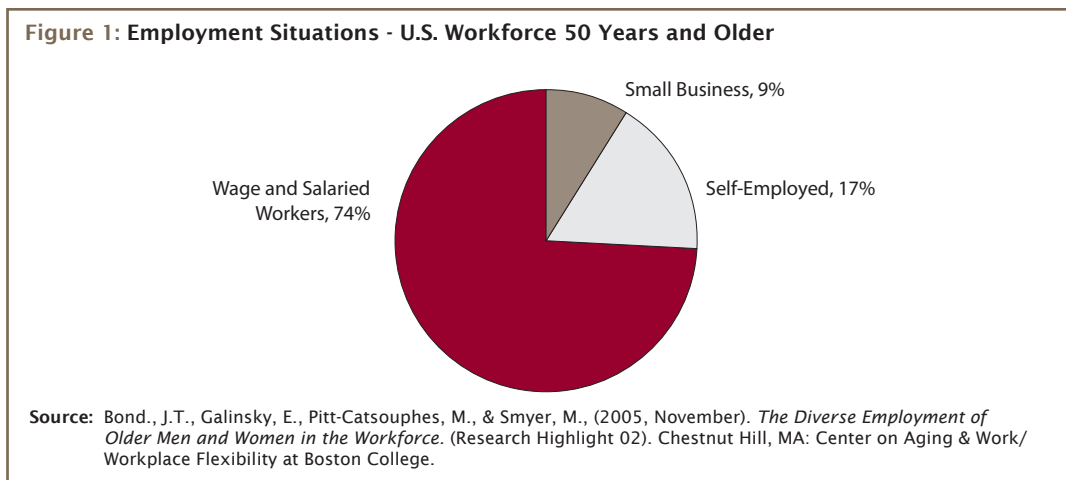


## FLEXIBLE WORK OPTIONS: CONSULTING, CONTRACT WORK, AND SELF-EMPLOYMENT

### Q: How many older workers are self-employed, contractors, or consultants?

- In 2005, 10.9 percent of the labor force was self-employed, including 13.0 percent of the labor force aged 45-54, 16.9 percent of the labor force aged 55-64, 26.3 percent of the labor force aged 65-74, 31.8 percent of the labor force ages 75-84, and 28.3 percent of the labor force aged 85-94. (Havens, 2006)
- “Among older workers [aged 50 or older], 74 percent are wage/salaried workers, 17 percent are self-employed independents, and 9 percent are owners of small businesses.” (Bond, Galinsky, Pitt-Catsouphe, & Smyer, 2005: 4). See Figure 1.



- According to analysis of the National Study of the Changing Workforce, “workers, 50 or older, are significantly more likely than younger workers to be independent self-employed workers (17 percent of older workers vs. 12 percent of younger workers) or small business owners (9 percent of older workers vs. 5 percent of younger workers) and thus, less likely than younger workers to be wage and salaried employees who work for someone else (74 percent of older workers vs. 83 percent of younger workers).” (Bond, Galinsky, Pitt-Catsouphe, & Smyer, 2005: 2).

