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***FAREWELL  
TO THE  
SELF-EMPLOYED***

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*Deconstructing a Socioeconomic  
and Legal Solipsism*

**MARC LINDER**  
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*Contributions in Labor Studies, Number 41*



**GREENWOOD PRESS**

New York • Westport, Connecticut • London

Digitized by Google

Original from  
UNIVERSITY OF MICHIGAN

HD  
8036  
.L561  
1992

**Library of Congress Cataloging-in-Publication Data**

Linder, Marc.

Farewell to the self-employed : deconstructing a socioeconomic and legal solipsism / Marc Linder.

p. cm.—(Contributions in labor studies, ISSN 0886-8239 ; no. 41.)

Includes bibliographical references and index.

ISBN 0-313-28466-0 (alk. paper)

1. Self-employed. I. Title. II. Series.

HD8036.L56 1992

331.12—dc20 91-39643

British Library Cataloguing in Publication Data is available.

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Library of Congress Catalog Card Number: 91-39643

ISBN: 0-313-28466-0

ISSN: 0886-8239

First published in 1992

Greenwood Press, 88 Post Road West, Westport, CT 06881

An imprint of Greenwood Publishing Group, Inc.

Printed in the United States of America



The paper used in this book complies with the Permanent Paper Standard issued by the National Information Standards Organization (Z39.48-1984).

10 9 8 7 6 5 4 3 2 1

## Substance

"Independents" [whose] independence consisted in the necessity of independently bearing the misery without the social protection which the employees enjoyed.<sup>1</sup>

### Who Are the Self-Employed?

[T]he self-employed are a highly diverse category of workers.... Their diversity and uniqueness have undoubtedly contributed to their being treated as a nuisance in most research on the psychology of work. One suspects that a reason for frequently classifying all the self-employed together in occupational status codes is that it facilitates their elimination from analysis.<sup>2</sup>

From 1975 to 1990, the crucial years of the alleged "renaissance of the self-employed,"<sup>3</sup> the number of (unincorporated) self-employed as a share of all nonagricultural employed rose only marginally--from 6.9 per cent to 7.7 per cent (table 1).<sup>4</sup> Significantly, the growth in the absolute number and the rate of increase of self-employed women--whose claim to economic independence is much more tenuous than men's<sup>5</sup>--exceeded those of men: the number of nonagricultural self-employed women rose by 1,662,000, or 112.3 per cent, while that of men increased by 1,394,000, or 33.0 per cent.<sup>6</sup> Indeed, after the aggregate rate

of self-employment peaked in 1983, it was only the continued rise in the rate of female self-employment that restrained the decline in the former.

**Table 1**  
**Rate of (Unincorporated) Nonagricultural Self-Employment, 1975-1990**

	Total	Men	Women
1975	6.9%	8.6%	4.4%
1980	7.3	9.0	5.1
1983	7.8	9.5	5.6
1990	7.7	9.1	6.0

*Source:* Calculated according to data in U.S. BUREAU OF LABOR STATISTICS, LABOR FORCE STATISTICS DERIVED FROM THE CURRENT POPULATION SURVEY, 1948-87, tab. B-11 at 625-26 (Bull. 2307, 1988); U.S. BUREAU OF LABOR STATISTICS, HANDBOOK OF LABOR STATISTICS (Bull. 2340, 1989), tab. 21 at 112-13; EMPLOYMENT AND EARNINGS, Jan. 1991, tab. 23 at 191.

Scrutiny of the shifts in the industrial and occupational locations of the self-employed as disclosed by a variety of sources may shed light on the solidity of their status. If the focus is narrowed to the years 1976 to 1983, which Steinmetz and Wright single out as the core years of the relative rise of the self-employed,<sup>7</sup> total nonagricultural self-employment grew by thirty-five per cent. Disproportionately high growth rates were recorded in the following six distinctly dependent occupations, which alone accounted for thirty per cent (513,000) of the aggregate increase of (1,736,000) self-employed: hucksters<sup>8</sup> (216 per cent); maids, janitors, and cleaners (170 per cent); truck drivers (70 per cent); child care workers (67 per cent); taxi drivers (63 per cent); and hairdressers and cosmetologists (34 per cent).<sup>9</sup>

For at least a half-century, the service, construction, and retail industries have accounted for about four-fifths of all unincorporated self-employed.<sup>10</sup> From 1979 to 1988, while the total number of nonfarm sole proprietorships filing returns with the Internal Revenue Service (IRS) rose by forty-six per cent, from 9,343,603 to 13,679,302,<sup>11</sup> service

businesses increased by seventy-six per cent--from 3,654,001 to 6,456,871. Thus, new service businesses alone accounted for almost two-thirds (65%) of the total net increase. Within services, the largest individual increases were recorded for miscellaneous personal services: 580,998 (244 per cent); other business services: 564,701 (173 per cent); management/public relations: 336,913 (130 per cent); services to buildings: 196,637 (143 per cent); computer/data processing: 120,936 (539 per cent); and beauty shops: 85,999 (36 per cent).<sup>12</sup> In other words, the increases were concentrated in businesses requiring little or no physical or human capital and those requiring significant formalized credentials.<sup>13</sup>

Many of these entities, of course, may be large employers, the existence of which says little or nothing about the course of self-employment. More relevant here are unpublished CPS data on the unincorporated self-employed. They show that between 1983, when the BLS/BOC introduced a new occupational classification, and 1988, services accounted for twenty-eight per cent of the increase in total nonagricultural self-employment and was the only sector in which the rate of self-employment rose. Even more revealingly, the increase of almost a quarter-million self-employed in four occupations--maid, janitor, hairdresser, and child care worker--alone accounted for nine-tenths of the increase within the service sector and more than one-quarter of the entire growth of nonagricultural self-employment.<sup>14</sup> These are precisely the kinds of jobs that prompt the strongest doubts about their classification as self-employment.

A more precise picture of the service businesses in the late 1980s emerges from the 1987 Census of Service Industries. Of the 6,254,512 establishments returned in that year, seventy-nine per cent were individual proprietorships, seventy-four per cent were without payroll, and seventy per cent individual proprietorships without payroll. The average receipts of all establishments without payroll amounted to \$21,000, compared to \$475,000 for those with payroll.<sup>15</sup> If the receipts were \$21,000, it may be assumed that the net income of the average service proprietorship with no

employees was only a fraction of that amount--that is, considerably less than half of the median earnings of year-round, full-time workers in 1987 (which were \$26,008 for men and \$16,909 for women).<sup>16</sup> Data from earlier censuses disclose a pronounced trend toward ever more diminutive one-person service providers. In 1977 only fifty-seven per cent (1,109,617) of 1,834,713 establishments were individual proprietorships without payroll;<sup>17</sup> in 1967 and 1963 the respective shares were fifty-six per cent (666,404 of 1,187,814) and fifty-two per cent (557,317 of 1,061,673).<sup>18</sup> In 1977, 1967, and 1963, the average receipts of service establishments without payroll were ninety-four, 105, and 107 per cent, respectively, of the median earnings of year-round, full-time male workers<sup>19</sup>--compared to only eighty-one per cent in 1987.

