ENTREPRENEURIAL HOUSEHOLDS

THE ECONOMIC ORGANISATION OF DOMESTIC LIFE

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DECLARATION OF AUTHENTICITY AND AUTHOR'S RIGHTS

This thesis is the result of the author's original research. It has been composed by the author and has not been previously submitted for examination which has led to the award of a degree.

Parts of this thesis have been presented in academic and industry events and published in peer-reviewed journals. The findings and insights from this research have been shared with the scholarly community and industry professionals through the following channels.

Academic and Industry Events:

1. Kuhl, A. (2016). *How entrepreneurship affects families: Financial management practices of entrepreneurial households*. Presented to the Diana International Research Conference, Bodo, Norway.
2. Kuhl, A. (2016). *How entrepreneurship affects families: Financial management practices of entrepreneurial households*. Presented to the Babson College Entrepreneurship Research Conference, Bodo, Norway.
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4. Kuhl, A. (2015). *How do they manage? Financial allocation systems and power relations within entrepreneurial households*. Presented to the Academy of Management Doctoral Consortium, Vancouver, Canada.
5. Kuhl, A. (2015). *Shifting boundaries in financial management research of family firms*. Presented to the EIASM Workshop on Family Firm Management Research, Lyon, France.

Peer-Reviewed Publications:

1. Carter, S., Kuhl, A., Marlow, S., Mwaura, S. (2017), “Household as a Site of Entrepreneurial Activity”, *Foundations and Trends in Entrepreneurship*: Vol. 13, No. 2, pp 81-190.
2. Kuhl, A. (2017), “Wealth and Assets in Scotland 2006-2014”, *Communities Analysis Division, The Scottish Government,* Edinburgh.

These dissemination activities have allowed for the wider dissemination of the research findings and facilitated discussions and collaborations within the academic and industry domains.

Signed:

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ABSTRACT

This study explores the economic organisation of the domestic lives of entrepreneurs as a foundation for understanding how entrepreneurs make a living and sustain the economic well-being of their households. To contribute to a greater appreciation of the daily experiences of 'everyday' entrepreneurs and their households, the study addresses three core questions. Firstly, it examines whether entrepreneurial households have different patterns of income generation and wealth accumulation compared to non-entrepreneurial households. Secondly, it explores how entrepreneurial households earn their livelihoods, and thirdly, how provisioning is undertaken within entrepreneurial households.

The study adopts a qualitative dominant mixed methods design. Answering the first question entailed a secondary analysis of the UK Wealth & Assets Survey to explore the wealth and income distribution among private households in Great Britain. This enabled an understanding of the distinctiveness of economic organisation within entrepreneurial households, in comparison to their employee counterparts. The second and third research questions were addressed through comparative case studies of five entrepreneurial households. Qualitative data enabled a deeper understanding of the economic behaviour and organisation of entrepreneurial households within its real-life context.

The secondary analysis uncovered notable differences in wealth accumulation patterns and income sources between entrepreneurial and employee households, indicating variations in their internal economic organisation and behaviour. The subsequent comparative multiple case study analysis went beyond economic determinism and expanded traditional economic and money-metric measures of material living conditions to capture the processual and multi-dimensional nature of provisioning in entrepreneurial households. Through a detailed examination of the lived experiences of the research participants, the study revealed the ambiguity surrounding the dominant business activity within households, asymmetric participation in work, and the variety of earned and non-earned income sources. The findings question the

contribution of the business to household livelihood and situated household economic functioning within a broader spectrum of relationships, including other households, the formal economy, and the state.

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CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1. What is This Study About?

This study is about how entrepreneurs make a living and sustain the economic well-being of their households (Carter, 2011; Carter & Welter, 2015; Aldrich, et al., 2021). More specifically, it explores how entrepreneurial households are organised economically, so the needs of their members are met, the economic preservation of the unit is secured, and a household business is maintained. Unlike a family, the term 'household' is often utilised to denote an economic entity or, more precisely, a social entity with important economic functions directed towards the satisfaction of people's needs (Netting, et al., 1992; Baines, et al., 2002; Hendon, 2007). In that capacity, the household is a wide array of institutional arrangements, both formal and informal (Ellickson, 2008), that guide the behaviour of its members with respect to how they pool their income and other household resources, redistribute them, allocate tasks, and make multiple decisions to maintain the economic health of the unit and the conditions of 'human flourishing' (Wilk, 1989, 2019; Smith & Wallerstein, 1992; Baines, et al., 2002).

Despite being the domestic microcosm (Ellickson, 2008), and "the next biggest thing on a social map after the individual" (Netting, et al., 1992, p. xxii), the household and its economic functioning remain the phenomenon we do not fully comprehend or have a clear understanding of (Wilk, 1989, 2019). The calls for greater attention of scholars to the complexity of household livelihood strategies are not new, and this is true for all households in general (Stiglitz, et al., 2009), i.e. irrespective of their occupational structure, and for entrepreneurial households in particular (Wheelock, 1992; Baines, et al., 2003; Wheelock, et al., 2003; Carter, 2011; Carter & Welter, 2015; Mwaura & Carter, 2015; Carter, et al., 2017; Aldrich, et al., 2021).

The internal economic organisation and functioning of entrepreneurial households are distinctive due to the expansion of household income sources through profits generated from self-employment or business ownership. As a result, entrepreneurial households establish a stronger connection with the formal economy, where they not only function as consumers (like employee households) but also as producers, offering goods and services and playing a significant role in job creation (Scase & Goffee, 1980; Baines, et al., 2002; Oughton & Wheelock, 2003; Carter, 2011). This closer relationship is likely to influence the household's provisioning strategies and redistribution of its resources, as business ownership grants entrepreneurs for considerable discretion in determining the form, value and timing of their financial rewards (Scase & Goffee, 1980; Carter, 2011; Carter & Welter, 2015).

While our understanding of how entrepreneurial households manage their household economy remains limited, previous studies have provided insights into certain aspects of the domestic sphere of entrepreneurs and the functioning of their families and households. These studies have explored various topics, including the embeddedness of entrepreneurial action in families and households (Aldrich & Cliff, 2003; Alsos, et al., 2014; Aldrich, et al., 2021); the rewards of entrepreneurship and the economic well-being of entrepreneurs (Carter, 2011; Carter & Welter, 2015; Mwaura & Carter, 2015); the business portfolios and multiplicity of income sources of entrepreneurs (Carter & Ram, 2003; Carter, et al., 2004; Alsos, et al., 2014; De Massis, et al., 2021), and examinations of female domestic responsibilities, copreneurship, mumpreneurship and the work-life balance (Foley & Powell, 1997; Smith, 2000; Jennings & McDougald, 2007; Jennings & Brush, 2013; Deacon, et al., 2014; Alsos, et al., 2016).