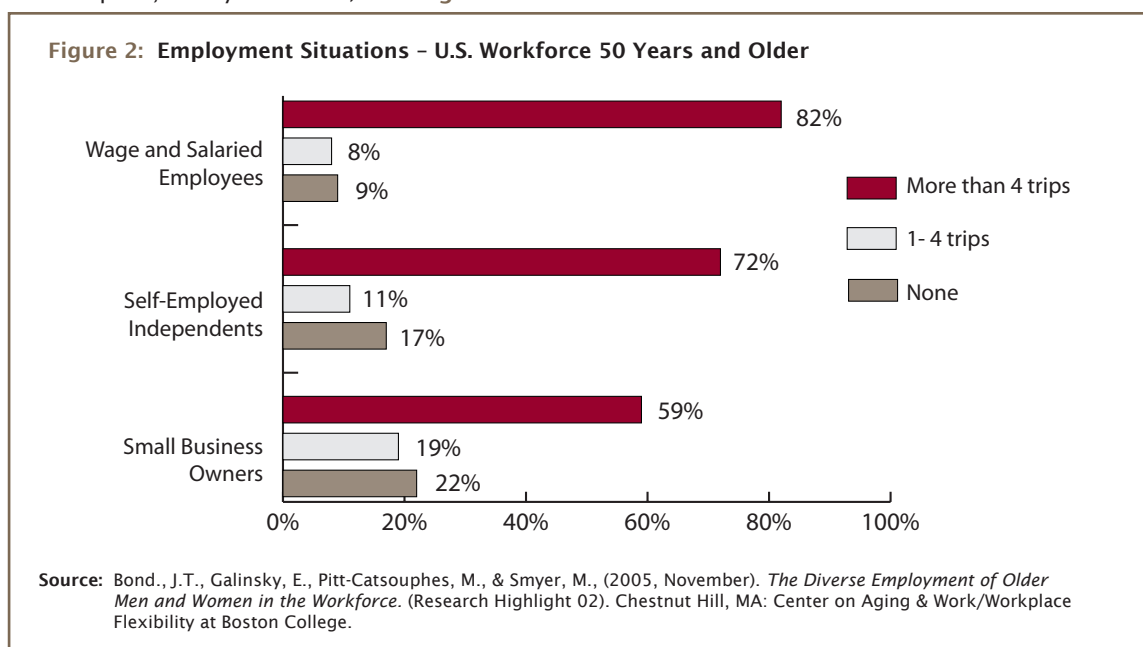
### Q: How many older employees plan to become self-employed, contractors, or consultants?

- “26 percent of wage and salaried employees of all ages planned to be self-employed or have their own business at some time in the future as their major source of income from work.” (Bond, Galinsky, Pitt-Catsouphe, & Smyer, 2005: 3).
- Younger wage and salaried employees were more likely than older wage and salaried employees to have plans for self-employment or having their own business: “43 percent of employees under 30 years old, 31 percent of those 30-39 years old, 20 percent of those 40-49 years old, and 14 percent of employees 50 or more years old said they planned to be self-employed or have their own business at some point.” (Bond, Galinsky, Pitt-Catsouphe, & Smyer 2006: 3).
- According to the “A Work-Filled Retirement survey, “nearly 7 in 10 workers expect to continue to work full time or part time following retirement from their main job, including 15% who expect to start their own business. Only 13% expect to stop working entirely.” (Reynolds, Ridley, & Van Horn, 2005: 1).

- Among exempt (salaried) employees who indicated an interest in reducing their hours and working part-time, more wanted to work either as contractors or consultants (even if that resulted in a loss of benefits) rather than as a part-time employee of the company. Male older workers (37 percent) were three times as likely as the women (12 percent) to indicate an interest in working as a consultant. (Parkinson, 2002: 38-39).

**Q: How do the self-employed and small business owners differ from wage and salaried employees?**

- “Small business owners tend to spend longer hours at work each week than wage and salaried employees and, particularly, self-employed independents: 59 percent of small business owners work more than 40 hours weekly as do 52 percent of wage and salaried employees, in contrast to only 38 percent of self-employed independents who do so.” (Bond, Galinsky, Pitt-Catsoupes, & Smyer 2006b: 6).
- According to analysis of the National Study of the Changing Workforce, small business owners, 50 or older, followed closely by self-employed independents, report that they have greater autonomy on their jobs than wage and salaried employees. Autonomy is defined as “control over the pace, content, and methods of their work” (Bond, Galinsky, Pitt-Catsoupes, & Smyer 2006: 9). **See Figure 2.**



- “Thirty-two percent of self-employed independents and 14 percent of small business owners of all ages would prefer to have regular jobs working for someone else; however, among workers, 50 years or older, 21 percent of self-employed independents and 7 percent of small business owners would prefer to work for someone else.” (Bond, Galinsky, Pitt-Catsoupes, & Smyer, 2005:p.3).
- “Small business owners (90 percent) are more likely than independent self-employed workers (83 percent) and wage and salaried employees (79 percent) to want to continue working in their current jobs in the coming year.” (Bond, Galinsky, Pitt-Catsoupes, & Smyer, 2005:11).

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