

SECOND JOB

One worker, one salary, two incomes: Earning paychecks and profits, some enterprising employees pursue self-employment as a second job. The tallies tell tales of holding two jobs.



Original photos by Billy Rose

ENTREPRENEURS

by Jeffrey C. Gruenert

Some people have a split working persona: They work for someone else and also for themselves. These workers have primary positions in wage-and-salary jobs and hold second jobs in which they are self-employed in unincorporated businesses. For example, someone employed as a newspaper editor who freelances as a writer after hours is both a wage-and-salary worker and self-employed in a second job. This type of worker is called, for the purpose of this article, a second job entrepreneur.

In 1998, almost 2 million people—about 1 percent of all workers—fit this description of second job entrepreneur. An individual's primary occupation is the one in which he or she works the greatest number of hours. Self-employed workers in unincorporated businesses draw earnings from their own businesses rather than as employees earning a salary or commission from others.

This article discusses second job entrepreneurs by examining data from the Current Population Survey. The data reveal worker characteristics, occupations in which these workers hold their second jobs, and the occupational and earnings relationships between their second and primary jobs.

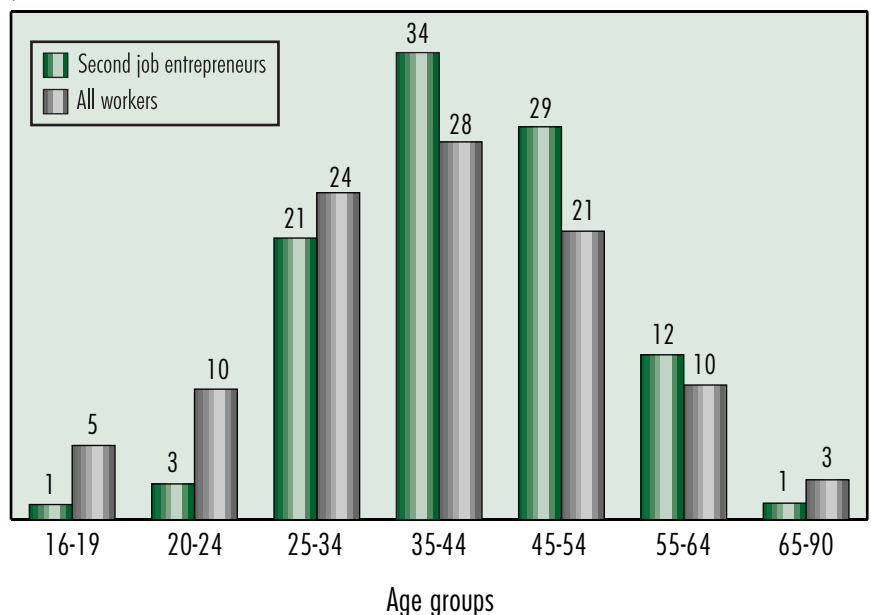
Worker characteristics

What characteristics distinguish second job entrepreneurs? They have a marketable skill, have the time to pursue a second job, and are willing to assume the risks that go with self-

employment. The data show they had other common characteristics in 1998, including age, sex, and educational attainment.

The median age of second job entrepreneurs was about 43 years. That was nearly 4 years older than the median age for all workers, a group dominated primarily by younger wage-and-salary workers. Among second job entrepreneurs, the largest portion was in the 35- to 44-year-old age group, which accounted for 34 percent of the total. The 45- to 54-year-old age group made up another 29 percent of second job entrepreneurs. These two age groups comprise over 60 percent of all second job entrepreneurs; among all workers, they account for about 49 percent of the total. (See chart.)

Second job entrepreneurs and all workers, by age, 1998
(percent)



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Most second job entrepreneurs who work in an agriculture, forestry, and fishing occupation as their primary job have a second job in the same occupational group.

Male second job entrepreneurs outnumbered females by nearly 2 to 1; in addition, over 7 out of 10 of all second job entrepreneurs were married. These data suggest that men may have had more inclination to be self-employed in a second job than did women and that second job entrepreneurship was influenced by either spousal support and stability, increased financial obligations stemming from family responsibilities, or both.