While these studies have consistently expanded our understanding of the domestic environment of entrepreneurs, there has been a notable absence of direct consideration of the economic organisation of entrepreneurial households. By placing greater emphasis on the household's economic functioning and its interactions with other households, the formal economy, and the state, we can gain valuable insights into a wide range of indicators that collectively contribute to the overall economic well-being of a household unit (Carter, 2011). Understanding these dynamics, relationships, and household strategies has the potential to provide us with a wealth of insights into how entrepreneurial households sustain their livelihoods (Aldrich, et al., 2021).

The idea for this research originated from the work of Carter (2011) who encouraged a closer examination of the precise scale and nature of the financial rewards that may be derived from entrepreneurship. Arguing that the entrepreneurial rewards are multi-faceted and include different types and amounts of rewards at different stages of the business life-cycle, she called for researchers to shift their focus from the narrow and static measures of income and wealth, and instead, to focus on a wide array of components that collectively contribute the household economic well-being (Carter, 2011). Arguably, this subject has become more important than ever. In the light of the current cost of living crisis and the introduction of policies aimed at reducing cost pressures within households, the lack of understanding of these dynamics and how they differ depending on the occupational structure has become a pressing concern for householders and policymakers.

1.2. The Key Definitions

For the purposes of this study, *an entrepreneurial household* is depicted as a collective of individuals bound by shared residence, economic collaboration, or mutual dependence, as well as shared responsibilities for domestic duties. It is further elucidated as a 'budgetary' entity, denoting a group with shared resources, guided by established norms for their utilisation (Wheelock & Oughton, 1996). An entrepreneurial household must encompass at least one member engaged in self-employment, alongside other individuals participating in diverse economic activities such as employment, retirement, or periods of economic inactivity. While the members of the entrepreneurial household need not be kin-related or in a formal cohabiting arrangement, it is acknowledged that within the cultural context of the study, such circumstances are likely to prevail.

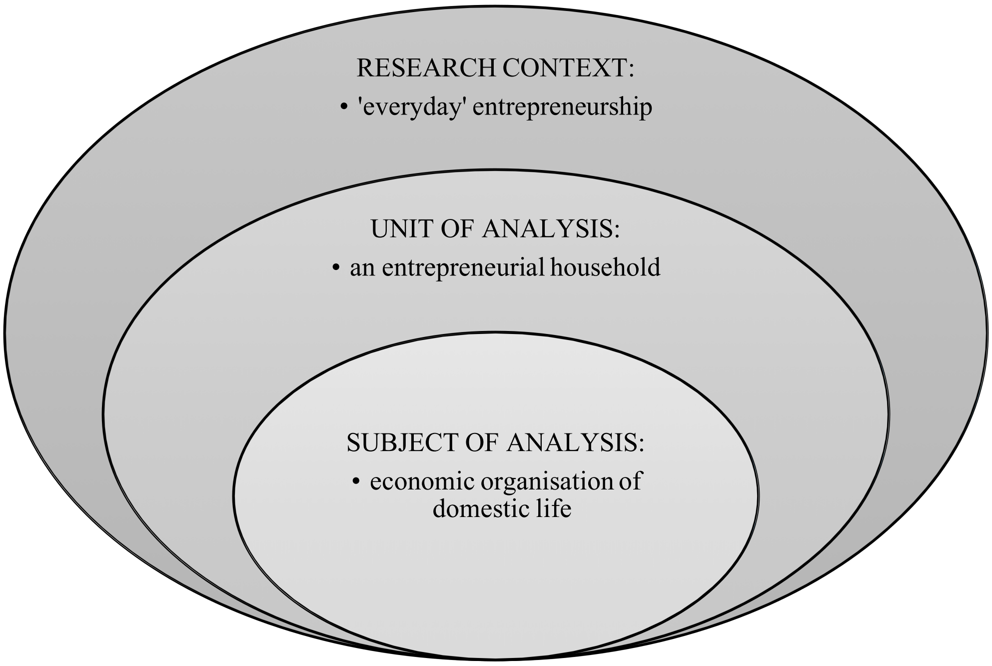
The *household's economic organisation*, also known as '*householding*' or domestic economy (Netting, et al., 1992; Smith & Wallerstein, 1992; Oughton & Wheelock, 2006), encompasses various 'budgetary' activities including income pooling, resource redistribution, task allocation, and collective decision-making aimed at sustaining the household entity (Wilk, 1989, 2019; Smith & Wallerstein, 1992).

The subsequent paragraph will delve into these concepts in greater detail, while chapters 2 and 3 will further explore out understanding of households, including entrepreneurial ones, and the intricate nature of their domestic economies.

1.3. The Conceptual Framework

This section delves into the theoretical foundations of the study, situating it within the existing body of entrepreneurship knowledge. It explains how the various concepts relate to each other and guide the research process. It begins by providing an overview of the broader context of 'everyday' entrepreneurship within which the study operates. Subsequently, it elaborates on the concept of the entrepreneurial household as the primary unit of analysis. Finally, it delves into the subject of analysis, which is the internal economic organisation of a household. The conceptual framework of the study is summarised in Figure 1.1.

Figure 1.1. The Basic Conceptual Framework of the Study



Welter et al. (2019) argue that “contextualisation of entrepreneurship research has come a long way in the recent years” (Welter, et al., 2019, p. 320). For much of its recent history, Welter et al (2019) explain, the context in which entrepreneurship was studied was largely unquestioned. It was narrow, stable and taken for granted, leading to the application of unreflective research approaches. The assumption was that entrepreneurship was primarily carried out by men in Western societies, driven solely by profit and growth, and celebrated only when high-growth and technology-driven. This gave rise to the ‘Silicon Valley’ model of entrepreneurship, characterised by a predominant research focus on business performance, rapid growth, scaling, technology and innovation (Aldrich & Ruef, 2018; Audretsch, 2021).

Welter et al. (2019) argue, however, that “the last few years have seen sustained, comprehensive, and critical reflective responses to this model of entrepreneurship” (Welter, et al., 2019, p. 320). Not only there is a growing recognition that entrepreneurship encompasses a wider range of organisations and behaviours than the Silicon Valley model suggests (Welter, et al., 2017; Aldrich & Ruef, 2018; Dodd, et al., 2021), but it is also argued that this model is inadequate in addressing the most pressing economic and social issues of our time (Audretsch, 2021). As a result, we observe the growing efforts to contextualise entrepreneurship research motivated by the desire to challenge the ‘standard’ model (Welter, et al., 2019; Baker & Welter, 2020). The calls to embrace the entrepreneurial diversity intensify, encouraging researchers to see, consider, and analyse the many different forms of entrepreneurship that too often remain invisible to us (Welter, et al., 2017; Aldrich & Ruef, 2018; Dodd, et al., 2021).

