

Context Matters: Insights about Older Workers ***From the National Study of the Changing Workforce***

Fact Sheet

Older workers, defined as workers 50 years and older, are significantly *more likely* to be self-employed or small business owners than younger workers:

- Seventeen percent of older workers are self-employed, compared to 12 percent of younger workers.
- Nine percent of older workers are small business owners, compared to 5 percent of younger workers.

Women and minorities, 50 years and older, are much more likely to be wage and salaried employees than self-employed independents and small business owners:

- Fifty-four percent of wage and salaried workers are women versus 37 percent of small business owners and 27 percent of self-employed independents.
- Seventeen percent of wage and salaried employees are minorities versus 8 percent of self-employed independents and 11 percent of small business owners.

Small business owners, 50 years and older, are *more likely* to have college degrees than workers in either of the other two groups:

- Fifty-four percent of small business owners who are older workers have four-year college degrees, while only 32 percent of wage and salaried employees and 39 percent of self-employed independents have a higher education.

Earnings and family income of older workers vary depending on the work situation:

- Small business owners, 50 years and older, have much *higher* annual earnings (\$114,102 average; \$65,000 median) and higher annual family incomes (\$132,000 average; \$97,585 median) than their counterparts who are wage and salaried employees or self-employed workers.
- Despite large differences in earnings, older workers in these three groups are equally satisfied (or dissatisfied) with what they earn.

Small business owners spend longer hours at work than wage and salaried employees and self-employed independents:

- Thirty-two percent of small business owners work more than 50 hours a week, compared with 19 percent of self-employed independents and 15 percent of wage and salaried employees.
- Among older workers, most wage and salaried employees (64 percent) and small business owners (61 percent) would like to work fewer hours. In contrast, 48 percent of independent self-employed workers want to work fewer hours.

Among older workers, small business owners are *more* likely than others to feel that they have to work very fast on the job.

Older workers who are small business owners and self-employed independents:

- Have greater opportunities to learn new things, be creative, and develop their skills and competencies on the job than older wage and salaried employees.
- Have greater autonomy on their jobs—control over the pace, content, and methods of their work—than wage and salaried employees.

Small business owners, 50 years and older:

- Have much *more* flexibility than wage and salaried employees and self-employed workers.
- Are *less* likely than wage and salaried employees to feel overwhelmed by the amount of work they have to do, indicating that their greater control of their work lives and flexibility make a difference.

Twenty-six percent of wage and salaried employees of all ages plan to be self-employed or own their own business at some time in the future:

- Younger wage and salaried employees are more likely than older wage and salaried workers to have these plans. In fact, 43 percent of employees under 30 years-old plan to be their own boss some day.

Small business owners and self-employed independents, 50 years and older, are *more* likely than their younger counterparts to prefer their current work arrangement than to want to work for someone else.

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To view the complete report, please visit the publications section of our website (www.bc.edu/agingandwork) and click on Research Highlight #1.

