

### Earnings from self-employment

#### Key facts

- In 2013, self-employed women earned between 13% and 60% less than men in the OECD area, with the smallest gap observed in Sweden and the largest gap observed in Poland.
- Over the period 2006 to 2013, the earnings gap decreased considerably in Luxembourg, the Netherlands, Spain, Norway, Belgium, and Portugal. Over the same period, the earnings gap increased by more than five percentage points in Denmark, the Slovak Republic, Italy and Poland.

#### Relevance

The fear of low or erratic earnings is one of the main reasons why many people do not become entrepreneurs. While entrepreneurship is a pathway to wealth for highly successful individuals, many self-employed struggle with relatively low incomes. Low incomes mean lower opportunities to accumulate savings, and thus a higher likelihood of falling into poverty if the business fails.

#### Definitions

The *gender gap in self-employment earnings* is defined as the difference between male and female average self-employment incomes divided by the male average self-employment income. Income here includes any losses that may have been incurred. The *changes in gender gap in self-employment earnings* are defined as the percentage-point difference between two years of the gender gap in self-employment earnings.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

#### Comparability

There are still methodological hurdles that hamper the comparability of earnings statistics across countries and periods. The self-employed often have accounting practices which make it difficult for them to provide accurate responses to survey questions on earnings. Moreover, their financial and accounting framework does not relate well to that used in constructing the national accounts or household income analysis. It is also important to take account of the gender gap in hours worked by self-employed.

#### Source/online databases

Canada: Canadian Income Survey (CIS), 2012-13.

Europe: European Union Statistics on Income and Living Conditions (EU-SILC), 2014 wave.

New Zealand: Income Survey, 2014.

United States: Current Population Survey (CPS), American Community Survey (ACS), Survey of Income and Program Participation (SIPP), 2014 wave.

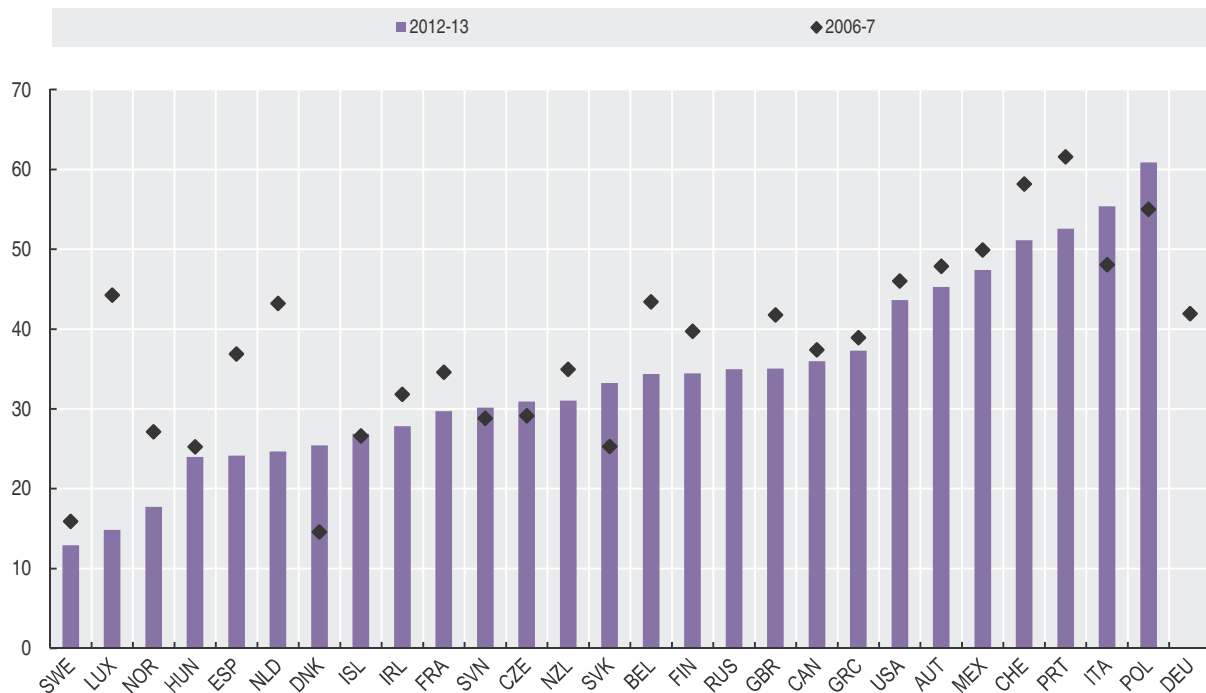
#### For further reading

Hamilton, B.H. (2000), "Does Entrepreneurship Pay? An Empirical Analysis of the Returns to Self-Employment", *Journal of Political Economy*, University of Chicago Press, Vol. 108(3), pp. 604-631, June.

