

# Self-employment and work-family balance

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## Abstract

Does being self-employed, as opposed to an employee, make a difference to how parents with young children can juggle the demands of work and family? This paper uses data from the Australian Bureau of Statistics (ABS) Time Use Survey (TUS) 2006, to identify associations between employment types (organisational employment and self-employment with and without employees), the time working mothers (N=855) and fathers (N=1168) spend in paid work, domestic labour and childcare, and when during the day they perform these activities. The quantity of time self employed mothers devote to each activity differs substantially from mothers who are employees, while fathers' time is relatively constant across employment types. Results imply that mothers use self-employment as a do-it-yourself 'family-friendly' strategy to combine paid work and childcare activities, particularly through working at home, but that fathers' time priority is paid work regardless of employment type. Thus self-employment is not associated with a gender redistribution of paid and unpaid work.

## *Keywords*

Work-family balance; time use; self-employment; gendered division of labour

## Introduction

As women have moved into the workforce, coordinating work and family has become increasingly difficult (Presser 1988; Tuttle and Garr 2009). Households with young children are the most time pressed of all demographic groups, and finding time for both paid work and

family care is an urgent challenge for contemporary families (Jacobs and Gerson 2004). The demands are particularly pressing upon mothers, especially if they wish to maintain their attachment to the paid work force during their children's early years. The rise in women's participation in paid employment was widely expected to lead to an increase in men's unpaid work, but it is still much more commonly mothers than fathers who withdraw from the workforce, or limit their working hours, to care for children when they are young (Bergmann 2005; Baxter 2009; Casper and Bianchi 2002; Craig and Bittman 2008). As both cause and consequence, fathers are more likely than mothers to conform to the expectation of the workplace that the "ideal worker" is relatively unencumbered by domestic responsibilities (Gornick and Meyers 2009; Pocock 2003; Williams 2001). Many parents cannot or do not access measures that assist combining work and family, such as part time hours, affordable day care and flexible start and finish times. Even when 'family friendly' measures are formally available, there may be unwritten sanctions against accessing them, particularly for men (Bittman, Hoffmann, and Thompson 2004).

Many employed parents of both sexes currently express dissatisfaction with their work-family balance (Pocock 2006). Parents who cannot access family friendly conditions through conventional employment may decide that self-employment offers a way of earning an income while also caring for young children. Working for oneself may yield greater flexibility and freedom to balance work around family life than being an employee in an organisation (Tuttle and Garr 2009). The extent to which self-employment is successful in this regard is, however, debated. Gains in autonomy and flexibility of work may be offset by long and irregular hours, competing demands, interruptions and distractions from work, financial stress and social isolation (Bell and La Valle 2003; Hyytinen and Ruuskenen 2007). On the other hand, Baines et al. (2003) suggest that this is not necessarily at the expense of family life, since there is more autonomy over how much work to do and when to do it (see also Hildebrand and Williams 2003). Opportunities for managing time and balancing work and family may be particularly strong for self-employed who work at home. Haddock (2006), for example, found that working at home gave people more control over the timing of work, with many choosing to work when their children were busy with homework or in bed. This enabled individuals to meet their work obligations without distracting from family time.

There are, however, likely to be gender differences in both the motivation for self-employment, and its effect upon family life. Gray and Hughes (2005) suggest that mothers

are more likely than fathers to use self-employment explicitly to juggle work and family. Bell and La Valle (2003) found that responsibility for childcare is least likely to be shared in families where only the mother is self-employed. They suggest that this may reflect mothers' desire to work flexibly in order to maximise the time they spend with their children. Similarly, Gurley-Calvez et al. (2009) found that the time use of self-employed women differs substantially from those of men and women who are employees. Self-employed women spent less time in work-related activities and more time providing childcare than men or employed women. This may mean that for many self-employed mothers, the primary goal is to be available to the children, and the work is subsidiary. However, most research suggests that although mothers' motivations for self-employment often include childcare factors, this was rarely their only impetus (Baines, Wheelock, and Gelder 2003; Mallon and Cohen 2001). For men, non-family motives are even more central; financial pulls such as being their own boss, and having the opportunity to make more money than when working for someone else, predominate (DeMartino and Barbato 2003; Gurley-Calvez, Harper, and Biehl 2009; Tuttle and Garr 2009). Men's self-employment may therefore not be associated with more involvement in the home, and indeed the small body of available research suggests that the reverse may be the case. Baines et al. (2003) suggest that when fathers' have their own business, mothers may be more constrained to traditional domestic roles. Bell and La Valle (2003) found that self-employment among both mothers and fathers is associated with more traditional divisions of labour and care within the family.

There is, however, little research comparing women and men in self-employment time both they and their spouse spend on paid work, domestic work and childcare.

