

Self-employment among the youth and seniors

Key facts

- People under the age of 25 have relatively low self-employment rates: 4% on average in the OECD area and never above 11%.
- Self-employment is an important source of revenues for individuals aged 65 or older.
- Most of the self-employed aged 65 or older have been running the same business for more than ten years.

Relevance

Increasing self-employment rates in the youth and senior population groups can form an important policy target to deal with two key economic issues: high youth unemployment and the demographic challenges posed by an ageing population.

Definitions

The *self-employment rate for the youth* is the share of employed people aged 15 to 24 who are self-employed and not working in agriculture.

The *self-employment rate for seniors* is the share of employed people 65 years and above who are self-employed and not working in agriculture.

Senior self-employment tenure is the length of time the person aged 65 or over has been self-employed, as defined above.

Comparability

Self-employment rates for the youth are close to zero in several countries, and differences across these countries cannot be evaluated. Tenure is measured in months in the European and Canadian surveys but in years in the survey of the United States (Current Population Survey). Given the low numbers of sampled self-employed youths and seniors, values are averaged over three years for all countries to increase statistical precision. This process is repeated for tenure measures except for the United States where only observations for 2010 are available from a biannual supplement. Comparability issues can be generated by the different treatment of incorporated self-employed, who are considered employees in Japan, New Zealand, Norway and the United States. As the young are less likely to have incorporated their business, youth self-employment rates may be lower in countries that restrict the self-employed to those owning unincorporated businesses.

Sources/Online databases

OECD estimates based on:

- Current Population Survey (United States), 2009-11.
- Eurostat Labour Force Surveys, 2009-11.
- Labour Force Survey (Canada), 2009-11.
- Encuesta Nacional de Empleo (Mexico).
- Labour Force Survey (Israel), 2009-11.
- Labour Force Survey (Japan), 2009-11.

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

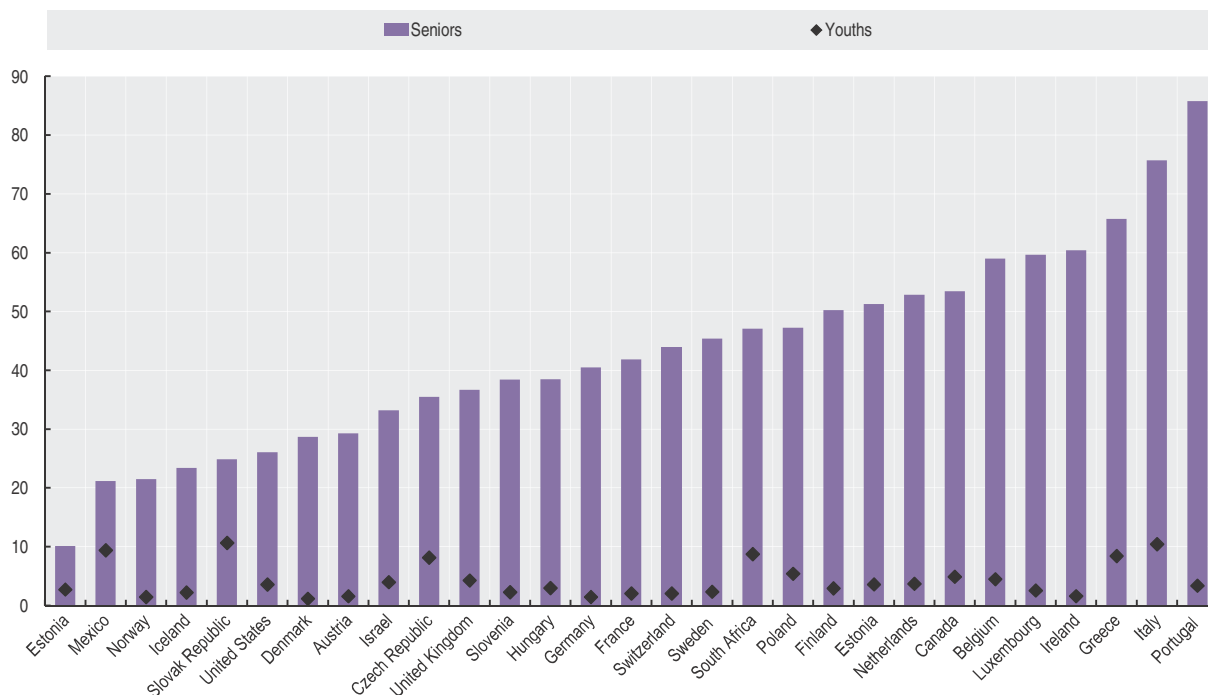
For further reading

Hipple, S. (2010), "Self-employment in the United States", *Monthly Labor Review*, September.