This study contributes to this discourse by situating its core empirical part away from the entrepreneurial outliers (unicorns and gazelles) assumed by the Silicon Valley model. Instead, it focuses on the ‘other’ side of entrepreneurship, which represents the vast majority of the phenomenon (Aldrich & Ruef, 2018). Commonly referred to as ‘everyday’ entrepreneurship or the ‘ninety-nine percenters’ (Welter, et al., 2017; Dodd, et al., 2021), the other side is arguably more theoretically intriguing and practically important than previously believed (Welter, et al., 2017). By adopting this non-discriminatory perspective towards what constitutes entrepreneurship, this study is designed to contribute towards the development of enriched theories, greater insights that pertain to the phenomenon, and enhanced practical applicability of research (Welter, et al., 2017; Aldrich & Ruef, 2018; Dodd, et al., 2021).

As the term ‘everyday’ entrepreneurship itself indicates, there is a rich variety and a useful multiplicity of perspectives. Given the heterogeneity of this group, it is important to be explicit of the contextual boundaries of this study. Welter et al. (2017) provide a practical guide of dichotomous distinctions that differentiate the top 1% of growth ventures from the bottom 99% of what is commonly considered as mundane and ordinary in entrepreneurship (Table 1.1.), yet so valuable in insights to the experience of most of the population. While this list is not exhaustive, it gives a good sense of the rich heterogeneity of entrepreneurship across wide-ranging contexts.

Table 1.1. Dichotomous Distinctions of Entrepreneurship*

Valorised entrepreneurship	Disparaged entrepreneurship
Opportunity-based	Necessity-based
Venture capital backed	Bootstrapped
Formal	Informal
Men-owned	Women-owned
Innovator	Replicator
Promoter	Trustee
Growth-oriented	Lifestyle
Entrepreneur	Small-business owner, etc.

**Adapted from Welter et al.* (2017).

As it would be impossible to include all possible variations of 'everyday' entrepreneurship in a single study, the core empirical part of this research is situated within the following boundaries. It considers entrepreneurship that is necessity- rather than opportunity-based, resource-constrained; thus, bootstrapped rather than venture capital backed. It includes ventures led by under-represented groups, both in the population and entrepreneurship research, replicators rather than innovators, small business owners and self-employed. Finally, it may reflect a lifestyle rather than profit-maximising and growth seeking.

Interest in the domestic lives of entrepreneurs has grown since the seminal work of Aldrich and Cliff in 2003 (Aldrich, et al., 2021) which introduced the concept of the 'family embeddedness perspective' (FEP) encouraging entrepreneurship scholars to incorporate family considerations in their conceptual models and empirical investigations. The genesis of Aldrich and Cliff's (2003) idea lies in the 'unnatural separation' of the two social institutions of family and business which are typically studied by separate subject domains. As most businesses are family-owned, Aldrich and Cliff (2003) argued that entrepreneurial actions are deeply influenced by and embedded in the domestic surrounding, and that placing the family at the core of entrepreneurship research could improve significantly not only our understanding of entrepreneurial action, but also provide more holistic, and more realistic, insights into the private lives of entrepreneurs (Aldrich & Cliff, 2003).

More recently, Aldrich and others (2021) examined the extent to which FEP has been utilised in entrepreneurship and family business research twenty years on from their seminal article. This review revealed that "the actual use of the concepts in practice has fallen short of an enthusiastic embrace. Most of the papers citing 'Aldrich and Cliff (2003)' do so just to indicate that they are aware of the perspective, rather than bringing the concepts and principles of FEP into their analysis" (Aldrich, et al., 2021, p. 18). Moreover, the majority of those who did use FEP did so sporadically and were classified as "casual users of the ideas who were not pursuing a long-term research project using FEP in multiple papers" (Aldrich, et al., 2021, p. 19). The review concluded that, despite FEP's recognition, our understanding of the domestic environment of entrepreneurs remains limited.

Complementing the calls of Aldrich et al (2021) to reimagine and redirect the existing family-centred debates to reach the full potential of FEP, this study places the private lives of those engaged in entrepreneurship at the core of this research. In contributing to the FEP discourse, this study views an entrepreneurial household as a unit of inquiry bracketing temporarily a family with its distinct analytical dimensions of descent, genealogy, kinship, and normative systems of affect, altruism and tradition (Mwaura & Carter, 2015). The household perspective is understood as a set of institutional arrangements (Ellickson, 2008), both formal and informal, which offers FEP a new array of analytical dimensions such as co-residence, responsibility for domestic tasks, provisioning, economic interdependence and cooperation (Mwaura & Carter, 2015). Unlike the family, the household perspective also allows a broader spectrum of relationships, including the local community of other households, state and the formal economy (Baines, et al., 2002).

There are, however, more practical, and theoretical justifications for placing the household as a unit of analysis in this study. First, notably Aldrich and Cliff (2003) did not explicitly recognise that families and households are distinct systems. In their 2021 paper, however, the authors stressed that our understanding of what constitutes a family undergoes significant transformation over time (Aldrich, et al., 2021). A family unit comprising an opposite-sex, married couple, living with their dependent children under the same roof is no longer the norm. The "delays in marriage and in early adulthood family formation, leading to increases in cohabitation, non-marital parenthood, and a growing population of single adults and single-parent families" (Aldrich, et al., 2021, p. 1) are just few examples of factors that reshaped the modern family landscape. As our understanding of what constitutes a family (or cohabiting union such as marriage) is evolving, a household perspective on the domestic environment of entrepreneurs offers a more conceptually stable alternative (Netting, et al., 1992), which does not diminish the kinship-based relations but incorporates them as an additional analytical sub-system.

Second, as nearly everyone has experienced living in a household unit, there is a widespread acknowledgement of the existence and importance of this particular social formation (Netting, et al., 1992; Smith & Wallerstein, 1992). Applied widely in the description, comparison and analysis of human societies, a household offers to the field of entrepreneurship "the opportunity for comparison across classes, status groups, wealth differences, ethnicity, or other aspects of social relations and structures created by the existence of multiple households within society" (Hendon, 2007, p. 141). Called the domestic microcosm (Ellickson, 2008) and "the next biggest thing on a social map after the individual" (Netting, et al., 1992, p. xxii), the household represents the scale of social formation which allows for finer-grained analyses of entrepreneurial action and economic behaviour that may be contrasted with larger-scale institutional, social and economic structures.

