

To be published in the INSEE Références collection

“Employment and income of the self-employed”, 2015 edition

Farmers, traders, craftspeople, professionals : in France, self-employed workers account for **one in ten people in employment**.

This new issue of the *INSEE Références* collection offers a new perspective on this multi-faceted group:

- **What activities do they have? How much do they earn? How has the creation of the “auto-entrepreneur” self-employment status changed the landscape since 2009?**
- **How much wealth do they hold?**
- **Who are the self-employed workers of the cultural sectors?**
- **How much do recently-established independent doctors earn? How have things changed recently? And how do they compare with older generations of doctors?**
- **What other resources are available to agricultural households to supplement their income from farming?**

Self-employment at a glance

2.8 million people were **self-employed** at the end of 2011, either as their principal form of employment or alongside another, salaried job. They account for one in ten people in employment.

15% are **farmers**. The other 85% (craftspeople, traders and the Professions) represent a highly diverse array of situations; half work in trade or commercial crafts (21%), healthcare (17%) and construction (14%).

+ 26%: the increase in the number of non-farm self-employed workers between 2006 and 2011. This dynamism is partly ascribable to the success of the “auto-entrepreneur” status. At the end of 2011 there were 487,000 economically active auto-entrepreneurs, accounting for one in five self-employed workers outside the agricultural sector.

Women account for only **1/3** of self-employed workers outside the agricultural sector, and **1/4** in agriculture. Severely underrepresented in the construction and transport sectors, they are more numerous in the personal services sector, and account for more than half of self-employed workers in the healthcare sector.

At the end of 2011, **11.4%** of non-farm self-employed workers were aged **60 and over**, and **9.1%** were **under the age of 30**; in the agricultural sector the corresponding figures were 9.5% and 6.1% respectively. On average, self-employed people were older than private sector employees.

The average net monthly earnings were **3,100 euros** for “traditional” non-farm self-employed professionals (i.e. excluding auto-entrepreneurs). The least lucrative sector was out-of-store retail (870 euros), with the most lucrative being the legal sector (9000+ euros per month).

460 euros was the average net monthly income of **auto-entrepreneurs**, with little variation between sectors.

41% of income went to the **top 10% best-paid self-employed workers** (33% for the top 10% of wage earners in the private sector); **15%** of income was shared amongst the **50% lowest-earning self-employed workers** (compared with 25% for private sector employees).

How much wealth do self-employed workers hold?

A self-employed household is defined here as a household in which at least one person in self-employment lives.

- **The gross wealth of self-employed households is on average three times greater than that of other households, partly due to professional wealth**

In 2010, the average total gross wealth of self-employed households was **595,600 euros**, compared with an average of 197,400 euros among other households. **This disparity can partly be accounted for by the inclusion of professional wealth**, for an average of 178,800 euros, equivalent to **30% of total wealth**.

The average value of professional wealth is twice as high for company directors with more than 10 employees or the liberal professions (272,100 euros) as it is for traders (129,000 euros). **The composition of this wealth depends largely on the type of activity involved**: for farmers half of these assets come in the form of land or livestock; for traders a third comes from the value of inventory and business goodwill.

- **Excluding professional wealth, the gross private wealth of self-employed households is 84% greater than that of other households of equivalent age, income and other characteristics**

The average gross private wealth (i.e. excluding professional wealth) of self-employed households is more than two times greater than that of other households (416,900 euros compared with 188,300 euros). It ranges from 274,500 euros among farmers to 797,800 euros among company directors and the professions. In all, **more than half of the top 1% of households with the highest private wealth are self-employed households**, although they account for only 15% of all households.

The large amounts of private wealth held by self-employed households, compared with other households, are partly the result of the accumulation of higher incomes. Nonetheless, **for households with identical characteristics (particularly in terms of age and income), the private wealth of self-employed households remains 84% greater than that of other households. This is particularly true of farmers (+ 127%)**. Next come craftspeople (+ 103%), followed by company directors and the professions (+ 72%), and then traders (+ 58%).

