small, there were no major gaps. Thus, the occupation distributions presented in tables 7 and 8 should be reasonably accurate.

For details on the 1970 to 1980 translation, see *The Relationship Between the 1970 and 1980 Industry and Occupation Classification Systems*, Technical Paper 59 (Bureau of the Census, February 1989).

<sup>10</sup> The 1980 census industry codes also were adopted in the CPS in 1983. However, unlike the occupation groups, the major industry groups for 1970 map into the major industry groups for 1980 in a straightforward manner. The only major adjustment necessary is the allocation of postal workers; with the change of the U.S. Post Office to the U.S. Postal Service, these workers moved from the public administration industry to transportation, communication, and utilities. In table 7, they are placed in transportation, communication, and utilities in both 1975 and 1988.

<sup>11</sup> The large proportions of incorporated self-employed women in administrative support occupations may seem surprising. As it turns out, the detailed distributions are similarly surprising. At the detailed level, about half of the incorporated women in administrative support were classified as bookkeepers and most others were classified as secretaries and typists. The detailed distributions for the unincorporated self-employed women in administrative support were similar, while female wage-and-salary workers in administrative support had heavy concentrations in secretarial occupations and were otherwise more dispersed throughout all clerical occupation.

<sup>12</sup> Although table 9 presents only median real earnings data, note that the pattern for mean real earnings is qualitatively similar. As would be expected, however, the pattern of means is quantitatively more extreme due to the presence of more outliers among the self-employed.

<sup>13</sup> Health care data are not available for the March 1976 sample.