## **Data and Method**

We analyse data from the Australian Bureau of Statistics (ABS) Time Use Survey (TUS) 2006. These data contain nationally representative samples of the population of Australian households. All individuals aged 15 years and over in sampled households are required to provide time use information at five minute intervals for a period of two days. Respondents are asked to record their main or primary activities, any simultaneous (secondary) activity they engage in, who they are with and where they are throughout the day.

For this study we select parents, either married or cohabiting, aged 20-54 with at least one child aged 0-11 years old. Employment types are defined in three ways: employees, self-employed persons who have employees working for them (also called employers) and self-employed persons who have no employees (also called own account workers). To differentiate impact by gender, we look separately at i) employed mothers (N=855); and, ii) employed fathers (N=1168). The sample characteristics are in Table 1.

**Table 1: Sample characteristics**

	<b>Employed mothers n = 855</b>	<b>Employed fathers n=1,168</b>
	<b>%</b>	<b>%</b>
Employee	85.5	83.0
Self-employed (has employees)	3.7	4.7
Self-employed (no employees)	10.8	12.3
Spouse is employee	80.1	60.1
Spouse is self-employed (has employees)	4.8	2.7
Spouse is self-employed (no employees)	11.1	7.5
Spouse is not in paid work	4.0	29.6
Usually works at home	18.0	3.9
Usually works away from home	82.0	96.1
Works full time	32.7	93.2
Works part-time	67.3	6.8
Does not have a degree	65.4	75.0
Has degree	33.6	24.2
Professional occupation	64.4	62.1
Not professional occupation	32.0	37.9
Aged 20-39	65.1	54.8
Aged 40-54	34.9	45.2
Youngest child aged 0-4	49.6	54.5
Youngest child aged 5-11	50.4	45.5
1 child in household	28.4	27.4
Two or more children in household	71.6	72.6

Similar proportions of employed mothers and fathers fall into each of the employment types, with the overwhelming majority organisationally employed. There are, however, substantial

differences in the proportion of fathers and mothers who have a non-working partner. Nearly thirty percent of fathers have a spouse who is not working, compared to only 4 percent of mothers. There are also differences by gender in the proportion who work at home, with 18 percent of mothers falling into this category, compared to less than 4 percent of fathers. Mothers are far more likely than fathers to work part time hours (67% compared to 7%).

Our dependent variables are paid work, domestic work and childcare<sup>1</sup>. Childcare includes both primary and secondary activities, that is, care which is done as the main activity parents are doing, and childcare that parents have recorded while simultaneously doing something else. Secondary activity is most often supervisory care. This is time that parents spend looking after children without active involvement, monitoring them from a distance, ready to be called upon if necessary. This constitutes a large amount of time, and analyses which exclude it significantly underestimate total parental childcare. Contingent availability, captured as secondary activity, may be particularly salient if parents are arranging their paid work around their children's care requirements.

We first conduct bivariate analyses of parents' employment type and their own time use, and that of their spouse, showing average effects. Then we conduct a series of multivariate regression analyses (OLS) on parents time spent in paid work, domestic work, primary childcare and secondary childcare. The explanatory variables of interest are i) parents' employment type ii) parents' place of work and iii) spouses employment type. To remove compositional influences we control for factors that may independently affect time spent in the outcome variables. These are employment status, education, occupational status, age, the number of children and age of youngest child in the household.

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<sup>1</sup> Paid work – ABS codes 200-299; domestic work – ABS codes 400-499, 600-699; childcare – ABS codes 500-599 (ABS, 2008).

## Results

### Descriptive analysis

**Table 2: Parent's employment type and their own time use (mean daily minutes)**

	<b>Employee</b>	<b>Self-employed with employees</b>	<b>Self-employed no employees</b>
<b>MOTHERS</b>			
Paid work	179	215	100
Domestic work	233	242	256
Primary childcare	184	167	217
Secondary childcare	182	270	229
Total childcare	366	436	446
<b>FATHERS</b>			
Paid work	376	391	326
Domestic work	124	119	122
Primary childcare	92	85	87
Secondary childcare	82	113	100
Total childcare	174	198	187

**Table 3: Parents employment type and spouse's time use (mean daily minutes)**

<b>Spouse is:</b>	<b>Employee</b>	<b>Self-employed with employees</b>	<b>Self-employed no employees</b>
<b>MOTHERS</b>			
Paid work	123	95	115
Domestic work	252	281	235
Primary childcare	216	235	195
Secondary childcare	207	256	175
Total childcare	423	490	370
<b>FATHERS</b>			
Paid work	361	363	341
Domestic work	132	135	114
Primary childcare	89	95	94
Secondary childcare	87	123	104
Total childcare	176	219	198