Self-employed households are more likely to own their main residence than other households (77% compared with 54%). They also have greater financial wealth, but spread across the same range of assets (current accounts, savings accounts, life insurance, etc.). They do, however, own a greater amount of securities.

- **More donations among self-employed households, but their weight in total accumulated wealth remains limited**

Transmission of wealth via inheritance or donation represents an important step in the process of setting up business for the self-employed. They are more likely than other households to have received or made such transfers. However, the **weight of such transfers in their total wealth is comparable to the proportion observed in other households**.

Who are the self-employed workers of the cultural sectors ?

- **27% of all workers employed in the cultural sectors are self-employed; among this latter group, 4 in 10 are auto-entrepreneurs**

At the end of 2011, **131,000 people** were registered as self-employed in the cultural sectors, 100,000 as their sole occupation and 31,000 in addition to a salaried activity. **The rate of self-employment in these sectors is three times greater than the equivalent rate for the employed labour force as a whole**. Three-quarters of these self-employed professionals work in the visual arts, architecture and the press and publishing sectors.

In the cultural sectors, the creation of the “auto-entrepreneur” professional status has met with a resounding success: the **proportion of self-employed professionals operating as auto-entrepreneurs in these sectors is twice as high (4 in 10) as the corresponding rate across all sectors**.

- **1020 euros per month for private art teachers, 3740 euros for architects**

In 2011, for cultural activities, the average monthly income of “traditional” self-employed professionals (not including auto-entrepreneurs) stood at **2,360 euros per month, 25% less than the average across all sectors** (3100 euros, excluding agriculture). Architecture is the most lucrative cultural

sector (3740 euros), with artistic education the least lucrative (1020 euros). The substantial variation from one cultural sector to the next is matched by a similarly high level of disparity within the sectors themselves. **Auto-entrepreneurs in the cultural sectors declare an average income of 430 euros** per month for their self-employed activities, slightly below the average for auto-entrepreneurs (460 euros).

Excluding auto-entrepreneurs, **self-employed women earn 40% less than men**, compared with an average of 24% less across all sectors. On the other hand, women working in the cultural sectors under the auto-entrepreneur regime had earnings comparable to those of their male counterparts in 2011.

- **A significant proportion of self-employed workers in the cultural sector have multiple activities**

Low incomes in the cultural sectors are partly offset by the fact that self-employed work in these sectors is more frequently combined with salaried employment, often entirely unrelated to culture: **13% of “traditional” self-employed professionals in this field combine self-employment with salaried employment, three percent more than the average across all sectors.**

As is the case across the economy as a whole, multiple employment in the cultural sectors is three times more common among auto-entrepreneurs than it is among “traditional” self-employed professionals (42% compared with 33% across all sectors).

For those in the cultural sectors with multiple jobs, the average monthly income from self-employment is 1300 euros for the “traditional” self-employed and 320 euros for auto-entrepreneurs, namely around half that declared by their counterparts without other activities.

In these sectors more than elsewhere, the wage of those with multiple jobs represents their primary source of income. While the situation for auto-entrepreneurs in the cultural sectors does not differ substantially from that of their counterparts in other sectors (wages account for around 85% of the total earned income of those with more than one activity), the same cannot be said of “traditional” self-employed professionals: **67% of their total earned income comes from their wages, compared with an average of 53% across all sectors.**

How much do recently-established independent doctors earn? How have things changed recently? And how do they compare with older generations of doctors?

- **Incomes vary substantially between different specialisations, sometimes doubling**

In addition to their independent activities, 27% of general practitioners and 44% of specialists have an additional, salaried activity. For the year 2011 the average earned income of doctors, i.e. the combined total of their income from independent activities and any salaried employment, stood at **106,140 euros**, but varied significantly between different areas of specialisation (from **82,000 euros for general practitioners to 190,000 euros for radiologists**). Generally speaking, income from salaried activities accounted for only a small proportion of total income: less than 5% for GPs (3900 euros) and 11% for specialists (15,300 euros).