OECD/European Union (2015), *The Missing Entrepreneurs 2015: Policies for Self-employment and Entrepreneurship*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264226418-en>.

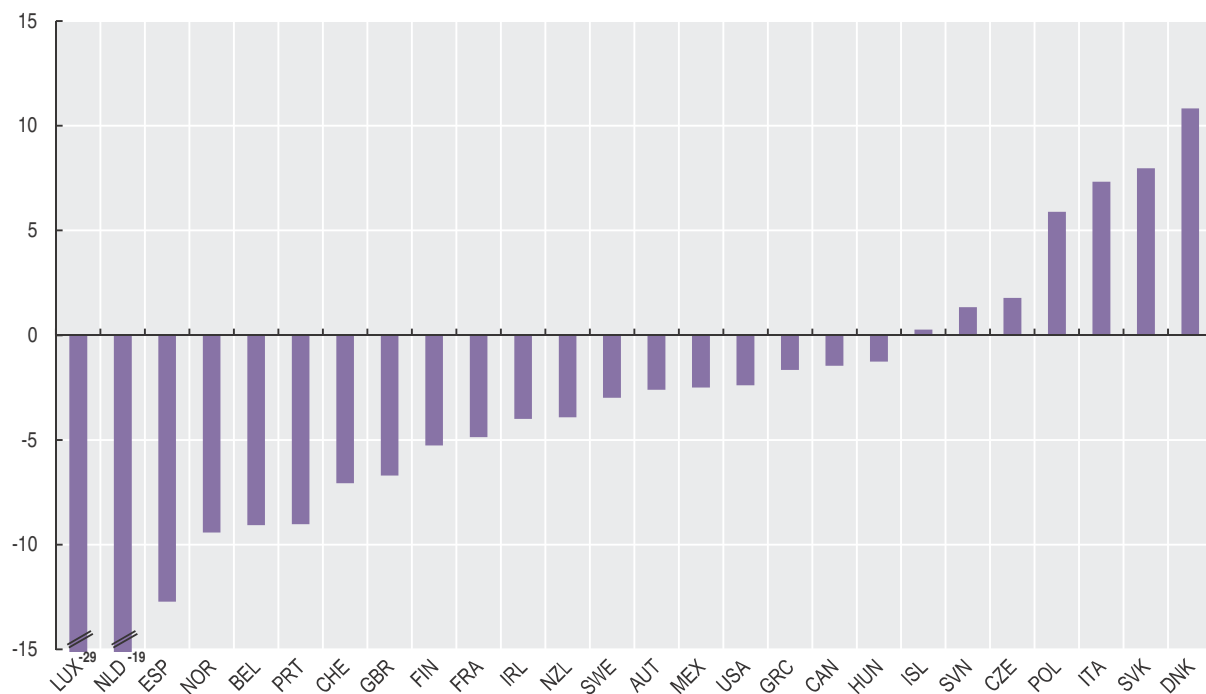
OECD (2012), *Closing the Gender Gap: Act Now*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264179370-en>.

Figure 7.9. **Gender gap in self-employment earnings**  
 Difference between male and female earnings as percentage of male earnings

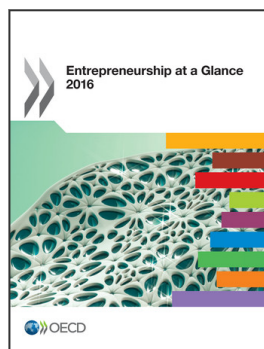


StatLink <http://dx.doi.org/10.1787/888933404589>

Figure 7.10. **Changes in gender gap in self-employment earnings**  
 Percentage points, change between 2006-7 and 2012-13



StatLink <http://dx.doi.org/10.1787/888933404593>



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