Finally, "the term 'household' is often used to refer primarily to an economic entity or, more precisely, a social entity with important economic functions" (Hendon, 2007, p. 143). There are many working definitions of a household unit (Netting, et al., 1992), and Hendon's definition may be only one way of approaching it. However, it is the most congenial for this study. The household is traditionally associated with a mode of production which stresses the role of its members in the economic production processes. There is the domestic or household mode of production as well as the external or market mode that links the household with the larger community and the state. While the scope of participation in the production processes differs between the households, e.g. employee vs entrepreneurial households (Scase & Goffee, 1980), the foundation of this behaviour lies in provisioning people's needs (Oughton & Wheelock, 2006). Therefore, the household is the economic provisioning unit for most individuals what makes it an appealing unit of analysis when studying economic behaviour and processes.

With the household unit emerging as a promising area of inquiry in understanding the domestic environment of entrepreneurs, it is worthwhile to revisit and elaborate on the analytical boundaries established for this study. As introduced in paragraph 1.2. of this chapter, *an entrepreneurial household* is defined as a cluster of individuals bounded together by co-residence, economic cooperation or interdependence, as well as the responsibility for domestic tasks. It is also "a budget unit, or a group who have a common fund of material and human resources and rules for practices and exchange within it" (Wheelock & Oughton, 1996, p. 149). Moreover, acknowledging the relationship between a household and formal economy, the entrepreneurial household should include at least one person in self-employment alongside other members who may be engaged in different forms of economic activities, such as being employed or retired, or who are economically inactive, e.g. dependents, elderly, disabled and those on parental leave. While the members of the entrepreneurial household need not be related by kinship or in a formal cohabiting union, it is recognised that such situations are likely to be common within the cultural context of the study. This definitional approach provides a useful guide to the identification of the entrepreneurial household as bounded by social (kin or non-kin) and economic ties. It also recognises that entrepreneurs rarely operate their ventures in isolation. They are likely to draw upon the support of household members for a range of purposes including financial support, unpaid labour or emotional support (Heck, et al., 1995; Alsos, et al., 2014).

There are two important limitations associated with the applied definition that need to be addressed. First, there is no one universally accepted definition of a household (Netting, et al., 1992; Hendon, 2007). Definitions vary, sometimes substantially, and not only across the different social science disciplines, but also within the same area of research interest. Therefore, the household boundaries are often arbitrary and their application is justified by serving the purpose of a specific study (Wilk, 1989, 2019). As such, the borders of the entrepreneurial household addressed above are also justifiable for analytical purposes of this study. While they can be treated as a working guide, these may not be applicable in a different research context or, more importantly, be cross-culturally valid (Netting, et al., 1992). As the household is a set of institutional arrangements (formal and informal) between its members, the cultural context determines the form and nature of these relationships and the boundaries between households and the wider formal economy (Ellickson, 2008). Second, the proposed definition does not take into account the single-person households, also known as *the institutional individual* (Aldrich, et al., 2021). The lack of other members within the household unit excludes the condition for economic cooperation or interdependence and prevents an evaluation of the economic organisation of domestic life as a jointly negotiated and practised endeavour. This, however, does not diminish the importance of these households, which become a prominent unit of society and offer an interesting area for future research in the domestic contextualisation of entrepreneurial action (Aldrich, et al., 2021).

In this study, the household is conceptualised as a social entity with important economic functions (Hendon, 2007), and the study explores how entrepreneurial households organise their domestic economy to ensure the well-being and stability of a household unit. The household's economic organisation is a key component of the functional framework that sets the boundaries around a household unit (Netting, et al., 1992). It is also one of its defining features directed toward the satisfaction of people's needs (Netting, et al., 1992; Baines, et al., 2002). "Needs are composed not just of material wants, but also comprise the ways in which women and men – in relating with others – create and achieve lives of human flourishing" (Baines, et al., 2002, p. 170). Therefore, *the household's economic organisation* refers to the multiple processes by which household members pool income, redistribute resources, allocate tasks and make multiple decisions directed toward the preservation of a household unit (Wilk, 1989, 2019; Smith & Wallerstein, 1992). The determinants of this behaviour include the way a household relates to the formal economy, i.e. how it earns a living (e.g. through employment, self-employment, social security transfers, etc.), and what it does internally administering the unit, provisioning needs of its members, and maintaining the conditions of 'human flourishing'.

1.4. Study Aims and Objectives

The overarching aim of this thesis is to expand our understanding of the economic organisation of the domestic lives of entrepreneurs as a foundation for understanding how entrepreneurs make a living and sustain the economic well-being of their households (Carter, 2011; Aldrich, et al., 2021). In so doing, the study aims to contribute to a greater appreciation of the daily experiences of 'everyday' entrepreneurs and their households (Welter, et al., 2017). The three research questions build on the gaps in our knowledge, limited understanding of the phenomenon, the fragmented empirical evidence and the development of the different levels of understanding of the research subject.

Research Question 1 (RQ 1):

Do entrepreneurial households have different patterns of income generation and wealth accumulation compared to other (non-entrepreneurial) households?

Theoretical prerequisites suggest that entrepreneurial households function differently within their domestic economy sphere due to their 'tighter' bond with the formal economy within which they are not only consumers, such as employee households, but also producers (Scase & Goffee, 1980; Baines, et al., 2002; Oughton & Wheelock, 2003; Carter, 2011). It has been argued that this 'tighter' relationship with the formal economy influences household provisioning strategies and redistribution of resources (Scase & Goffee, 1980; Carter, 2011). However, the empirical evidence that would indicate that entrepreneurial households indeed function differently in economic terms remains fragmented, and the one that could have been generalised to the wider population is almost non-existent (Scase & Goffee, 1980; Gentry & Hubbard, 2000; Oughton & Wheelock, 2003; Carter, et al., 2004; Mwaura & Carter, 2015). Therefore, this study starts by establishing the case of a distinct economic functioning among the entrepreneurial households in general.

RQ 1 builds upon the anthropological study of Wilk (1989, 2019) who found the relationship between capital accumulation (or lack of it) and household 'internal' behaviour. In his seminal work, Wilk (1989, 2019) explored the differences in economic organisation and behaviour of the households of Kekchi Maya farmers. Unable to attribute these differences to any individual predispositions, environmental or normative factors, Wilk concluded the observed variation in household economic behaviour could only be explained by what takes place in the intimate space of 'householding'. He further argued that to understand what goes on inside households, the focus of research should be placed on how household members manage and combine their production, exchange, investment, inheritance, sharing, minding, pooling, preparing, and consuming (Wilk, 1989, 2019), i.e. the 'internal' economic organisation through which households provision the needs of its members (Baines, et al., 2002).

To build on this proposition, RQ 1 was addressed through an analysis of secondary data derived from the UK Wealth & Assets Survey (WAS). This publicly available survey data allows the analysis of the size, composition and distribution of wealth owned by entrepreneurial (self-employed) households relative to the wealth of employee households, with additional considerations of income and its sources. The Wealth and Assets Survey collects information about the well-being of households and individuals in terms of their assets, savings and debt, and planning for retirement (ONS, 2022) and contains variables on household employment status. Therefore, it is possible to extract sub-samples of self-employed and employee households for comparison.