Second job entrepreneurs also had higher than average educational attainment. About 4 percent of these workers had less than a high school diploma, compared to 13 percent of all

workers. However, almost 40 percent of them had a bachelor's degree or higher, compared to about 27 percent of all workers. (See table 1.)

On-the-job training and experience in most occupations usually increase workers' proficiency. Well trained and experienced workers develop abilities such as time management and customer service skills, which are especially important for second job entrepreneurs. Although there are numerous workers with many years of training and experience, most people with special skills choose not to become second job entrepreneurs. These workers may value leisure activities, such as recreation, family time, and rest, over additional income.

Occupational employment

From 1989 to 1998, the total number of second job entrepreneurs declined 10 percent, while the total number of all workers increased more than 12 percent. The distribution of second job entrepreneurs between occupational groups varied from those in sales occupations, which grew 23 percent, to those in the handlers, equipment cleaners, helpers, and laborers group, which decreased about 33 percent.

In 1998, over 75 percent of all second job entrepreneurs worked in four occupational groups in their second jobs: Executive, administrative, and managerial; professional specialty; farming, forestry, and fishing; or sales occupations. This compares to about 44 percent of all workers in the same four occupational groups, suggesting that some occupations were more conducive than others to second job entrepreneurship. (See table 2.)

The occupational makeup of second job entrepreneurs differed significantly from that of all workers. The most striking difference occurred in farming, forestry, and fishing occupations. About 21 percent of second job entrepreneurs worked in

this group in their second job, compared to less than 3 percent of all workers. The majority of these second job entrepreneurs lived on farms where, as a second job, they produced crops or livestock or both. Many small farmers and ranchers work in an unrelated primary job because they are unable to make a profit from their crops or livestock. Because many small farms are not profitable, total employment for second job entrepreneurs in agriculture decreased from 1989 to 1998, just as it did for all workers in this group.

Sales occupations were the largest source of second job entrepreneurship in 1998, accounting for almost 21 percent of

Table 1
All workers and second job entrepreneurs, by educational attainment, 1998

Educational attainment	All workers		Second job entrepreneurs	
	(thousands)	Percent	(thousands)	Percent
Total, all employed	131,463	100	1,855	100
Less than high school diploma	17,114	13	77	4
High school graduate or equivalent	41,995	32	476	26
Some college, no degree	26,307	20	363	20
Associate degree	10,730	8	207	11
Bachelor's degree	23,772	18	464	25
Master's degree	7,794	6	180	10
Professional degree or Ph.D.	3,751	3	88	5

Note: Sum of individual items may not equal totals due to rounding. Data may differ from previously published data because of differences in estimating techniques.

Table 2

Employment of all workers and second job entrepreneurs, selected occupations, 1998

Occupation	All workers		Second job entrepreneurs	
	Number (thousands)	Percent	Number (thousands)	Percent
Total employed	131,463	100	1,855	100
Executive, administrative, and managerial occupations	19,054	14	286	15
Managers, food serving and lodging establishments	1,453	1	19	1
Managers, properties and real estate	517	–	47	3
Management related occupations	4,700	4	93	5
Accountants and auditors	1,616	1	33	2
Other financial officers	745	1	17	1
Management analysts	441	–	35	2
Professional specialty occupations	19,883	15	364	20
Engineers, architects, and surveyors	2,224	2	12	1
Engineers	2,052	2	11	1
Mathematical and computer scientists	1,747	1	31	2
Computer systems analysts and scientists	1,471	1	30	2
Health assessment and treating occupations	2,898	2	14	1
Therapists	528	–	10	1
Teachers, except college and university	4,962	4	78	4
Social scientists and urban planners	430	–	25	1
Psychologists	232	–	22	1
Lawyers and judges	951	1	13	1
Lawyers	912	1	13	1
Writers, artists, entertainers, and athletes	2,353	2	174	9
Authors	130	–	21	1
Designers	692	1	32	2
Musicians and composers	183	–	36	2
Painters, sculptors, craft-artists, and artist printmakers	241	–	15	1
Photographers	154	–	25	1
Sales occupations	15,850	12	382	21
Supervisors and proprietors, sales occupations	4,719	4	133	7
Sales representatives, finance and business services	2,668	2	58	3
Real estate sales occupations	749	1	24	1
Sales occupations, other business services	664	1	15	1
Sales representatives, commodities except retail	1,584	1	14	1
Sales representatives, mining, manufacturing, and wholesale	1,544	1	14	1
Sales workers, retail and personal services	6,784	5	175	9
Sales workers, other commodities	1,416	1	29	2
Street and door-to-door sales workers	315	–	108	6
News vendors	100	–	19	1