Table 2 reports, by branch of business, the largest number of individual proprietorships without payroll<sup>20</sup> in the service sector in 1987.

**Table 2**  
**Largest Branches in Service Sector by Number of Individual Proprietorships without Payroll, 1987 and 1977**

Branch	1987		1977		% Increase 1977- 1987
	Number	% of All Estab- lishments	Number	% of All Estab- lishments	
All	4,386,405	70	1,048,501	57	318
Health services <sup>a</sup>	279,640	56	NA <sup>b</sup>	NA	NA
Beauty shops	252,199	75	119,344	61	111
Building services	238,276	82	38,948	58	512

Table 2 (cont.)

Branch	1987		1977		% Increase 1977- 1987
	Number	% of All Estab- lishments	Number	% of All Estab- lishments	
Child day care	221,780	89	157 <sup>c</sup>	1	141260
Auto repair	178,221	59	67,279	44	165
Accounting/ book- keeping	175,512	70	84,501	67	107
Theatrical producers/ enter- tainers	169,783	91	58,832	87	186
Legal services	129,136	47	70,605	42	83
Engi- neering/ archi- tectural	123,656	63	NA <sup>d</sup>	NA	NA
Computer services	97,988	70	4,557	28	2050
Medical doctors	97,467	33	51,727	27	88

Source: Calculated according to data in U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF SERVICE INDUSTRIES: NONEMPLOYER STATISTICS SERIES: MIDWEST tab. 1 at 2-3-2-9; U.S. BUREAU OF THE CENSUS, 1977 CENSUS OF SERVICE INDUSTRIES, 1 SUBJECT STATISTICS at 1-12-1-38, 1-141-1-151, 9-5-9-9, 9-81.

<sup>a</sup>Except medical doctors.

<sup>b</sup>Other than physicians' offices, this branch included 254,919 establishments. Excluding the rubric "not elsewhere classified (n.e.c.)," 27,943 establishments were individual proprietorships without payroll. The n.e.c. category included an additional 111,534 establishments without payroll, but these were not broken out according to ownership form. Calculated according to data in *id.* at 8-3 and 8-37.

<sup>c</sup>These data overstate the number of nonemploying proprietorships since they include all ownership forms of organization. In 1977, 14,172 taxable child care service establishments were returned, only 157 of which reported no employees. There were an additional 10,641 tax-exempt (i.e., nonprofit) establishments. *Id.*, tab. 30 at 9-63.

<sup>d</sup>In 1977, data for sole proprietorships without payroll were not published separately for this branch. Of 75,583 establishments, 50,541 were sole proprietorships and 34,403 establishments without payroll. 1977 CENSUS OF SERVICE INDUSTRIES, 1 SUBJECT STATISTICS at 9-7.

Table 2 shows both an explosion in the number of isolated workers, such as janitors, hairdressers, and child care attendants engaged in pseudo-self-employment,<sup>21</sup> who perform services at the low end of the spectrum of skill, technology, capital, and income, and an increase in independent professionals<sup>22</sup> at the high end.<sup>23</sup>

The increasingly insubstantial character of isolated workers' activities is replicated in the construction industry (table 3).

**Table 3**  
**Construction Industry Establishments**  
**without Payroll, 1972, 1982, and 1987**

	Number	% of All Establishments in Category
<b>All</b>		
1972	482,865	52%
1982	912,452	67
1987	1,368,322	72
<b>Specialty Trades</b>		
1972	384,343	59
1982	700,833	70
1987	1,062,226	76

*Source:* Calculated according to data in U.S. BUREAU OF THE CENSUS, 1972 CENSUS OF CONSTRUCTION INDUSTRIES, 1 INDUSTRY AND SPECIAL STATISTICS tab. A1 at 1-3 (1976); U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF CONSTRUCTION INDUSTRIES, INDUSTRY SERIES, UNITED STATES SUMMARY: ESTABLISHMENTS WITH AND WITHOUT PAYROLL tab. 1 at 7 (1990) (excluding land subdividers and developers).

The number of construction establishments without payroll almost tripled during these fifteen years, while their share of all establishments in the industry rose from little more than half to almost three-quarters. The very modest incomes such solo workers were able to generate can be gauged by the average value of business done (that is, including costs) by



specialty trade "contractors" without payroll; in 1987, 1982, and 1972 it amounted to only \$32,000, \$27,000, and \$13,000, respectively, compared to \$597,000, \$444,000, and \$212,000, respectively, for those with payroll. The two largest specialties were considerably smaller: in 1987, 166,591 solo painters/paperhangers on the average did only \$22,000 in business, and 337,935 carpenters averaged \$24,000.<sup>24</sup> Overall in 1987, sixty-nine per cent of all specialty trade contractors without payroll did work for less than \$25,000; in 1972, forty-one per cent had done less than the equivalent inflation-adjusted figure of \$10,000.<sup>25</sup>

In retail trade, the third large sector harboring considerable numbers of self-employed, the data also confirm subproletarian incomes of the proprietors. Isolated workers, however, do not predominate as they do in services and construction, nor do they display the same monolithic trend toward proliferation. At the most recent business census in 1987, 916,048 establishments without payroll accounted for thirty-eight per cent of all establishments; their average sales of \$51,000 amounted to approximately one-twentieth of that of establishments with payroll.<sup>26</sup> Of these retail establishments without payroll, sixteen per cent reported sales of \$10,000-\$25,000, eleven per cent \$5,000-\$10,000, and sixteen per cent less than \$5,000. Because twenty per cent did not operate during the entire year and were not included in the sales breakdown, these groups accounted for fifty-four per cent of year-round establishments without payroll.<sup>27</sup> Ten years earlier,<sup>28</sup> only 551,447, or thirty per cent of 1,855,068, retail establishments were without payroll.<sup>29</sup> The numbers and shares of retail establishments without payroll in the 1960s were similar to those in 1977.<sup>30</sup>

The branches that recorded the largest number of retail establishments without payroll (as a percentage of all stores) in 1987 are identified in table 4.<sup>31</sup>

**Table 4**  
**Largest Branches in Retail Trade by**  
**Number of Establishments without Payroll, 1987**

Branch	Number of Establishments	% of All Establishments in Branch	Average Sales (\$000)
All	916,048	38	51
Eating/ drinking	99,080	20	47
Used merchandise	74,502	83	23
Furniture/ furnishings	70,359	39	47
Grocery	59,632	30	92
Used car dealer	59,573	80	125
Apparel	47,976	24	40
Gift/ souvenir	46,672	59	21
Sporting goods	28,198	57	42
Florist	22,819	46	28
Gas service station	22,432	16	124

*Source:* Calculated according to data in U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF RETAIL TRADE, SPECIAL REPORT SERIES: SELECTED STATISTICS tab. 2 at 1-4-1-9 (1991); U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF RETAIL TRADE, NONEMPLOYER STATISTICS SERIES, NORTHEAST tab. 1 at 1-3-1-4 (1990).