Research Question 2 (RQ 2):

How do entrepreneurial households earn their livelihoods?

A recent study called for "a more holistic understanding of entrepreneurial families that contemplates the variety of assets they create or acquire over time" (De Massis, et al., 2021, p. 1). Noting that entrepreneurial families often own multiple businesses and ‘patrimonial assets’ that contribute towards financial and socioemotional wealth, De Massis et al. (2021) call for greater research attention to a wider range of organisations besides a single family-owned firm. They emphasise, however, that “this complexity is still rarely addressed in mainstream family business research, where the predominant focus is on the family business or, at best, on the family controlling the operational business” (De Massis, et al., 2021, p. 2).

While the focus of De Massis et al. (2021) study was on entrepreneurial families rather than their households, the acknowledgement of multiple businesses and other assets is crucial. It is apparent that the process of household wealth creation may extend beyond the ownership of a single business to include other forms of income generation and that there may be complex relationships between a business owning household and formal economy (Baines, et al., 2002). The empirical evidence which would support this is not new. For example, there is a small collection of socio-economic studies concerned with the survival and growth of English micro-businesses that found that households apparently dependent on these ventures are, in fact, income-pooling units (Baines, et al., 2003; Wheelock, et al., 2003). Thus, the provisioning of individuals within a business-owning household may rely on complex set of activities of which a business is just one element in a ‘jigsaw’ of income components (Baines, et al., 2002). These insights align with the findings of a study investigating the income sources of independent entrepreneurs (Carter, et al., 2004) which found that these are rarely confined to the ownership of a single business, and usually, are generated by multiple entrepreneurial ventures and other economic activities. Despite its potential importance, scholarly interest in the variety of economic activities and assets created or acquired over time by entrepreneurs remains limited (Aldrich, et al., 2021; De Massis, et al., 2021).

RQ 2, therefore, explores the variety of ways in which entrepreneurial households earn money, and how these evolve and change over the life course of its members. The centrality of a household turns the attention to the broader spectrum of income-earning activities of the unit, especially beyond the operating business, and to the household members as economic actors involved in the process. This focus helps to avoid overlooking the critical interdependencies between these potentially complex processes. It also emphasises the relationship between entrepreneurial households and formal economy where they are not only consumers, such as employee households, but also producers (Scase & Goffee, 1980; Baines, et al., 2002; Oughton & Wheelock, 2003; Carter, 2011).

To achieve this, a comparative multi-case study was undertaken to gain a thorough and contextual understanding of the economic functioning of 'everyday' entrepreneurs and their households (Carter, 2011; Welter, et al., 2017; Aldrich, et al., 2021). To delve into detail on how entrepreneurial households earn their livelihoods (RQ 2), the analysis started from investigating each case individually using a narrative biographical approach (Rosenthal, 1993; Rosenthal, 2004; Rosenthal, 2006). The narrative biographical approach reconstructs a life history from the stories told and brings a time frame and historical perspective into the analysis of the experience of the participating households. The analysis aimed to explore the interface between the household life course and various income-earning activities over time.

Research Question 3 (RQ 3):

How do entrepreneurial households provision themselves through work and labour?

Following on from RQ 2, the final research question (RQ 3) builds upon the insights emanating from the individual case study reports and is informed by the earlier studies on the family participation in small and micro-businesses (Scase & Goffee, 1980; Heck, et al., 1995; Baines, et al., 2002; Alsos, et al., 2014) and the instrumental and intrinsic value of work in household provisioning system (Thompson, 1989; Applebaum, 1992; Smith & Wallerstein, 1992; Wheelock, 1992; Oughton & Wheelock, 2006).

The narrative biographical analysis of the individual case studies revealed that business ownership is just one element of a household provisioning 'jigsaw' and entrepreneurial households may also depend on a variety of other income-earning activities. Theoretical prerequisites suggest, however, that household provisioning relates to all human activities, income-generating or not, that satisfy human needs and wants (Thompson, 1989; Applebaum, 1992; Smith & Wallerstein, 1992; Wheelock, 1992; Oughton & Wheelock, 2006). This expanded perspective of household provisioning directs our attention to the broader concept of work, and the performers of work, within entrepreneurial households.

According to Applebaum (1992), work is an essential aspect of human life that structures how people live, interact with the world, and find self-worth. It is deeply intertwined with society and plays a crucial role in human survival and the creation of our environment. It is a cooperative effort that involves sharing knowledge and skills to shape the world we live in. Work is linked to self-esteem, well-being, social progress, and a high quality of life. It is also associated with personal development, discipline, and moral values. Despite its diverse manifestations, work serves the universal purpose of providing sustenance for life and is a fundamental requirement for human existence.

The concept of work plays a central role in the entrepreneurship discourse, even though it may not always be explicitly addressed. An entrepreneurial action (McMullen & Shepherd, 2006), or in simpler terms, what entrepreneurs do for a living, is what makes them distinctive from other occupational groups (Ramoglou, et al., 2020). Despite its centrality, the work of entrepreneurs and their families who are deeply embedded in the everyday micro practices of the enterprise has received little scholarly attention (Welter, et al., 2017; Dodd, et al., 2021). This lack of attention underscores the importance of recognising all household members as economic actors and acknowledging the value of their labour in preserving and sustaining the household unit (Scase & Goffee, 1980; Heck, et al., 1995; Baines, et al., 2002; Alsos, et al., 2014). Often, it is through their work and the businesses they create that these humble individuals express themselves, as their voices are predominantly absent in entrepreneurship research.

To address this important research gap, RQ 3 concentrates on the provisioning strategies within entrepreneurial households from a broader and more holistic perspective of work undertaken by all household members and their contribution in the economic preservation and maintaining of a household unit. To achieve this, a cross-case comparison of entrepreneurial households' approaches towards work and labour was undertaken.

1.5. The Structure of the Thesis

This chapter (**Chapter 1)** serves as an introduction to the thesis. It begins by introducing the research subject and providing a detailed explanation of the research interest. The conceptual framework is then presented, illustrating how the various concepts are interconnected and serve as a guide for the research process. The chapter further establishes the broader context of 'everyday' entrepreneurship, within which the study is situated. Then, the concept of an entrepreneurial household as the unit of analysis is defined, and the internal economic organisation of a household is conceptualised as the subject of analysis. The research questions are introduced, justified, and their approach in the study is explained. Following this introduction, the subsequent structure of the thesis is as follows.