Table 2 shows that across all employment types, mothers spend much less time than fathers in paid work, and much more time in domestic work and childcare. Table 3 shows that this is also the case across variation in spouse's employment type. However, there are some differences by employment type within each gender. For mothers, employers average the most time in paid work, significantly more than both employees and own-account workers, the latter of which spend the least amount of time in paid work (Table 2). Self-employed mothers spend more time on domestic work than employees. Self-employed mothers also spend much more time on childcare than employees, although t-tests show that only the difference between employees and self-employed mothers with no employees is significant. Mothers who are employers spend significantly more time on secondary childcare than mothers who are employees. This suggests that more of these mothers' time with their children is multitasking, with other activities, such as work, being performed while also supervising children.

On average mothers' time does not vary much with their spouses' employment type. The exceptions to this are that mothers' average paid work is lower when they have a spouse who is an employer and total time spent on total childcare is significantly less for mothers whose spouse is an own-account worker.

Fathers who are employers average the most, and own-account workers the least, time in paid work (Table 2). This echoes the findings for mothers. Conversely, unlike for mothers there is little difference in the time fathers spend on domestic work and childcare by their own employment type. Fathers' time use is also largely unaffected by their spouse's employment type. The sole exception is that fathers with a spouse who is an employer average slightly more secondary childcare and as a result slightly more childcare in total (Table 3).

Overall the descriptive findings suggest that mothers' time has a stronger association with both their own employment type and, to a lesser extent, their spouse's employment type, than is the case for fathers.

### **Multivariate analysis**

*Parents' employment type and their own time use:* When a range of key covariates are held constant, there is no association between fathers' employment type and their own time in paid work, domestic work or total childcare. However, all else equal, fathers who work at home

are predicted to spend 1 hr 50 minutes more in total childcare. This time is comprised of secondary activity (results not shown) indicating that it consists of supervising children without active involvement, not of active direct childcare tasks.

Mothers who are own-account workers are estimated to spend significantly less time in paid work, and significantly more time on total childcare, than those who are employees (Table 4). However, both these effects are removed when place of work is added to the model, showing that it is working at home, not self-employment per se, that predicts these time use differences between mothers. Also, mothers who work at home are predicted to spend over an hour a day more in domestic labour than mothers who work away from home, with no independent association between this outcome variable and employment type.

*Control variables:* Parents of both sexes are predicted to do less paid work and more domestic labour if they work part time. Part time working mothers are also estimated to do more total childcare than fulltime workers. Fathers' childcare is also estimated to be higher if they are employed part time, but this effect is not statistically significant when the variable "usually works at home" is entered. This suggests that the higher childcare of home-based worker fathers, noted above, applies to part time workers. If they have a professional occupation, mothers are estimated to do more paid work and less domestic labour, although the latter effect is only significant if the mother works at home. Occupational status has no independent effect on any aspect of fathers' time use. Fathers spend less time in total childcare if they have older children than if their youngest is a pre-schooler and more if they have two or more children. Mothers also spend less time in childcare with older children. They are also estimated to spend significantly more time in paid work when they have older children, and more time in total childcare if they have two or more children, but only if home-based work is not controlled.

*Parents' employment type and their spouse's time use:* All else equal, there is no direct association between spouses' employment type and the time use of either mothers or fathers (results not shown).

The multivariate findings do not indicate that mothers' use of time is affected by their spouses' employment type, but do confirm that mothers are more affected by their own



employment type than are fathers. They further suggest that place of work is a more important predictor of parents' time than employment type.

## **Conclusion**

Using nationally representative time use data of matched couples in Australia, we explored links between self-employment and the way parents of young children manage the time demands of work and family. We found that mothers' employment type was associated with the time they spend in paid work and childcare. Specifically, mothers who were own-account workers spent significantly less time in paid work and more time on childcare activities than other mothers. This may suggest mothers choose self-employment as a strategy to remain in the workforce while maximising the time they spend with their children (see for example, Bell and La Valle 2003). Working from home was an important added explicator, and had a stronger association with time use than self-employment per se. The ability to work from home may therefore play an important role in mothers' decisions to become self-employed, given that the self-employed are more likely to work from home than employees (Bell and La Valle 2003; Haddock et al. 2006).