Once costs are deducted from such average sales, it is clear that many of these solo retailers--in particular the large numbers of establishments with sales much below the average--also receive incomes far below those of an average employee.<sup>32</sup> When long store hours and the widespread use of unpaid family workers are taken into account, the aggregate working and living conditions of such families may be far inferior to those of outright employees.

## Income and Class

[M]ore than one-seventh of the self-employed earned less than the minimum wage.<sup>33</sup>

In the poorest parts of the country...self-employment is frequently the only manner in which a living income can be put together.<sup>34</sup>

If those classified as self-employed are viewed not as a homogeneous class defined by their uniquely hybrid relationship to labor and the means of production but instead as composed of heterogeneous sectors including proletarianized and lumpen strata, then the loss of the criterion of the capacity to capture part of their own surplus labor<sup>35</sup> will no longer distinguish them from employees. Once this criterion ceases to apply to the nominally self-employed, the distributional pattern of income will overlap with that of the working class.

Overall, the literature agrees, employees' income exceeds that of the self-employed.<sup>36</sup> "On average, wage-and-salary work pays substantially better than self-employment."<sup>37</sup> Moreover, "[t]he central fact about the earnings of the self-employed in the recent period of expansion is their decline from a relatively more favorable level to a relatively less favorable level in comparison with the average earnings of employees."<sup>38</sup> Social security data reveal a steady upward trend in the average annual total earnings of wage and salary workers as a share of those of the self-employed from 1968 forward: 1955, eighty per cent; 1960, eighty-three per cent; 1965, sixty-seven per cent; 1970, seventy-two per cent; 1975, seventy-five per cent; 1980, ninety-six per cent; 1988, 128 per cent.<sup>39</sup> Unpublished CPS data show that the mean income of wage and salary workers as a share of that of nonfarm self-employed men (women) rose from 1974 to 1984 from 110 per cent (176 per cent) to 130 per cent (189 per cent).<sup>40</sup>

Unpublished CPS data also reveal that the median annual earnings of year-round, full-time (unincorporated) self-employed were considerably lower than those of their employee counterparts. In 1987, the male self-employed earned 83.2 per cent<sup>41</sup> and self-employed women only 61.4 per cent as much as wage and salary workers.<sup>42</sup> With regard to specific occupations, the shares that the self-employed attained vis-à-vis employees appear in table 5.

**Table 5**  
**Median Annual Earnings of Year-Round, Full-Time Self-Employed as a Share of Those of Wage and Salary Workers, Selected Occupations, 1987**

Occupation	%
Managerial	68
Professional	119
Technician	104
Sales	91
Services	78
Mechanic-repairer	51
Construction	79
Precision production	59
Operator	97
Transport	103
Handler	71
Cleaning & building service	80
Personal service	82

*Source:* Calculated according to data in U.S. BLS, CURRENT POPULATION SURVEY (unpub. tabulations 1987).

It shows that the income of the self-employed is much more skewed than that of employees, again suggesting that they are heterogeneous strata rather than a unitary class. Thus, in 1987, even among those employed fulltime and yearround, the self-employed displayed a much more bipolar distribution of income than did employees. Whereas 9.8 per cent of employees earned less than \$10,000, 27.0 per cent of the self-

employed did; at the other end of the scale, 2.2 per cent of employees reported earnings of more than \$75,000 compared to 5.0 per cent of the self-employed.<sup>43</sup> A calculation including the incorporated self-employed shows similar results (table 6).<sup>44</sup>

**Table 6**  
**Distributional Extremes of Income among Year-Round, Full-Time Employees and Self-Employed, 1982**

	<\$5,000	>\$30,000
Wage and salary workers	1.2%	17.3%
Incorporated self-employed	4.6	50.5
Unincorporated self-employed	19.1	23.5

*Source:* U.S. SMALL BUS. ADM'N, THE STATE OF SMALL BUSINESS [1986] tab. 4.12 at 130 (1986).

In seeking to identify differences between employees and self-employed that might be relevant to explaining their respective earnings, one researcher notes that "[t]he obvious major difference, in principle, is in their ownership, responsibility, and control over physical capital." This difference implies first "that the entire yield of the capital investment will belong to its owner and that there will be a strong incentive to utilize plant, equipment, and tools more efficiently. Second, the self-employed worker, as entrepreneur, should be compensated for the risk of loss of capital and, as worker, for job loss should the business venture fail."<sup>45</sup> The first point follows from or is at least consistent with Marx's conceptualization of independent producers as workers whose ability to interpose capital enables them to prevent their suppliers and customers from capturing all of the surplus value they create. The problem is that empirical studies show little advantage accruing to the self-employed from capital ownership, perhaps because of the small scale of enterprise and the low quality of capital;

moreover, in recessions, underemployed self-employed may accept lower earnings as a means of preserving their capital investment and as an alternative to unemployment when they are not eligible for unemployment insurance benefits.<sup>46</sup>

One available inference from these data--albeit one that the aforementioned researcher does not draw<sup>47</sup>--is that such nominal self-employed are not and should not be categorized as independent economic agents. This inference is also consistent with the finding that half of all male employees switching to self-employment change industry or occupation,<sup>48</sup> which suggests that impulses other than the contemplated use of accumulated skills and training may motivate a significant segment of those shifting to nominal self-employment.

The political importance of the intersection between class and income lies in the sphere of ideology. According to one influential formulation:

If we consider only the economic grounds of determining the societal division into classes, the demarcation at the low end is clear insofar as the non-independent owner of labor power only, i.e., he who in principle is always dependent on the labor market, would never be petty bourgeois [*Mittelständler*], but would always have to be a proletarian. Nevertheless even the economic (i.e., not only the ideological) demarcation at the low end has its difficulties. Such difficulties surface as soon as one thinks of the *independent* owner of only his own labor power, of the small master or dealer with only other people's operating funds.... The income-poor hairdresser, small cabinet-maker, retail dealer, tailor is despite the low income conceptually not a proletarian, and he does not feel himself to be such either. He has at his disposal, apart from his labor power, modest means of production and tools--but still means of production and tools. Furthermore, he does not enter the labor market in order to sell his labor power to be placed at someone else's disposal. He employs it himself and remains in freedom a poor man. In spite of the possibly meager income, small dealers, artisans, or small producers are therefore in principle never proletarians.<sup>49</sup>

This approach may become empirically fruitful only to the extent that it does not commit a *petitio principii*, which can be avoided only if criteria are articulated to identify those who do not sell their labor power on the labor market.

