

## Entrepreneurs going it alone, st



### TRENDS

BY GUY WATSON

Most all of the roughly 700,000 Canadians who started business in the past years don't have any hired help, a report reveals.

Carolynn Younghusband, 36, has spent 16 years toiling in the social services industry. She never felt seduced by the money on Bay Street. Her life was a natural career and an economics major. She says now that "unless you play their game and walked away and talked the talk, there is no room for individualism here. None."

Younghusband was far from satisfied when she was re-hired from a small brokerage as the owner of three cats. She entered it as an opportunity to pursue her passion for pets.

Younghusband, a 35-year-old, has attracted 50 clients to her one-person company, No Place Like Home Cat Sitting Inc. in Toronto, which is in what the name implies. In her first six months, she has attracted 50 clients to her one-person company and is stepping up marketing efforts.

The load is heavy, but the 35-year-old figures she has found a more satisfying job. "I get to care for cats and I get to meet people of all walks of life."

Younghusband, a 37 per cent of those entrepreneurs don't have any hired help, according to a recent study. The numbers signal a big change in the eighties when self-employed outfits accounted for 17 per cent of the growth in the economy.



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Jamin Tal found that entrepreneurs without employees account for about 65.5 per cent of all self-employed workers. That's up from 53.7 per cent in the eighties.

However, as fewer than 20,000 of self-employed workers hired staff this decade, the trend has had an impact on Canada's economy, Mr. Tal says.

"To an extent, this helps explain the lack of income growth in Canada and also the lack of employment growth."

But he's quick to add that a restructuring of the Canadian economy has forced people to be more creative in finding ways to make a living. Self-employment will add to the overall economy, particularly as these companies grow and prosper, he says.

Using data from Statistics Canada and Industry Canada, Mr. Tal

calculated that on average self-employed workers earned less than paid employees, and entrepreneurs without hired help rang in lower on the pay scale than those with staff.

Paid employees earned an average of \$33,700 a year before taxes in 1996 while self-employed individuals made close to \$31,000.

Among the self-employed, disparity is even more apparent.

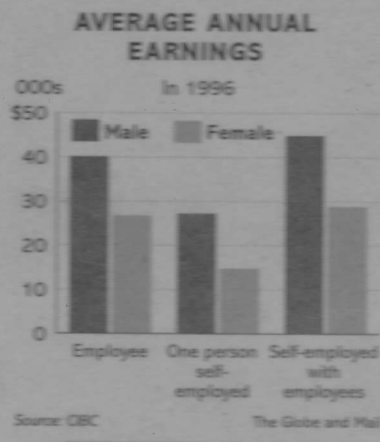
Entrepreneurs with employees earned an average of \$41,000 a year while one-person companies collected in \$22,900.

Female-led outfits with or without employees tended to earn less than their male counterparts.

Growth in lower-paying areas such as clerical work and teaching, as well as entrepreneurs who tended to work fewer hours than paid employees — particularly

women — contributed to the wage gap, the report notes.

Lower levels of income among the self-employed helped fuel the significant decline in personal sav-



ings rate during the dramatic decline in debt levels. To come, the report says. Mr. Tal's research shows that close to 40 per cent of self-employed workers in 1997 were either new or returning during the year.

Self-employed workers borrow from banks and generally have fewer creditors and less debt, he says.

"To an extent, people are not too optimistic about the likelihood of success," Mr. Tal says. But many entrepreneurs have safety nets in