– Less than 1 percent

(continued) Employment of all workers and second job entrepreneurs, selected occupations, 1998

Occupation	All workers		Second job entrepreneurs	
	Number (thousands)	Percent	Number (thousands)	Percent
Administrative support occupations, including clerical	18,410	14	83	4
Secretaries, stenographers, and typists	3,599	3	19	1
Financial records processing occupations	2,214	2	40	2
Bookkeepers, accounting, and auditing clerks	1,726	1	36	2
Service workers, except private household	16,989	13	89	5
Cleaning and building services, except private household	3,112	2	34	2
Janitors and cleaners	2,233	2	31	2
Personal service occupations	2,909	2	37	2
Hairdressers and cosmetologists	763	1	12	1
Family child care providers	486	—	15	1
Farming, forestry, and fishing occupations	3,502	3	386	21
Farm operators and managers	1,187	1	319	17
Farmers, except horticultural	935	1	314	17
Related agricultural occupations	1,268	1	49	3
Groundskeepers and gardeners, except farm	924	1	38	2
Precision production, craft, and repair occupations	14,411	11	165	9
Mechanics and repairers	4,786	4	59	3
Mechanics and repairers, except supervisors	4,527	3	59	3
Vehicle and mobile equipment mechanics and repairers	1,845	1	27	1
Automobile mechanics	877	1	17	1
Electrical and electronic equipment repairers	866	1	12	1
Miscellaneous mechanics and repairers	916	1	13	1
Construction trades	5,594	4	79	4
Construction trades, except supervisors	4,839	4	68	4
Carpenters	1,346	1	19	1
Electricians	806	1	16	1
Painters, construction and maintenance	590	—	10	1
Precision production occupations	3,907	3	27	1
Machine operators, assemblers, and inspectors	7,791	6	38	2
Machine operators and tenders, except precision	4,931	4	10	1
Fabricators, assemblers, and hand working occupations	2,090	2	27	1
Transportation and material moving occupations	5,363	4	29	2
Motor vehicle operators	4,069	3	24	1
Truckdrivers	3,012	2	14	1
Handlers, equipment cleaners, helpers and laborers	5,102	4	14	1
Technicians and related support occupations	4,261	3	19	1
Technologists and technicians, except health	2,528	2	18	1

second job entrepreneurs—nearly twice the concentration of all workers who hold a sales occupation as their primary job. Many people are attracted to sales occupations because sales jobs often require little startup investment or training and can yield good financial returns. The number of second job entrepreneurs in sales increased 72,000, or 23 percent, between 1989 and 1998.

There were also differences between second job entrepreneurs and all workers in two other groups: executive, administrative, and managerial occupations and professional specialty occupations. The two groups were similar in size for all workers, but there were one-third more second job entrepreneurs in the professional specialty occupations than in the executive, administrative, and managerial occupations. Twenty percent of second job entrepreneurs were in the professional specialty occupations, compared to about 15 percent of all workers. An equal proportion, 15 percent, of second job entrepreneurs and all workers were in the executive, administrative, and managerial occupations.

For a discussion of the occupations and occupational groups in which self-employed people work, see George Silvestri's article, "Considering self-employment: What to think about before starting a business," in the summer *OOQ*.

Relationship between second and primary jobs

You might expect occupations and earnings to be leading indicators of second job entrepreneurship, with second job entrepreneurs in the same occupation as their primary employment and low-earning workers most likely to become second job entrepreneurs. However, the data do not support these expectations. In 1998, only about 168,000—9 percent—of second job entrepreneurs had the same occupations for their primary and second jobs. And workers in high-earning occupations were more likely to be second job entrepreneurs than those in low-earning occupations.