The sole criterion that Marbach develops is whether the worker in question sells directly to a noncapitalist consumer or, alternatively, to a firm not in the same product market and hence unable to control him. A solo house painter with minimal tools (brushes and a ladder or scaffolding) earning less than the average worker may serve as a contemporary example. Although his individual customers do not tell him how to paint, it is not clear that a painting contractor-employer would interfere significantly with the routine details of his work either. If he is competing with large numbers of other solo painters (as well as with employing contractors), the force of competition through the price system will impose on him a certain level of technology, techniques, tools, materials, methods, speed, and intensity almost as surely as if he were an employee. To be sure, if he is willing to make do with a subaverage level of income, he may be able to escape some of these competitively enforced restrictions. To the extent that he is prepared to trade off relief from a personal workplace boss for lower income, he may be living in a kind of solipsistic world. Yet this would not conform to the classical image of the self-employed as enjoying financially solid independence--and not merely heightened risk.<sup>50</sup>

In order to illuminate just how compressed the stratum of economically independent self-employed is, a unique set of data are set out from a period in which the self-employed figured much more prominently than they do today. At the time of the introduction of the federal income tax in the United States, the working class was effectively exempt from tax liability because the income threshold was set so high.<sup>51</sup> It is, therefore, possible to use the returns as a class matrix. For one year only, 1916, the Commissioner of Internal Revenue published income data by occupation, on the basis of which the self-employed/petty bourgeoisie and bourgeoisie can be fairly segregated out (table 7).<sup>52</sup>

**Table 7**  
**Distribution of Net Income by Occupation, 1916**

Occupation	Number of Persons	% of Persons in Occupation Returned at 1910 Census	% of All Returns	% of All Net Income
Total	437,036	—	100	100
Capitalists: investors & speculators	85,465	NA	20	27
Merchants & dealers: storekeepers, jobbers, & commission merchants	54,363	4	12	13
Corporation officials	53,060	NA	12	11
Employees: superin- tendents, office, & foremen	38,388	NA	9	4
Manufac- turers	23,631	10	5	9
Lawyers & judges	21,273	19	5	4
Medical profession <sup>a</sup>	20,348	7	5	2
Agricul- turists	14,407	0.2	3	2
Commercial travelers	12,274	5	3	1



Table 7 (cont.)

Occupation	Number of Persons	% of Persons in Occupation Returned at 1910 Census	% of All Returns	% of All Net Income
Brokers: all other	7,479	21	2	3
Insurance agents	7,243	8	2	1
Engineers	6,628	11	2	1
Bankers	6,518	NA	1	3
Real estate brokers	6,146	5	1	1
Military	5,459	7	1	0.5
Accounting	4,229	NA	1	0.4
Public service: civil	2,992	1	1	0.3
Teachers	2,919	0.5	1	0.3
Stock/bond brokers	2,839	21	1	2
Hotel proprietors & restaurateurs	2,752	NA	1	0.5
Mine owners/operators	2,554	18	1	2
Authors	2,529	7	1	0.4

**Table 7 (cont.)**

Occupation	Number of Persons	% of Persons in Occupation Returned at 1910 Census	% of All Returns	% of All Net Income
Labor, skilled & unskilled	2,304	NA	0.5	0.3
Clergymen	1,671	1	0.4	0.2
Architects	1,419	9	0.3	0.2
Insurance brokers	1,414	NA	0.3	0.3
Lumbermen	1,319	11	0.3	0.3
Saloon keepers	1,311	2	0.3	0.1
Theatrical profession	914	0.5	0.2	0.2
Theatrical business: owners, managers	811	3	0.2	0.2
Artists	786	NA	0.2	0.1

*Source:* Calculated according to data in STATISTICS OF INCOME FOR 1916: COMPILED FROM THE RETURNS FOR 1916 UNDER THE DIRECTION OF THE COMMISSIONER OF INTERNAL REVENUE, H. Doc. No. 1169, 65th Cong., 2d Sess. at 7, tab. 6 at 31 (1918).

\*The fact that the occupation includes nurses may account for the relatively low percentage of high-income persons in occupation.

With a few moderately heroic assumptions, these occupations can be reclassified under the rubrics in table 8.

**Table 8**  
**Distribution of Net Income by Class, 1916**

Class	% of All Returns	% of All Net Income
Capitalists/employers	43	56
Capitalists		
Merchants		
Manufacturers		
Agriculturists		
Bankers		
Mine owners		
Lumbermen		
Hotel/Saloon keepers		
Theater owners		
Employees	13	5
Supervisors		
Military		
Civil servants		
Teachers		
Laborers		
Professions	15	9
Lawyers		
Medicine		
Engineers		
Accountants		
Authors		
Clergy		
Architects		
Actors/Artists		
Ambiguous	21	19
Corporation officials		
Travelers		
Insurance Agents		
Real estate/Stock brokers		

The major assumption is that without employing others, no person in the class of employers could have been engaged in a solo producing or retail business<sup>53</sup> generating five to six times as much income as the annual wages of the average worker.<sup>54</sup> This assumption thus eliminates the backbone of the pure petty bourgeoisie, that is, the nonemploying, non-professional old middle class, from the ranks of the taxably wealthy.<sup>55</sup> The class of taxable professionals, which includes only between one-fifth and one one-hundredth of all professionals, surely embraces some self-employed; yet how many of the lawyers and doctors, for example, worked alone, without employees, is unknown. The major taxonomic problem arises among the corporate officials, brokers, and agents. Many of the officials may have been highly paid executive employees of firms they did not own; those who were owners were presumably by and large not solo operators of incorporated businesses. Thus, this numerically predominant segment was only partly self-employed, but only few were probably pure petty bourgeois. Among the agents and brokers, many may have been employees, but some were in business on their own, and some of these may have operated more or less alone.

### **Women as Self-Employed: The Quintessential Disguised Proletarians**

[I]t is not surprising to find an above-average incidence of poverty among the self-employed.<sup>56</sup>

Dramatic growth of self-employment among women<sup>57</sup> has fueled the notional rise in self-employment since the mid-1970s.<sup>58</sup> From 1979 to 1983 the number of unincorporated self-employed women increased five times faster than men<sup>59</sup> and from 1975 to 1988, women as a share of the self-employed rose from 23.7 per cent to 32.7 per cent.<sup>60</sup> Two characteristics crucially distinguish female self-employed from their male counterparts. First, even much more so than is the case among men, their incomes are much lower than the wages and salaries received by employees in corresponding

occupations.<sup>61</sup> Second, the hallmark of female self-employment is the virtual absence of the traditional professional self-employed (such as physicians, dentists, accountants, and lawyers) and its concentration in heteronomous and low-paid occupations. In 1980, for example, the census of population showed that the seven occupations of cosmetologist, food service worker, cleaning and building service worker, secretary, cashier, bookkeeper, and retail sales worker--which are almost on their face redolent of economic and personal dependence--alone accounted for one-third of all self-employed women outside agriculture.<sup>62</sup>

The average earnings of self-employed women are well below those of wage and salary workers, and this gap has widened. Those of full-time, full-year self-employed women amount to little more than half of those of their employee counterparts.<sup>63</sup> Even incorporated self-employed women do not fare much better.<sup>64</sup> Consequently, the recorded rise in female self-employment may merely be disguising a tendency for women to subsidize their otherwise uncompensated reproductive labor: "[W]omen who provide market goods and services while working in their homes may be compensated for lower money earnings by the increase in utility derived from being able to devote more time to child rearing and homemaking."<sup>65</sup> That self-employment among women is even less substantial than among men is also reflected in their less frequent use of capital.<sup>66</sup>

A special study done in connection with the 1970 census disclosed the insubstantial character of self-employed women (table 9).

