

Supplementary Tables for:

**Self-Employment Dynamics and Self-Employment Trends:  
A Study of Canadian Men and Women, 1982-1998**

P. Kuhn

H. Schuetze



**A. Examining the Sensitivity of the Results to Alternative Sample Years:**

**Table 3A (80's = 85-89 and 90's = 93-98)**  
**Transition Matrices, Ergodic Distributions and Steady-State Rates of**  
**Self-Employment: 1980's v.s. 1990's, males and females**

**Men**

<p align="center"><u>Probability Matrix 1980's</u></p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><b>E<sub>t</sub></b></td> <td style="text-align: center;"><b>S<sub>t</sub></b></td> <td style="text-align: center;"><b>N<sub>t</sub></b></td> <td></td> </tr> <tr> <td>0.9217</td> <td>0.1454</td> <td>0.3164</td> <td><b>E<sub>t+1</sub></b></td> </tr> <tr> <td>0.0109</td> <td>0.8225</td> <td>0.0318</td> <td><b>S<sub>t+1</sub></b></td> </tr> <tr> <td>0.0674</td> <td>0.0321</td> <td>0.6517</td> <td><b>N<sub>t+1</sub></b></td> </tr> </table> <p align="center"><u>Ergodic Distribution 1980's</u></p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><b>E</b></td> <td>0.7690</td> </tr> <tr> <td style="text-align: center;"><b>S</b></td> <td>0.0752</td> </tr> <tr> <td style="text-align: center;"><b>N</b></td> <td>0.1558</td> </tr> </table> <p><b>Steady-State Self-Employment Rate = 0.0891</b></p>	<b>E<sub>t</sub></b>	<b>S<sub>t</sub></b>	<b>N<sub>t</sub></b>		0.9217	0.1454	0.3164	<b>E<sub>t+1</sub></b>	0.0109	0.8225	0.0318	<b>S<sub>t+1</sub></b>	0.0674	0.0321	0.6517	<b>N<sub>t+1</sub></b>	<b>E</b>	0.7690	<b>S</b>	0.0752	<b>N</b>	0.1558	<p align="center"><u>Probability Matrix 1990's</u></p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><b>E<sub>t</sub></b></td> <td style="text-align: center;"><b>S<sub>t</sub></b></td> <td style="text-align: center;"><b>N<sub>t</sub></b></td> <td></td> </tr> <tr> <td>0.9089</td> <td>0.1262</td> <td>0.2512</td> <td><b>E<sub>t+1</sub></b></td> </tr> <tr> <td>0.0105</td> <td>0.8364</td> <td>0.0379</td> <td><b>S<sub>t+1</sub></b></td> </tr> <tr> <td>0.0806</td> <td>0.0390</td> <td>0.7108</td> <td><b>N<sub>t+1</sub></b></td> </tr> </table> <p align="center"><u>Ergodic Distribution 1990's</u></p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><b>E</b></td> <td>0.6994</td> </tr> <tr> <td style="text-align: center;"><b>S</b></td> <td>0.0931</td> </tr> <tr> <td style="text-align: center;"><b>N</b></td> <td>0.2075</td> </tr> </table> <p><b>Steady-State Self-Employment Rate = 0.1174</b></p>	<b>E<sub>t</sub></b>	<b>S<sub>t</sub></b>	<b>N<sub>t</sub></b>		0.9089	0.1262	0.2512	<b>E<sub>t+1</sub></b>	0.0105	0.8364	0.0379	<b>S<sub>t+1</sub></b>	0.0806	0.0390	0.7108	<b>N<sub>t+1</sub></b>	<b>E</b>	0.6994	<b>S</b>	0.0931	<b>N</b>	0.2075
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**Change in Steady-State Self-Employment Rate 1990's-1980's = 0.0283**

**Women**

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**Change in Steady-State Self-Employment Rate 1990's-1980's = 0.0450**

**Table 4A****(80's = 85-89 and 90's = 93-98)**

Decomposition of Change in the Canadian Steady-State (S-S) Rate of Self-Employment

	<b>Men</b>				<b>Women</b>			
<b>Elements Changed</b>	<b>S-S Rate 1980's</b>	<b>S-S Rate 1990's</b>	<b>Change S-S Rate</b>	<b>Percent Explained</b>	<b>S-S Rate 1980's</b>	<b>S-S Rate 1990's</b>	<b>Change S-S Rate</b>	<b>Percent Explained</b>
All Elements	0.0891	0.1174	0.0283	100	0.0424	0.0873	0.0450	100
S-E Entry and Exit (ES,SE,NS,SN)	0.0891	0.1003	0.0112	40	0.0424	0.0862	0.0438	97
S-E Entry (ES,NS)	0.0891	0.0927	0.0036	13	0.0424	0.0515	0.0091	20
S-E Exit (SN,SE,SS*)	0.0891	0.0964	0.0073	26	0.0424	0.0712	0.0288	64
S-E Duration (SS)	0.0891	0.0959	0.0068	24	0.0424	0.0708	0.0284	63
W&S-Non-Employ Transitions (EN,NE)	0.0891	0.1060	0.0169	60	0.0424	0.0437	0.0013	3
W&S Non-Employ Duration (EE,NN)	0.0891	0.1021	0.0130	46	0.0424	0.0394	-0.0030	-6
All W&S Non (EN, NE,EE,NN,ES*,NS*)	0.0891	0.1085	0.0194	69	0.0424	0.0522	0.0098	22

1. For a description of how the values are calculated refer to the text.

2. \* denotes elements that took on their 1990 value because of requirement to sum to one.

**B. Examining the Sensitivity of the Results to an Alternative Definition of the Self-Employment Rate:**

**Table 3B (SE Rate Defined as #SE/Working Age Pop)  
Transition Matrices, Ergodic Distributions and Steady-State Rates of  
Self-Employment: 1980's v.s. 1990's, males and females**

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**Table 4B**  
**(SE Rate Defined as #SE/Working Age Pop)**  
 Decomposition of Change in the Canadian Steady-State (S-S) Rate of Self-Employment

	Men				Women			
<b>Elements Changed</b>	<b>S-S Rate 1980's</b>	<b>S-S Rate 1990's</b>	<b>Change S-S Rate</b>	<b>Percent Explained</b>	<b>S-S Rate 1980's</b>	<b>S-S Rate 1990's</b>	<b>Change S-S Rate</b>	<b>Percent Explained</b>
All Elements	0.0783	0.0910	0.0128	100	0.0282	0.0553	0.0271	100
S-E Entry and Exit (ES,SE,NS,SN)	0.0783	0.0831	0.0048	38	0.0282	0.0564	0.0282	104
S-E Entry (ES,NS)	0.0783	0.0757	-0.0026	-20	0.0282	0.0325	0.0043	16
S-E Exit (SN,SE,SS*)	0.0783	0.0858	0.0075	59	0.0282	0.0491	0.0209	77
S-E Duration (SS)	0.0783	0.0856	0.0073	58	0.0282	0.0491	0.0209	77
W&S-Non-Employ Transitions (EN,NE)	0.0783	0.0866	0.0083	65	0.0282	0.0280	-0.0002	-1
W&S Non-Employ Duration (EE,NN)	0.0783	0.0848	0.0065	51	0.0282	0.0265	-0.0017	-6
All W&S Non (EN, NE,EE,NN,ES*,NS*)	0.0783	0.0830	0.0047	37	0.0282	0.0318	0.0036	13

1. For a description of how the values are calculated refer to the text.
2. \* denotes elements that took on their 1990 value because of requirement to sum to one.