Chapter 2 and **Chapter 3** review the relevant literature from various disciplines to provide the background to and further justification for the research undertaken. Chapter 2 begins with an overview of historical and anthropological perspectives on the household, which have primarily focused on its structure and function. It then examines the concept of the household as both a theoretical construct and a subject of research. Additionally, the chapter explores the household as an economic unit, highlighting its role in both production and consumption. Chapter 3 presents a more detailed exploration of the household as an economic unit. This chapter investigates the various perspectives on household decision-making, shedding light on who holds decision-making power and the basis on which decisions are made. Furthermore, it introduces the concept of economic well-being at the household level, emphasising the disparities in economic well-being between employee households reliant on waged work in the formal labour market and the increasing number of entrepreneurial households that depend on entrepreneurship as a source of income.

Chapter 4 presents the methodology employed in this study. It begins by restating the aims and objectives of the research and then proceeds to outline the underlying philosophical principles that influenced the chosen research approach. The chapter discusses the rationale for adopting a mixed methods approach, which involves a secondary analysis of the UK Wealth and Assets Survey (WAS) along with a qualitative, comparative multi-case approach. The subsequent sections of the chapter provide a detailed explanation of the analytical steps undertaken at each stage of the study. This encompasses a thorough description of the secondary analysis of WAS as well as the comparative multi-case approach. Finally, the chapter concludes by presenting the timeframe of the research process, thereby offering a clear understanding of the research timeline.

Chapter 5 presents the findings obtained from the secondary analysis of WAS which enables a demographic analysis of the distribution of wealth and income across the population of self-employed, employees and all private households in Great Britain. The primary objective of this chapter is to address RQ 1, which aims to assess whether entrepreneurial households exhibit different patterns of income generation and wealth accumulation compared to non-entrepreneurial (employee) households. To achieve this, the analysis initially focuses on measuring the assets held by self-employed and employee households, contrasting them with the entire population of private households in Great Britain. Subsequently, the analysis shifts towards distributional considerations, shedding light on the experiences of the whole population of the self-employed, employees and all private households. The examination then delves into measures of wealth inequality between these groups, and finally concludes with additional analysis of income variables. This allows some insights into whether there is a distinct economic organisation of domestic life of entrepreneurial households, particularly in comparison to employee households.

Chapter 6 and **Chapter 7** present the qualitative segment of the study, which revolves around comparative case studies of entrepreneurial households. In Chapter 6, the objective is to explore how entrepreneurial households generate their livelihoods. The chapter comprises five individual case study reports, each representing a unique 'case' of investigation based on the lived experiences and reconstructed life histories of the entrepreneurial households involved in the study. These case reports follow a chronological narrative structure, unfolding the interplay between household and work over time. Special attention is given to the concept of transition and the trajectories of these institutions, including their varying levels of synchronisation. Building upon the insights gained from Chapter 6, the purpose of Chapter 7 is to address the final research question, which is to explore how entrepreneurial households provide for themselves through work and labour (RQ 3). This chapter relies on a cross-case analysis of the case studies introduced in Chapter 6. It commences by describing the concepts of work within entrepreneurial households before exploring the three types of work undertaken in such households: income-earning work, domestic work, and voluntary work. Furthermore, it examines the sources of labour originating from the domestic economy, social economy, and formal economy.

Chapter 8 concludes the thesis. Its primary objective is to provide a comprehensive final evaluation of the research, summarising the key findings and their significance. The chapter also acknowledges the limitations and constraints encountered during the study, providing a balanced perspective on the scope and applicability of the research outcomes. Furthermore, it explores the potential avenues for future research, identifying areas that were not fully addressed or that could benefit from further investigation. It considers the broader implications of the research and encourages the exploration of new possibilities for advancing knowledge in the field.

CHAPTER TWO

THE HOUSEHOLD AS A CONCEPT: STRUCTURE AND FUNCTIONS

2.1. Introduction

While this study focuses on entrepreneurial households, it is important to note that the term ‘entrepreneurial households’ is seldom used in entrepreneurship research literature (Carter, et al., 2017). Despite the growing interest in family-owned businesses and ‘everyday’ entrepreneurship (Welter, et al., 2017), limited attention has been given to the household itself. Theoretical frameworks specifically addressing the household concept are nearly absent in entrepreneurship research, necessitating the incorporation of theories and empirical advancements from various social science disciplines. This entails combining fragmented evidence and theoretical considerations from often disparate fields, including history, economics, sociology, anthropology, demography, and law (Stewart & Aldrich, 2015).

These diverse disciplines offer different approaches to comprehend the household as a concept and reflect varying interests when studying households. For example, the work of historians roots the household in the time-frame context showing how the institution and its functions changed over time (MacDowell, 1989; Nagle, 2006). Economists focus on modelling household behaviour but often exclude non-rational behaviour commonly observed within households (Bryant & Zick, 2006; Apps & Rees, 2009). Sociologist and anthropologists explore the household and its evolution in the context of society and across societies (Netting, et al., 1992; Wilk, 1989, 2019). Demographers focus on the comparison of households and their characteristics nationally and internationally (Eurostat, 2017; ONS, 2019; Census Bureau, 2021), while legal scholars examine households through the allocation of entitlements in a specific physical setting (Ellickson, 2008). These diverse perspectives on the household highlight the varied viewpoints and offer potential avenues for entrepreneurial scholars to explore.

While the household unit may hold promise as a focus for entrepreneurship research, questions relating to its defining characteristics are crucial. The definition of a household is complex and what might be considered a household is increasingly open to a wide range of interpretations. The way people come together to form households is changing rapidly, and this is reflected in household definitions (ONS, 2022). This chapter begins with an overview of selective historical studies of the household unit to understand its conceptual evolution across time and space. Subsequently, the chapter considers anthropological insights into the difficulties of providing a universal, cross-culturally valid definition of a household unit and their implications for entrepreneurship research. Then, various examples of defining the household as a concept are presented. Subsequently, the chapter explores the rise of household analysis in entrepreneurship research before delving into the household as an economic unit that serves as both a site for production and consumption.

2.2. Historical Perspectives on Households

Before capitalist forms of mass production became the centre of modern economic thought, traditional economic considerations were based on the model of the household and its integrity with the whole economic system, through the modes of production, distribution and exchange (Swedberg, 2011). These considerations and a focus on the household as the fundamental economic institution are apparent in many studies that seek to locate the origin of family and household formation, even in very primitive societies. For instance, early studies of American Indian, Eskimo or Trobriand Islanders demonstrate the household as the first form of simple economic organisation with apparent division of labour and specialisation which is involved in barter exchange (Malinowski, 1921; Reid, 1934). In ancient civilisation observed by Aristotle, the economic analyses of everyday life are formulated around the subjects of household resource management (*oeconomic*), and those that are related to the profit-making and exchange (*chrematistic*) (Swedberg, 2011). Roman society with dominant rural population formulates the first form of agricultural capitalistic system selling the surplus of produced goods through the growing network of trade relations (Reid, 1934; Tenney, 2006). In medieval England, agriculture remains the main industry; however, urban households with specialised craftsmen and their workshops attached to the household become also apparent (Reid, 1934; Rees Jones, et al., 2007). Household production has always been private, commonplace, small scale, and not easily observed.