**Table 9**  
**Distribution of High Incomes among**  
**Male and Female Employees and Self-Employed, 1969**

	> \$15,000	> \$50,000
<b>Men</b>		
Employees	3,835,188	133,919
Self-Employed	1,000,308	95,931
<b>Women</b>		
Employees	158,921	5,985
Self-Employed	40,019	2,293

*Source:* Calculated according to data in U.S. BUREAU OF THE CENSUS, CENSUS OF POPULATION: 1970, SUBJECT REPORTS: FINAL REPORT PC(2)-7F: OCCUPATIONS OF PERSONS WITH HIGH EARNINGS tab. 14 at 95-97 (1973). The data refer to the experienced civilian labor force, which includes the experienced unemployed, who had worked at any time in the past.

The minuscule number of highly paid self-employed women and the relatively small percentage of all self-employed women they represent underscore the disproportionately nominal nature of female self-employment.<sup>67</sup> Although there were about five times as many self-employed men as women, forty-two times as many men as women reported incomes in excess of \$50,000. Viewed another way, two per cent of self-employed men, but only 0.2 per cent of self-employed women reached that level of income.<sup>68</sup> Of unincorporated women, 32.5 per cent earned less than \$5,000, and seven per cent of incorporated earned more than \$30,000.<sup>69</sup>

Unpublished data from the CPS for 1987 show that the situation did not improve for self-employed women during the intervening two decades (table 10).

**Table 10**  
**Distributional Extremes of Earnings among**  
**Year-Round, Full-Time Male and Female**  
**Employees and Self-Employed, 1987**

	< \$10,000	> \$75,000
<b>Men</b>		
Employees	6.7%	3.4%
Self-Employed	21.6	5.9
<b>Women</b>		
Employees	14.4	0.3
Self-Employed	47.0	1.9

*Source:* Calculated according to data furnished by BLS, CURRENT POPULATION SURVEY (unpub. tabulations, 1987). The highest earnings bracket for which data were collected was over \$75,000.

Three times as many self-employed men as women reached the highest income level. At the other extreme, whereas almost half of all female self-employed earned less than \$10,000, little more than one-fifth of the males fell into this group. The pronounced bipolarity of earnings as between female self-employed and employees was also greater than among males.

## NOTES

1. HANS SPEIER, *DIE ANGESTELLTEN VOR DEM NATIONALSOZIALISMUS: EIN BEITRAG ZUM VERSTÄNDNIS DER DEUTSCHEN SOZIALSTRUKTUR 1918-1933*, at 65 (1989 [1977]).
2. Dov Eden, *Self-Employed Workers: A Comparison Group for Organizational Psychology*, 9 *OCCUPATIONAL BEHAVIOR AND HUMAN PERFORMANCE* 186, 212 (1973).
3. Thomas Hagelstange, *Niedergang oder Renaissance der Selbständigen? Statistische Daten zur Entwicklung in der EG und in Nordamerika*, *ZEITSCHRIFT FÜR SOZIOLOGIE*, Apr. 1988, at 142 (denying renaissance).

4. Calculated according to data in U.S. BUREAU OF LABOR STATISTICS, *HANDBOOK OF LABOR STATISTICS* tab. 21 at 112 (Bull. 2340, 1989); and *EMPLOYMENT AND EARNINGS*, Jan. 1991, tab. 23 at 191.

5. *See infra* at 78-81.

6. Calculated according to data in U.S. BUREAU OF LABOR STATISTICS, *HANDBOOK OF LABOR STATISTICS*, tab. 21 at 113 (Bull. 2340, 1989); *EMPLOYMENT AND EARNINGS*, Jan. 1991, tab. 23 at 191.

7. Steinmetz & Wright, *The Fall and Rise of the Petty Bourgeoisie* tab. A1 at 1010.

8. By 1983 BLS/BOC changed their description to "street and door-to-door sales workers."

9. Calculated according to data from U.S. BUREAU OF LABOR STATISTICS, *CURRENT POPULATION SURVEY* (unpub. tabulations, 1976 and 1983). These data include only the unincorporated self-employed.

10. Calculated according to data in SPEC. COMM. TO STUDY PROBLEMS OF AMERICAN SMALL BUSINESS, 78TH CONG., 1ST SESS., *SMALL BUSINESS PROBLEMS: SMALL BUSINESS WANTS OLD-AGE SECURITY* tab. 2 at 33 (Sen. Comm. Print. No. 17, 1943); U.S. BUREAU OF ECONOMIC ANALYSIS, *THE NATIONAL INCOME AND PRODUCT ACCOUNTS OF THE UNITED STATES, 1929-82: STATISTICAL TABLES* tab. 6.9B at 282 (1986); *EMPLOYMENT AND EARNINGS*, Jan. 1991, tab. 24 at 192.

11. Although those operating full-time businesses rose from 5.99 million to 6.46 million from 1981 to 1985, the rate declined from 9.3% to 9.1%. U.S. *SMALL BUS. ADM'N, STATE OF SMALL BUSINESS 1989*, at 37-38 (1989).

12. INTERNAL REVENUE SERVICE, *STATISTICS OF INCOME--1979-1980 SOLE PROPRIETORSHIP RETURNS* tab. 1 at 10-15 (1982); Louella Ballenger, *Sole Proprietorship Returns, 1988*, *SOI BULLETIN*, Summer, 1990, at 39, tab. 1 at 43-46.

13. The expansion of the business service industry is itself in part a reflection of efforts by firms to contract out peripheral parts of their work in order to take advantage of the lower wages and "very low incidence of unionization" prevailing in that sector. *See* Wayne Howe, *The Business Services Industry Sets Pace in Employment Growth*, *MONTHLY LAB. REV.*, Apr. 1986, at 29, 34-35.

14. Calculated according to data furnished by U.S. BUREAU OF LABOR STATISTICS, *CURRENT POPULATION SURVEY 1983-88* (unpub. tabulations, 1989).

15. U.S. BUREAU OF THE CENSUS, *1987 CENSUS OF SERVICE INDUSTRIES: NONEMPLOYER STATISTICS SERIES: MIDWEST* tab. 1 at 2-3 (1990) (with data for United States); *see also* U.S. BUREAU OF THE CENSUS, *1987 CENSUS OF SERVICE INDUSTRIES, SUBJECT SERIES: ESTABLISHMENTS AND FIRM SIZE*



(INCLUDING LEGAL FORM OF ORGANIZATION) A-2 (1990) (containing data only on firms and establishments with payroll). No data were broken out on receipts for individual proprietorships, which presumably would have been even lower than \$20,000.