Relation to occupation. The relationship between occupational employment in primary and second jobs is complicated. The data show that the investment of time and experience for proficiency in an occupation increased the likelihood that a second job was in the same field. For example, 28 percent of second job entrepreneurs in the precision production, craft, and repair group, a group that includes occupations requiring a large amount of time to learn a trade, had their primary jobs in the same group. (See table 3.) Over half of these had the same occupations for primary and second jobs.

More common were occupations of second job entrepreneurs that were either related to their primary occupation, within the same occupational group, or in closely related occupational groups. Over half of the combined total of second job entrepreneurs in the executive, administrative, and managerial



Nearly one-fifth of second job entrepreneurs with a primary job in a professional specialty occupation, such as registered nurse (above), work in sales (below) as a second job.



Four percent of second job entrepreneurs work in construction trades occupations.

and professional specialty groups came from the same primary job occupational group.

Second job entrepreneurs in administrative, executive, and managerial and professional specialty occupations often had closely related first and second jobs: they comprise over two-fifths of the total in their primary job occupation. Workers with primary jobs in these occupations were also the most likely to become second job entrepreneurs in the same occupation, accounting for over one-third in their second job occupation. Some factors common to these occupational groups, such as predictable or flexible work hours or having considerable time off, enable managerial and professional workers to become second job entrepreneurs. College administrators and faculty, elementary and secondary school teachers, and registered nurses are examples of those who have work schedules that allow for second jobs.

Most second job entrepreneurs in the other occupational groups had unrelated occupations in their primary and second jobs. Over one-fifth of the second job entrepreneurs farmed in their second job and worked in a variety of wage-and-salary

Table 3
Second job entrepreneurs, by occupational group, 1998
 (thousands)

Occupational group of second job	Total employed	Total employed
		1,855
Executive, administrative, and managerial		286
Professional specialty		364
Technicians and related support occupations		19
Sales		382
Administrative support, including clerical		83
Service workers, except private household		89
Farming, forestry, and fishing		386
Precision production, craft, and repair		165
Machine operators, assemblers, and inspectors		38
Transportation and material moving		29
Handlers, equipment cleaners, helpers, and laborers		14

Note: Sum of individual items may not equal totals due to rounding.
 — Less than 500

To use this table: Determine the proportion of second job entrepreneurs within a primary job occupational group who have second jobs in a particular group by choosing a primary occupation heading across the top and reading numbers down the column to find the number of workers with second jobs in the occupational group corresponding with that row; then, divide by the total for the column. For example, 169,000 second job

occupations as their primary job. Another one-fifth worked in sales as a second job and had primary jobs from all occupational groups. Those in the other occupational groups had no detectable relationship between their first and second jobs.

Relation to earnings. Compared to all workers, second job entrepreneurs earned more in their primary occupations. (See table 4.) The same is true for workers in the executive, administrative, and managerial; professional specialty; technicians and related support; and sales occupational groups. Workers in other groups earned more than all workers in the lower half of the earnings scale. Second job entrepreneurs usually have salaries at least as high as all workers in their primary occupation: almost 13 percent earned over \$1,155 per week, the top decile for all workers.

Workers in executive, administrative, and managerial and professional occupations are among the highest paid. About 19 percent of second job entrepreneurs in the executive, administrative, and managerial group and 17 percent in the professional group were also in the highest earnings category. (See table 5.) Therefore, the motivation for becoming second job entrepreneurs

Occupational group of primary job

Executive, administrative, and managerial	Professional specialty	Technicians and related support occupations	Sales	Administrative support, including clerical	Service workers, except private household	Farming, forestry, and fishing	Precision production, craft, and repair	Machine operators, assemblers, and inspectors	Transportation and material moving	Handlers, equipment cleaners, helpers, and laborers
333	425	70	169	230	155	31	228	96	81	35
91	61	5	26	33	25	1	21	14	5	3
59	187	13	27	31	14	2	12	12	3	3
–	4	10	–	1	1	–	2	–	1	–
64	79	9	54	73	34	3	35	13	9	7
22	14	6	4	29	6	–	–	1	1	1
10	13	1	12	14	16	–	5	5	11	1
61	43	15	28	26	32	21	77	37	32	13
18	14	5	10	9	22	2	64	8	9	4
3	7	1	3	11	3	–	5	3	1	2
3	1	2	5	2	1	1	4	2	6	1
2	1	2	1	1	1	–	3	1	2	–

entrepreneurs had primary jobs in a sales occupation. Of those workers, 10,000, or about 6 percent, had second jobs in precision production, craft, and repair occupations.