Regardless of their specialisation, the earned income of female doctors was substantially lower than that of their male counterparts (by around a third).

In 2011, **the average income of young general practitioners was 15% below the average for all GPs**. This can be partly explained by their lack of seniority (having not yet established a large number of patients), but also by the higher proportion of women among their ranks, as female doctors treat fewer patients on average than male doctors. **On the other hand, the income of young specialists is slightly higher than the average across all specialists (+6%)**. Recently-qualified specialists are more likely to be established in Sector 2 (uncapped fees), and often choose more lucrative, technical specialisations (anaesthesia, surgery etc.).

- **An increase in the earned income of young doctors from generation to generation**

Recorded in 2005 and again in 2011, **the total earned income of young doctors has increased, in constant euros, by 2.4% for GPs, by 7.5% for Sector 1 specialists and by 11.4% for specialists in Sector 2**. This increase reflects both an increase in the income from independent activities and an increase in wages. If we take into account the variation of the profile of young doctors (for example, a greater proportion of female GPs), over this 6-year period the income of young doctors increased by 7% for GPs and Sector 1 specialists, and by 9% for specialists in Sector 2.

This increase was driven by a rise in consultation fees and the introduction of new fixed-rate forms of remuneration (better pay for permanent care, bonuses paid for meeting public healthcare targets, etc.).

What other resources are available to agricultural households to supplement their income from farming?

▪ **Agricultural incomes vary greatly depending on the type of farm**

In 2010 there were **490,000 agricultural operations in Metropolitan France, managed by 604,000 farm managers or co-managers**. Small farms accounted for more than a third of all agricultural operations, but only 7% of total agricultural land and just 3% of total production. Dual activity (individuals performing agricultural activities and other professional activities simultaneously) is a phenomenon which concerns over a third of managers of small farms, compared with 13% of managers of large and medium-sized farms.

381,000 agricultural households manage large or medium-sized farms. The average income from farming for these households is 23,900 euros per year; it varies from 12,400 euros for beef cattle farms to 39,300 euros for non-cereal crop farms (beet, potatoes, field-planted vegetables etc.). Variations between individual households are even more significant: **more than 10% of households recorded a negative income from farming, while 10% made over 52,900 euros.**

▪ **Non-agricultural income contributed 37% to total household income in 2010**

98% of agricultural households supplemented their income from farming with income from various other sources, and to various degrees. All in all, 60% of this additional income came from labor earnings (wages or profits from non-agricultural activities), 31% from property income and 9% from pensions. The average value of these alternative income sources was 14,600 euros in 2010, with a quarter of households bringing in below 1,300 euros and a quarter making over 21,000 euros.

The average total income of agricultural households thus stands at **38,200 euros, of which 37% comes from non-agricultural sources. Total income appears more evenly-spread than income from farming.** For a quarter of households this total is below 16,700 euros, while for another quarter it is above 50,000 euros, three times greater (the difference is four-fold for agricultural income). For a third of households, agricultural income is negative or below the net minimum wage (12,700 euros in 2010), while this proportion is 18% when it comes to total income.

▪ **The proportion of non-agricultural activity varies according to the type of farm**

One in two agricultural households receives earned income from activities unrelated to agriculture. **For these households, the average supplementary income was 15,700 euros for wages and 10,000 euros for profits from non-agricultural activities.**

The share of non-agricultural activity is higher in large arable or crop farms than in livestock farms, which are subject to additional constraints in terms of care for their animals. For dairy farmers, income from farming accounts for over 70% of total household income. This income nonetheless remains below the average income from farming across all agricultural households. On the other hand, large crop farms are more readily compatible with non-agricultural activities. Nevertheless, income from farming accounts for over 50% of the total household income of such households, which for cereal crop farmers and winegrowers remains well above the average observed across all agricultural households.



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