16. U.S. BUREAU OF THE CENSUS, MONEY INCOME OF HOUSEHOLDS, FAMILIES, AND PERSONS IN THE UNITED STATES: 1987 tab. A at 2 (Current Pop. Rep., Ser. P-60, No. 162, 1989). It must also be taken into account that if a self-employed worker must buy medical insurance for the family and disability and life insurance, "an employee earning \$60,000 may well discover it takes self-employment income of \$100,000 to have the same net." Jan Rosen, *Your Money: Caution Is Urged On Retiring Early*, N.Y. Times, June 8, 1991, at 18, col. 1, 3.

17. U.S. BUREAU OF THE CENSUS, 1977 CENSUS OF SERVICE INDUSTRIES, 1 SUBJECT STATISTICS tab. 1 at 1-6 (1981) (data on establishments without payroll calculated by subtracting data on establishments "with payroll" from those on "all" establishments). Of 1,834,713 establishments, 973,581 had no employees; *id.* tab. 2 at 1-39 (discrepancy presumably stems from exclusion from data on number of employees of establishments not operating entire year). Of 1,763,992 firms, 1,109,617 had no employees; *id.* tab. 5 at 1-116.

18. U.S. BUREAU OF THE CENSUS, 1967 CENSUS OF BUSINESS, SELECTED SERVICES, AREA STATISTICS: UNITED STATES tab. 1 at 1-6-1-7 (1970) (calculated by subtracting data for establishments with payroll from those for all establishments).

19. Calculated according to data in *id.*; MONEY INCOME OF HOUSEHOLDS, FAMILIES, AND PERSONS IN THE UNITED STATES: 1987 tab. A at 2 and tab. A-1 at 178; U.S. BUREAU OF THE CENSUS, 1977 CENSUS OF SERVICE INDUSTRIES, 1 SUBJECT STATISTICS tab. 1 at 1-6.

20. The data for all establishments (including incorporated entities) without payroll are very similar—increasing by 317 per cent from 1977 to 1987, while individual proprietorships rose by 318 per cent. The figures for the individual branches track those for the proprietorships too.

21. The BOC does not obtain data on nonemployers directly from them but rather from the IRS based on the Schedule C that self-employed taxpayers file. See U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF SERVICE INDUSTRIES: GEOGRAPHIC AREA SERIES: UNITED STATES A-1 (1989). Thus, for example, a hairdresser who must "rent her chair" from the owner of a beauty shop who treats her as self-employed will file a Schedule C to document expenses to be set off against income. Transformed into a census datum, each such hairdresser will count as a nonemploying, individual proprietorship "beauty shop," although in fact one shop may employ several such hairdressers.

22. That almost one-half of all lawyers' offices and one-third of all physicians' offices are individual proprietorships without payroll seems implausible. To be sure, in some cases a spouse might be an unpaid secretary, assistant, nurse, or receptionist but not on this order of magnitude. That large numbers of lawyers and doctors actually work alone—for example, answer their own telephone and door—also fails to accord with experience. When questioned about this issue, the chief of the services branch of the BOC conjectured that many nonemployers might be working part-time or at a second job or that they might really be employees or consultants at other full-time jobs. Telephone interview with Jack Moody (May 21, 1991). This explanation may be plausible in other occupations, but it does not ring true for doctors and lawyers.

23. Unfortunately, the BOC did not break out the numbers for child day care before 1987. Other groups encompassing large numbers of businesses could have been included depending on how broadly the category was defined.

24. Calculated according to data in U.S. BUREAU OF THE CENSUS, 1972 CENSUS OF CONSTRUCTION INDUSTRIES, 1 INDUSTRY AND SPECIAL STATISTICS tab. A2 at 1-4 (1976); U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF CONSTRUCTION INDUSTRIES, INDUSTRY SERIES, UNITED STATES SUMMARY: ESTABLISHMENTS WITH AND WITHOUT PAYROLL tab. 1 at 7 (1990). In 1972, "receipts" rather than "value of business done" were recorded.

25. Calculated according to data in U.S. BUREAU OF THE CENSUS, 1972 CENSUS OF CONSTRUCTION INDUSTRIES, INDUSTRY SERIES: U.S. SUMMARY tab. A2 at 1-5; U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF CONSTRUCTION INDUSTRIES, INDUSTRY SERIES, UNITED STATES SUMMARY: ESTABLISHMENTS WITH AND WITHOUT PAYROLL tab. 2 at 9. The size of specialty trade contractor individual proprietorships without payroll was even smaller. See U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF CONSTRUCTION INDUSTRIES, SUBJECT SERIES: LEGAL FORM OF ORGANIZATION AND TYPE OF OPERATION tab. 1 at 6 (1990) (average value of business done \$30,000). If in 1972 seventy per cent of individual proprietors had no payroll, by 1987 the figure had risen to eighty-nine per cent. *Id.* tab. 1 at 5; U.S. BUREAU OF THE CENSUS, 1972 CENSUS OF CONSTRUCTION INDUSTRIES, SPECIAL REPORT SERIES: TYPE OF OPERATION AND LEGAL FORM OF ORGANIZATION tab. 1 at 4 (1975).

26. Calculated according to data in U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF RETAIL TRADE, NONEMPLOYER STATISTICS SERIES, NORTHEAST tab. 1 at 1-3 (1990) (817,318 individual proprietorships without payroll accounted for eighty-nine per cent of all establishments without payroll).

27. Calculated according to data in U.S. BUREAU OF THE CENSUS, 1987 CENSUS OF RETAIL TRADE, SPECIAL REPORT SERIES: SELECTED STATISTICS tab. 2 at 1-4 (1991).

28. In 1982, 491,114 (31.2%) of 1,923,228 establishments reported no paid employees and averaged \$42,000 in sales. U.S. BUREAU OF THE CENSUS, 1982 CENSUS OF RETAIL TRADE, INDUSTRY SERIES, ESTABLISHMENT AND FIRM SIZE (INCLUDING LEGAL FORM OF ORGANIZATION) tab. 5 at 1-107 (1985).

29. 1 U.S. BUREAU OF THE CENSUS, 1977 CENSUS OF RETAIL TRADE, SUBJECT STATISTICS tab. 1 at 1-8 (1981) (calculated by subtracting "with payroll" from "all" data). Of 1,855,068 establishments, 463,785 reported having no paid employees; *id.*, tab. 2 at 1-35. Of 1,567,071 firms, 551,447 (thirty-five per cent) reported no paid employees; *id.*, tab. 5 at 1-100. Of 1,855,068 establishments, 1,003,667 were individual proprietorships (497,584 of which were without payroll); *id.* tab. 7 at 1-127.