The above examples demonstrate that studying a household, its boundaries, and functioning from a historical perspective is essential for grounding this social and economic institution in time and space. This provides perspective, context and a toolkit for understanding the evolution of the concept and the residual legacy of the past. While numerous historical periods could be explored, the review commences with the ancient Greek household, or *oikos,* providing a historical perspective rich in information on the structure, material conditions, and the economic organisation of domestic life during that era (Millett, 2002; Nagle, 2006). Subsequently, the discussion shifts to the structure of the pre-industrial English household before concluding with an exploration of modern, democratic family life. This progression sheds light on how households have evolved over time and underscores the central role of the family unit in defining and understanding household concept.

Ancient textual sources provide at least three different meanings of the word *oikos*, as a house, property, and family (MacDowell, 1989). The sense of 'house' is the original one and possibly the eldest in use. It does not refer to the main residency only but includes also 'other kinds of buildings', whereas its locative form *oikoi* means 'at home'. This original understanding becomes familiar through the work of Homer (8th century BC) and other poetry of that time. Nagle (2006) evaluates Aristotle's account of the household (*oikos*) and city-state (*polis*) in ancient times. Importantly, the terms *oikos* and *polis* for Aristotle were informed by his familiarity with a wide range of *poleis* and not just the atypical case of Athens which is the most recognisable today. Thus, Nagle's (2006) study provides a realistic picture of the more typical city and household of the time.

Unlike the modern household, the *oikos* was a far more powerful institution with far greater resources and correspondingly greater responsibilities than its modern counterpart. As Nagle (2006) explains: "the *polis* households analysed by Aristotle in his *Politics* and *Ethics* had little in common with the households of contemporary developed states. For Aristotle, as for most Greeks, modern households would not have been households at all. Just as citizenship in the modern state is a weak shadow of *polis* citizenship, modern households are weak reflection of the powerful, independent institutions that were the *oikoi* of *poleis*" (Nagle, 2006, p. 1). Nagel (2006) further points out to the differences between the modern household and the *oikos* that are profound and manifold:

"…in the eyes of Greeks, most modern households would have been seen as deficient, incomplete economic entities failing in the all-important aspect of being, at least minimally, self-sustaining. In this regard, modern households are the reverse of *polis* households in that they are, by any large, dependent for their subsistence on income originating from outside the household. Without jobs provided by the disembedded, non-household economy, modern households could not exist. Households of this type are merely consumers and reproductive units. (Or merely consumer units. The decline of the role of reproduction in modern households would have puzzled ancient Greeks as much as their weak economic aspects). By contrast the Greek *oikos* was expected to be a self-sustaining joint enterprise, almost invariably agricultural, undertaken by husband and wife for the specific goal of the perpetuation of the *oikos* and the passing on of its resources to the next generation" (Nagle, 2006, pp. 1-2).

In Aristotle's analysis of *oikos* economy and self-sufficiency could only be obtained by 'complete' households, i.e. larger households with slaves. 'Complete' households were regarded as necessary and preferred in Aristotle's ideal regime, unlike 'incomplete' ones relying on kin, neighbours or on hired labour to perform the same functions. Clearly, the *oikos* was much more than a business entity as the driving force of its economy was not profit in the modern sense of the term. In fact, profit-making militated against Greek communitarianism. Millett (2002) explains that each *oikos* had social obligations to neighbours and kinsmen that constituted a kind of banking of reciprocal indebtedness. In this way, *oikos* built up reserves of help for the days when it needed to draw on its stored obligations. In addition, each *oikos* also provided a form of social safety net for elderly or disabled members who relied on kin and neighbourhood ties (Nagle, 2006).

In addition to the five functional spheres identified as general characteristics of a household, i.e. production, distribution, transmission, reproduction, and co-residence, the ancient Greek household was also a moral, religious, socialising and educational entity (Nagle, 2006). Its primary purpose was not only the generation of legally recognisable citizens, but the proper formation of morally acceptable members of the polis community where it was located, and the passing on of the household's religious traditions to future generations. The mothers and matrons in *polis* households were the primary guardians of behaviour: "the burden of education fell heaviest on mothers of young children and other females of the household before fathers began to take over the socialization of their sons at some time around six or seven years of age. Their supervisory roles never ceased. Daughters had to be socialized into the bios of the community so that they, in turn, could fulfil their responsibilities for the raising of citizen children" (Nagle, 2006, p. 6).

To fully grasp the ancient Greek understanding of the household and, in turn, Aristotle's analysis of it, the functional framework of *oikos*' activities has to be expanded to include defence and political action. The author explains: "…it was precisely its [*oikos*] involvement in the areas of defence, law, and politics that distinguished the *polis* and other city-state households from households in other societies, and provided them with their unique character" (Nagle, 2006, p. 5).

Although the emergence of a family unit may be traced back to the beginning of our civilisation (Engels, 1884), the preindustrial period is arguably the first well-evidenced period in our past in which the nature of household relationships might be fully explored, especially below the level of aristocracy, with surviving domestic buildings and furnishing, evidence for widespread literacy, and documentary evidence of the regulations of social mores. While sociologists such as Talcott Parsons believed that the nuclear family was the product of industrialization, evidence highlighted by historian Peter Laslett (1972) suggests that the causality is reversed, and that industrialisation was effective in north-western Europe specifically because the pre-existence of the nuclear family fostered its development. Hence, the organisation of the pre-industrial family is now believed to be nuclear in size.

The typical English family in the pre-industrial era did not live in large, completed families, and did not live in large and complex households (Tadmor, 1996), although arguably people living in this era understood and used the concept of 'family' in a different way. More specifically, some studies suggest that people in the eighteenth century used a flexible and inclusive term for designating the co-resident group and the term 'family' was understood to include not only its core nuclear unit based on the relationships of blood and marriage, but also its diverse dependents, such as servants, apprentices and co-resident relatives, simply all of those who lived in the same house (Tadmor, 1996).

Therefore, the framework of the historical familial sphere of eighteenth-century England would refer to a household unit, which consists of persons living under the same roof and under the authority of householder, typically a man. Boundaries were thus delineated by concepts of patriarchal authority, ownership, and household management (Laslett, 1972).

This household-family framework was both permeable and flexible. It could expand and contract and include many individuals. The fluctuating composition of family-household units were experienced by a large part of the population. Such dynamics should be understood within the context of fundamental social and demographic conditions of the time, including prevailing mortality and life expectancy rates, a significant incidence of early widowhood and widowerhood, as well as the prevalence of household service - particularly the life-cycle of service where many individuals left home to serve as apprentices or servants for extended periods (Tadmor, 1996).