We did not find a similar association between fathers' self-employment, working from home and work-family time. The small proportion of men who worked at home were estimated to spend longer in supervisory care of children, but the effect was independent of employment type. This suggests that the motivation for male self-employment is less entwined with the opportunity it affords to be home-based than is the motivation for female self-employment. Berke (2003) and Wight and Raley (2009) for example found that women were attracted to home working because of the perceived opportunity to balance work and family. However, previous findings also suggest that while working at home may be 'family-friendly' (for example, maximising the time mothers spend with their children, while enabling them to remain in the workforce), it does not challenge the gendered division of care, since it creates favourable conditions for women to provide more care (Osnowitz 2005; Hilbrecht et al. 2008; Sullivan and Lewis 2001). Our results similarly suggest that while choosing self-employment is perhaps a response to the inadequacy of work-life balance, or family-friendly policies in organisations, self-employment does not lead to a redistribution of paid and unpaid work among women and men.

It may be, however, that we would find more associations between employment type and time use if we were to investigate when in the day parents perform activities, rather than daily averages of time spent. That is, mothers and fathers may use the flexibility self-employment affords them to shift the times they are working, performing domestic labour or looking after children. This may not alter the amount of time allocated to each activity overall, but they may have more freedom to reschedule the activities, and to manoeuvre their daily timetables. This will be the focus of future research.

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**Table 4: OLS regression results**

	Mother's time						Father's time					
	Paid work		Domestic work		Childcare		Paid work		Domestic work		Childcare	
	M1	M2	M1	M2	M1	M2	M1	M2	M1	M2	M1	M2
<b>Constant</b>	186.9*** (21.9)	189.3*** (21.9)	190.1*** (12.9)	187.8*** (12.8)	460.4*** (24.4)	457.9*** (24.3)	419.6*** (21.7)	420.5*** (21.7)	106.6*** (10.5)	106.5*** (10.5)	145.9*** (14.3)	148.1*** (14.2)
<i>Explanatory variables</i>												
Self-employed with employees	26.4 (41.1)	43.5 (41.3)	6.3 (24.2)	-10.0 (24.1)	65.0 (45.6)	47.4 (45.9)	21.9 (40.3)	16.8 (40.6)	-6.7 (19.5)	-6.0 (19.7)	-1.8 (26.6)	-14.5 (26.7)
Self-employed no employees	-72.7** (25.7)	-32.7 (29.0)	19.2 (15.1)	-18.9 (17.0)	58.1* (28.5)	17.0 (32.2)	-21.3 (26.5)	-26.7 (27.1)	-11.5 (12.8)	-10.8 (13.1)	18.8 (17.5)	5.1 (17.8)
Usually works at home		-69.3** (23.7)		65.9*** (13.9)		71.1** (26.4)		44.0 (46.4)		-5.6 (22.5)		111.1*** (30.5)
<i>Control variables</i>												
Works part-time	-91.7*** (16.7)	-86.2*** (16.7)	38.7*** (9.8)	33.5*** (9.8)	48.6** (18.5)	43.0* (18.6)	-168.8*** (34.4)	-174.1*** (34.8)	41.6* (16.6)	42.3* (16.9)	51.1* (22.7)	37.8 (22.9)
Has professional occupation	49.5* (19.7)	53.6** (19.7)	-19.9 (11.6)	-23.9* (11.5)	-25.2 (21.9)	-29.5 (21.9)	-27.4 (19.5)	-30.1 (19.7)	4.8 (9.4)	5.1 (9.5)	40.5** (12.9)	33.8** (12.9)
Spouse has professional occupation	-7.8 (18.6)	-4.0 (18.5)	10.5 (11.0)	6.9 (10.8)	8.3 (20.6)	4.5 (20.6)	13.1 (23.3)	10.7 (23.4)	-1.9 (11.3)	-1.6 (11.3)	28.1 (15.4)	22.0 (15.4)
Aged 40-54	4.4 (18.6)	1.5 (18.5)	22.2* (10.9)	25.0* (10.8)	-12.6 (20.6)	-9.6 (20.6)	-23.0 (18.9)	-22.1 (18.9)	8.1 (9.2)	8.0 (9.2)	2.8 (12.5)	5.1 (12.4)
Youngest child aged 5-11	37.6* (18.3)	32.2 (18.3)	3.9 (10.8)	9.1 (10.7)	-288.4*** (20.3)	-282.8*** (20.3)	-11.4 (19.4)	-11.9 (19.4)	16.1 (9.4)	16.2 (9.4)	-97.8*** (12.8)	-99.0*** (12.8)
Two or more children	25.5 (17.6)	29.2 (17.6)	14.7 (10.4)	11.2 (10.3)	41.9* (19.6)	38.1 (19.6)	-15.4 (19.0)	-15.4 (19.0)	5.1 (9.2)	5.1 (9.2)	61.1*** (12.6)	61.2*** (12.5)
N	855	855	855	855	855	855	1168	1168	1168	1168	1168	1168
Adjusted R2	0.06	0.07	0.02	0.05	0.26	0.27	0.02	0.02	0.00	0.00	0.09	0.10