OECD (2012), "Policy Brief on Youth Entrepreneurship", www.oecd.org/regional/leed/Youth%20Policy%20Brief.pdf.

Figure 5.7. **Self-employment rates for the youth and seniors**

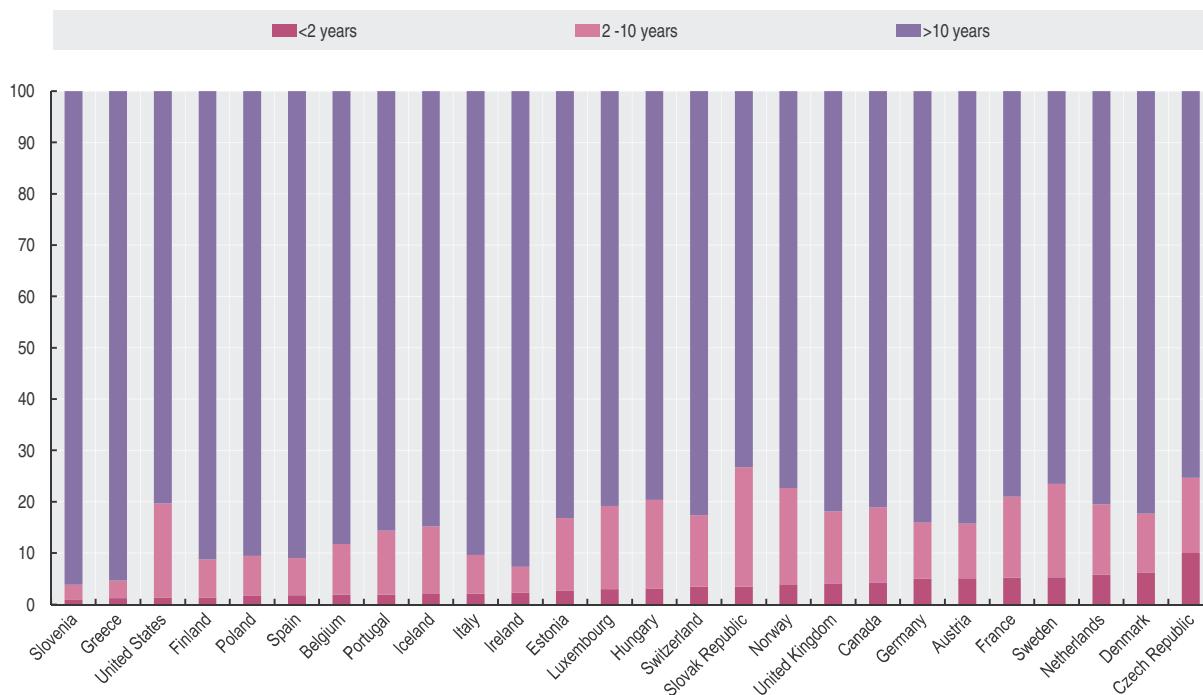
Percentage, average 2009-11



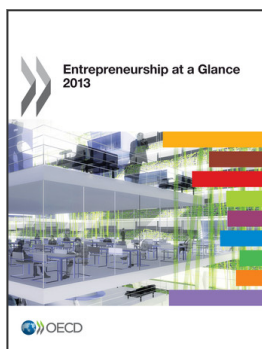
StatLink <http://dx.doi.org/10.1787/888932829191>

Figure 5.8. **Self-employment tenure of seniors**

Percentage, average 2009-11



StatLink <http://dx.doi.org/10.1787/888932829210>



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