30. U.S. BUREAU OF THE CENSUS, 1967 CENSUS OF BUSINESS, 1 RETAIL TRADE—SUBJECT REPORTS, U.S. SUMMARY tab. 1 at 1-4-1-5 (1971) (571,778/501,844 [32%/29%] of 1,763,324/1,707,931 establishments without payroll in 1967/1963 [calculated by subtracting "with payroll" from "all" data]).

31. The branches selected are to some extent arbitrary; using more or less comprehensive classifications would have led to a different selection and rank order. The comparable data for establishments without payroll in 1977 were as follows: eating and drinking, 59,452 (16%); grocery, 52,200 (29%); furniture/furnishings, 46,837 (57%); gas service station, 29,942 (17%); apparel, 25,313 (18%); used merchandise, 35,352 (71%); used car dealers, 23,729 (64%); gift/novelty/souvenir, 16,940 (50%); florist, 9,283 (32%). 1 U.S. BUREAU OF THE CENSUS, 1977 CENSUS OF RETAIL TRADE, SUBJECT STATISTICS tab. 1 at 1-11-1-32 (1981). In 1967 and 1963, respectively, were recorded 89,445 and 112,709 grocery stores (41% and 46%), and 50,869 and 45,610 gas stations (24% and 22%). Calculated according to data in U.S. BUREAU OF THE CENSUS, 1967 CENSUS OF BUSINESS, 1 RETAIL TRADE—SUBJECT REPORTS, U.S. SUMMARY tab. 1 at 1-4-1-5.

32. Of the three branches with above-average sales, gas service station franchisees most clearly approximate employees. *Cf.* Shell Oil Co. v. Marinello, 63 N.J. 402, 307 A.2d 598 (1973), *cert. denied*, 415 U.S. 920 (1974). Selling commodities with high unit prices such as used cars is apparently one way in which a single person with little human capital can generate relatively high annual sales.

33. U.S. SMALL BUSINESS ADMINISTRATION, THE STATE OF SMALL BUSINESS: A REPORT OF THE PRESIDENT 131 (1986).

34. The Times (London), Aug. 13, 1976, at 13, col. 7 (letter).

35. See WRIGHT, CLASS STRUCTURE AND INCOME DETERMINATION at 95-96, 104 (exploitation by monopoly capital of petty bourgeoisie through market reduces latter's income).

36. See, e.g., ILO, THE PROMOTION OF SELF-EMPLOYMENT tab. 8 at 72 (with the exception of West Germany). Even Wright confirms this gap for controlled groups. WRIGHT, CLASS STRUCTURE AND INCOME DETERMINATION at 96, 150-54. This differential is subject to the reservation that a 1983 IRS study showed that self-employed (as well as those with largely cash incomes) reported only forty-seven per cent of their income compared with ninety-four per cent among taxpayers in general. See Daniel Goleman, *Tax Tip: If It's Lump Sum, Cheating Is More Likely*, N.Y. Times, Apr. 13, 1991, at 6, col. 3. See also CARL SIMON & ANN WITTE, BEATING THE SYSTEM: THE UNDERGROUND ECONOMY 10-15 (1982) (on underreporting and nonreporting of income by self-employed); DAVID PYLE, TAX EVASION AND THE BLACK ECONOMY 62-67 (1989) (data for Britain). On the other hand, taking into account the nonwage compensation of wage and salary earners would widen the gap. See ARONSON, SELF-EMPLOYMENT at 47.

37. U.S. SMALL BUSINESS ADMINISTRATION, THE STATE OF SMALL BUSINESS: A REPORT OF THE PRESIDENT 128 (1986).

38. ARONSON, SELF-EMPLOYMENT at 42. Although the earnings of the incorporated self-employed are greater than those of the unincorporated, most studies ignore the difference "because the overall effect on earnings comparisons would probably be quite small." *Id.* at 43.

39. Calculated according to data in SOC. SEC. BULL., ANNUAL STATISTICAL SUPPLEMENT, 1989 tab. 4.B.2 at 137. The somewhat different development of median annual earnings of wage and salary workers as a percentage of those of the self-employed was for all workers/men/women: 1955: 99/131/86; 1960: 98/123/99; 1965: 86/109/104; 1970: 85/109/117; 1975: 86/106/122; 1980: 99/115/148; 1982: 124/135/171 (peak); 1986: 118/124/153. Calculated according to data in *id.*, tab. 4.B3 at 138. Full-time, full-year unincorporated self-employed wholly dependent on their business earned sixty-seven to seventy-three per cent of the median full-time wage and salary worker in 1983. ARONSON, SELF-EMPLOYMENT at 45. The erosion of the self-employed's earnings advantage may have begun in the early 1960s, but it was not until 1980-84 that the curves crossed. *Id.* at 46-7.

40. Calculated according to U.S. SMALL BUS. ADM'N, THE STATE OF SMALL BUSINESS [1986] tab. 4.11 at 129.

41. The mean was 89.5%.

42. Calculated according to data in U.S. BLS, CURRENT POPULATION SURVEY (unpub. tabulations 1987).

43. Calculated according to data in *id.*

44. A sample study of wage earners and self-employed filing for bankruptcy in 1981 confirms this distribution: although the mean income of the latter was higher, at the twenty-fifth percentile, the income of wage earners was \$9,500 compared to \$7,000 for self-employed. TERESA SULLIVAN,

ELIZABETH WARREN, & JAY WESTBROOK, AS WE FORGIVE OUR DEBTORS: BANKRUPTCY AND CONSUMER CREDIT IN AMERICA tab. 6.6 at 124 (1991 [1989]).

45. ARONSON, SELF-EMPLOYMENT at 55.

46. *Id.* at 55-56.

47. Aronson finds that the recent growth in self-employment is, in light of the widening gap in income, "perverse" and a "counterintuitive paradox," but ultimately finds all explanations unsatisfactory. *Id.* at xi, 20, 41, 117-25. In particular, he downplays the significance of self-employment as underemployment or adjustment to displacement. Here he purports to rely on an article that allegedly analyzed the relationship between self-employment and unemployment in individual industries: "Among all nonfarm industries, only the construction industry exhibited an increase in self-employment with a general decline in industrial activity." *Id.* at 30. Yet that article expressly analyzed no industry other than construction. See Marc Linder, *Self-Employment as a Cyclical Escape from Unemployment: A Case Study of the Construction Industry in the United States During the Postwar Period*, 2 RESEARCH IN SOCIOLOGY OF WORK: PERIPHERAL WORKERS 261, 262 (1983).

48. See EVANS & LEIGHTON, SELF-EMPLOYMENT SELECTION AND EARNINGS OVER THE LIFE CYCLE at 3.

49. FRITZ MARBACH, THEORIE DES MITTELSTANDES 111, 227-28 (1942).

50. Then again he might not be exposed to any more risk than a casually employed painter, who works and is paid only when his contractor calls him for a job. What distinguishes him from the solo painter is the latter's effort to seek jobs directly from customers.

51. \$3,000 for single persons and \$4,000 for married couples (sums in excess of \$30,000 and \$40,000, respectively, at the present time). See SIDNEY RATNER, TAXATION AND DEMOCRACY IN AMERICA tab. C-1 at 577 (unpaginated) (1967 [1942]).