To determine the proportion of second job entrepreneurs within a second job occupational group who have primary jobs in a particular group, choose a heading at the left and read numbers across the row to

find the number corresponding with the group in that column; then, divide by the total for the row. For example, 382,000 second job entrepreneurs had second jobs in a sales occupation. Of those workers, 35,000, or about 9 percent, had primary jobs in precision production, craft, and repair occupations.

Table 4

Second job entrepreneurs' weekly wage-and-salary earnings, by occupational group of primary job, 1998¹

Occupational group	1 st decile	1 st quartile	Median	3 rd quartile	9 th decile
All workers	\$256	\$347	\$523	\$789	\$1,155
Total second job entrepreneurs	329	464	654	908	1,258
Executive, administrative, and managerial	392	519	770	1,140	1,479
Professional specialty	440	618	822	1,103	1,470
Technicians and related support	440	518	694	941	1,172
Sales	265	402	591	847	1,329
Administrative support, including clerical	309	383	539	709	850
Service workers, except private household	244	345	511	767	989
Farming, forestry, and fishing	293	328	386	487	770
Precision production, craft, and repair	387	494	653	853	1,102
Machine operators, assemblers, and inspectors	292	406	545	730	886
Transportation and materials moving	310	406	568	761	1,053
Handlers, equipment cleaners, helpers, and laborers	268	377	471	707	948

¹Full-time workers' usual earnings including overtime pay, tips, and commissions, expressed as a weekly amount.

Table 5**Earnings distribution of second job entrepreneurs, by occupational group of primary job, 1998¹**

(percent)

Occupational group	Less than \$523 (Median)	\$523-789	\$780-999	\$1,000-1,155	More than \$1,155 (Top 10 percent)
Total second job entrepreneurs	46	24	12	4	13
Executive, administrative, and managerial	35	23	12	8	19
Professional specialty	30	26	17	9	17
Technicians and related support	33	31	16	—	23
Sales	50	25	6	6	10
Administrative support, including clerical	59	31	5	3	2
Service workers	62	20	10	5	5
Farming, forestry, and fishing	77	13	3	—	—
Precision production, craft, and repair	36	33	17	8	8
Machine operators, assemblers, and inspectors	49	33	13	3	1
Transportation and materials moving	57	24	10	4	5
Handlers, equipment cleaners, helpers, and laborers	63	26	12	—	—

Note: Sum of individual items may not equal totals due to rounding.

¹Full-time workers' usual earnings including overtime pay, tips, and commissions, expressed as a weekly amount.

— Less than 1 percent

was probably not financial necessity. Most of these people worked second jobs because their schedules allowed it, their expertise was in demand, and an opportunity presented itself.

Other second job entrepreneurs have a stronger economic incentive to supplement earnings from their primary job. For example, they may be second job entrepreneurs during the winter months when work in their primary job slows. Most second job entrepreneurs were in the lowest earnings categories in sales; administrative support; private household; service; farming, forestry, and fishing; machine operators, assemblers, and inspectors; and handlers, equipment cleaners, helpers, and laborers occupational groups. These individuals are likely motivated to become second job entrepreneurs by a desire for additional earnings.

About the data

The Current Population Survey (CPS), a monthly survey of about 60,000 households, is conducted by the Bureau of the Census for the Bureau of Labor Statistics. In this article, individuals who are wage-and-salary workers in their primary job and are self-employed in their second job are termed “second job entrepreneurs,” and all employed Americans at least 16 years of age are included in the term “all workers.”

The CPS collects earnings information only for the primary job in which a person worked during the reference week of the survey—and only for wage-and-salary workers. As a result, the data in tables 4 and 5 show the distribution of second job entrepreneurs' primary job earnings, but not the earnings from their second jobs.