52. STATISTICS OF INCOME FOR 1916: COMPILED FROM THE RETURNS FOR 1916 UNDER THE DIRECTION OF THE COMMISSIONER OF INTERNAL REVENUE, H. Doc. No. 1169, 65th Cong., 2d Sess. (1918).

53. For a tripartite analysis of late-nineteenth-century retail traders (merchant elite, general merchants, and petty merchants) from the perspective of self-employment, see Melanie Archer, *Self-Employment and Occupational Structure in an Industrializing City: Detroit, 1880*, 69 SOC. FORCES 785 (1991); *idem*, *The Entrepreneurial Family Economy: Family Strategies and Self-Employment in Detroit, 1880*, 15 J. FAM. HIST. 261 (1990).

54. Cf. ARONSON, SELF-EMPLOYMENT at 121-23 (if it becomes profitable to hire additional workers, self-employment takes on different meaning; scale effects are arguably crucial, but "the capacity to utilize capital is limited by biological and technological factors"). The estimates of the average annual earnings of employees in 1916 range between \$647 and \$765. U.S. BUREAU OF THE CENSUS, HISTORICAL STATISTICS OF THE UNITED STATES, COLONIAL TIMES TO 1970, ser. D 723 at 164, ser. D 753 at 167, ser. D 780 at 168 (bicentennial ed. 1975). Of the 437,036 persons filing returns in 1916, 74,066, reporting between \$3,000 and \$4,000 of net income, were not subject to taxation because their specific exemption exceeded their net income. The class of employees included an above-average percentage of such persons, as did commercial travelers, insurance agents, engineers, and accountants. As a result, the other classes accounted for somewhat higher shares of all returns and net income. See STATISTICS OF INCOME FOR 1916 tab. 2 at 20-21, tab. 6c at 126-37.

55. Since fewer than one in twenty-five merchants was rich enough to be taxed, the assumption appears plausible.

56. ARONSON, SELF-EMPLOYMENT at 90.

57. See U.S. SMALL BUSINESS ADMINISTRATION, STATE OF SMALL BUSINESS: A REPORT OF THE PRESIDENT 237, chart D.5 at 239 (1990) (since 1963 the number of female nonfarm self-employed has been increasing annually by an average of 63,000 or 4.6%).

58. See ARONSON, SELF-EMPLOYMENT at 4.

59. U.S. SMALL BUS. ADM'N, STATE OF SMALL BUSINESS [1986] at 122. Women accounted for one-quarter of the unincorporated but only one-eighth of the incorporated self-employed in 1983. *Id.*, tab. 4.4 at 116.

60. See Theresa Devine, The Recent Rise in Female Self-Employment, tab. 1 and fig. 1 (no pagination) (June 30, 1991) (unpublished manuscript). From 1940 to 1980, however, the decennial censuses indicated that the self-employed as a percentage of the male nonagricultural employed declined somewhat less sharply than among women: 1940: 14.8/7.4; 1950: 12.9/5.6; 1960: 11.1/4.6; 1970: 7.7/3.4; 1980: 7.4/3.4 (self-employed as share of men/women). U.S. BUREAU OF THE CENSUS, 1980 CENSUS OF POPULATION, 1 CHARACTERISTICS OF THE POPULATION, Chapter C: GENERAL SOCIAL AND ECONOMIC CHARACTERISTICS, part 1: UNITED STATES SUMMARY, tab. 91 at 1-48 (1983).

61. See Devine, The Recent Rise in Female Self-Employment at 14 (weekly earnings of female self-employed eighty-four per cent of female employees'); Louis Uchitelle, *The New Surge in Self-Employed*, N.Y. Times, Jan. 15, 1991, at C2, col. 1 (summarizing Devine's results); Sheldon Haber, Enrique Lamas, & Jules Lichtenstein, *On Their Own: The Self-Employed and Others in Private Business*, MONTHLY LAB. REV., May 1987, at 17, 20. This relationship obtains in Western Europe as well. See *Self-Employment in OECD Countries*, OECD EMPLOYMENT OUTLOOK, Sept. 1986, at 43, 60, tab. 26 at 62 (female

self-employed earn 40 to 70 per cent of their employee counterparts, with the trend downward).

62. See U.S. BUREAU OF THE CENSUS, 1970 CENSUS OF POPULATION, 1 CHARACTERISTICS OF THE POPULATION, part 1: UNITED STATES SUMMARY, tab. 225 at 1-753-1-754 (1973); *idem*, 1980 CENSUS OF POPULATION, 1 CHARACTERISTICS OF THE POPULATION, chap. D: DETAILED POPULATION CHARACTERISTICS, pt. 1: UNITED STATES SUMMARY, tab. 279 at 1-219-1-221 (1984).

63. ARONSON, SELF-EMPLOYMENT at 60, 65-67, tab. 4 at 66.

64. *Id.* at 68-69.

65. *Id.* at 71.

66. *Id.* at 74.

67. The BOC defined self-employed workers as follows: "Own business not incorporated.--Persons who worked for profit or fees in their own unincorporated business, profession, or trade, or who operated a farm. Included here are owner-operators of large stores and manufacturing establishments as well as small merchants, independent craftsmen and professional men, farmers, peddlers, and other persons who conducted enterprises on their own." U.S. BUREAU OF THE CENSUS, CENSUS OF POPULATION: 1970, SUBJECT REPORTS: FINAL REPORT PC(2)-7F: OCCUPATIONS OF PERSONS WITH HIGH EARNINGS vii (1973). The largest highly paid occupations (over \$15,000/over \$50,000) among self-employed men were physicians: 119,469/33,973 (wage and salary earners: 55,197/9,549); and lawyers: 98,699/15,214 (wage and salary: 54,517/3,109). The largest highly paid occupation among wage and salary workers was engineers (few of whom were self-employed); 111,206 wage and salary construction craftsmen earned more than \$15,000 compared to 38,030 self-employed. *Id.* tab. 14 at 95-97.

68. The figure of approximately five million self-employed men and one million self-employed women in the civilian experienced labor force was calculated by subtracting the published figures for wage and salary earners in the experienced civilian labor force from the total experienced civilian labor force since the census did not publish the data separately for the self-employed. The sources are: U.S. BUREAU OF THE CENSUS, CENSUS OF POPULATION: 1970, DETAILED CHARACTERISTICS, FINAL REPORT PC(1)-D1: UNITED STATES SUMMARY, tab. 227 at 1-766, tab. 228 at 1-772 (1973); U.S. BUREAU OF THE CENSUS, CENSUS OF POPULATION: 1970, SUBJECT REPORTS, FINAL REPORT PC(2)-7A: OCCUPATIONAL CHARACTERISTICS, tab. 24 at 476, 490 (1973).

69. U.S. SMALL BUS. ADM'N, STATE OF SMALL BUSINESS [1986] tab. 4.13 at 132.