The emergence of new social theories about family life since the 1990s hailed a new, democratic phase of family life. New versions of 'family' have been generated by key changes in ideas about love and commitment. The increasing diversity of contemporary family forms – including same-sex couples, single-parent families, post-divorce families, unmarried cohabitation, or living-apart-together couples – has also prompted anxieties about the wider social trends and underlying social conditions that correspond with new kinds of personal relationships. This transformation in family life is often viewed as part of an erosion of traditional forms of the collective solidarity that once characterised extended kinship and community networks.

Douglass and Gonlin (2012) argue that households are often confused with families, pointing out the important distinction that families are social units whose boundaries are defined by kinship relations. In contrast, households are defined by what they do, by the sphere of their activities and their behaviour (Douglass, et al., 2012). Despite this focus on household functions, activities and behaviours, generally households have been discussed far less than families over the past 150 years (Smith & Wallerstein, 1992). This has not only created an obstacle to our understanding of how households are constructed and their place in the world economy, the reification of the family over households, has permeated our consciousness and served as part of the general conceptual apparatus with which we perceive and conceptualise the institution of a household.

2.3. Anthropological Perspectives on Households

A review of household definitions across various social science disciplines shows that there is no one universally accepted understanding of the term. Despite being "a significant unit in the description, comparison, and analysis of human societies" (Netting, et al., 1992, p. xiii), the word is regarded as polysemic as it often refers to conflicting meanings, interpretations and concepts (Wilk & Netting, 1992).

Although rarely addressed in other scientific fields, the difficulty in conceptualising a household unit has been long recognised in anthropological studies of human societies (Hammel, 1992; Netting, et al., 1992; Wilk, 1989, 2019). Within the anthropological literature the epistemological status of a household has been debated at some length. On the one hand, the household is perceived as "a seemingly obvious and omnipresent social grouping" (Netting, et al., 1992, p. xiv). Thus, its ontological status is unquestionable. On the other hand, "arriving at a clear-cut, cross-culturally valid definition of the household is as problematic as the blind men's description of the elephant" (Netting, et al., 1992, p. xxvi). The observed powerlessness in explaining what constitutes this "annoying unit of social structure, recognised by anyone but a cavilling social scientist" (Hammel, 1992, p. 30) implies that "the epistemological status of household is thus much in doubt and causes some discontent" (Hammel, 1992, p. 30).

Anthropologists argue that the observed vagueness and inconsistency in defining a household is caused by at least three reasons. Firstly, the tendency to perceive a household through the kinship relations that lie at the core (Wilk & Netting, 1992). Secondly, the intrusion of 'folk' categories into societal analyses (Hammel, 1992; Netting, et al., 1992). Thirdly, the difficulty in establishing household boundaries (Wilk, 1989, 2019).

The issue of kinship relations at the core of a household has led to a tendency "to confuse or fail to differentiate between what households look like as structural units and what they do and how they function" (Wilk & Netting, 1992, p. 2). The primary contradiction between the concept of *kinship*, which refers to the household structure, and the concept of *residency*, which relates to household behaviour, has been expanded further by other domestic functions observable among social and domestic groupings. Thus, apart from the common residence, subsequent definitions started conceptualising a household also as a unit of economic cooperation and socialisation: "a dwelling unit, a reproductive unit including sexual and socialization functions, or an economic unit of production and consumption" (Wilk & Netting, 1992, p. 3). Importantly, with growing recognition of a range of household functions, it also became widely acknowledged that these lie, at least partly, outside the realm of kinship analysis.

Distinctions between household structure and household functions are relevant to subject domains beyond anthropology. While household definitions are increasingly couched in functional terms, there is still a tendency to recognise and classify households into types based on the structural dimension (family) that lies at the core of the definition proposed by Wilk and Netting (1992) more than thirty years ago. In contemporary society, these classifications have been expanded by the increasing diversity in family forms (Seltzer, 2019; Aldrich, et al., 2021), reflecting new trends in cohabiting unions, changes in fertility patterns as well as changes in workforce participation by family members. Thus, the contemporary household typology is no longer limited to the traditional nuclear family (Parsons, 1944), but also includes single-parent families, blended families, people living alone, living-alone-together families, LGBTQ+ families, child-less couples, dual- or single-earning couples/families, etc. Arguably, such a diversity in contemporary family forms and the persistent tendency to apply the ‘family’ lens when studying social and domestic groupings only add to the vagueness when trying to understand what a household actually is.

The second reason for the powerlessness in explaining what constitutes a household is caused by the intrusiveness of ‘folk’ categories in societal analyses. Netting et al (1992) explain that the household “is part of both our folk and analytic vocabularies, which leads us to allow a certain vagueness in our definitions, since so much of the concept is a part of our cultural competence” (Netting, et al., 1992, p. 1). Consequently, there is a tendency to define and count households “based on our intuitive ideas of what a household should look like” (Netting, et al., 1992, p. 1). A typical example of the value-laden ‘folk’ understanding of a household is “the insistence of most enumerators that a person cannot belong to more than one household simultaneously, despite excellent ethnographic evidence [*and the empirical evidence provided in this study*] that this is not an unusual occurrence” (Netting, et al., 1992, p. 1).

The intrusion of ‘folk’ categories into societal analyses has been recognised in other areas and not only in household studies. Hammel (1992) contrasts two conceptual categories that function simultaneously in theoretical and empirical studies: an analytic category and a folk category. The analytic category has scientific underpinnings and is applied by those who study households because they perceive them as important social units for analysis within and between societies. In contrast, the ‘folk’, or ‘native’ category reflects a more common understanding of a household and is often applied by people who live in them or by the people who count them for various purposes, such as demographers. Hammel (1992) observes that the ‘folk’ category of a household has not only strongly influenced the nature of the analytic category but is often adopted in research inquiries instead of its more scientific counterpart.

These distinctions and the mixture of different conceptual categories have several important consequences. Hammel (1992) warns that "the more strictly analyses of particular data bases adhere to the folk categories appropriate to each such data base, the less likely they are to be comparable" (Hammel, 1992, p. 30). What is more, "the folk categories in a particular society may not be universally applicable even within it, regardless of our naïve assumptions of homogeneity" (Hammel, 1992, p. 30). And conversely, "the more strictly that analyses of different data bases adhere to particular scheme of analytic categories, the more likely those analyses are to be comparable one with another and the less likely they are to adhere closely either to the appropriate folk categories or to actual behaviour in the societies concerned" (Hammel, 1992, p. 30). While recognising that the construction of a concept of household that will accommodate such diversity is challenging, Hammel (1992) argues for a metric system differentiating households that is not standardised but flexible.

The third factor contributing to the difficulties in conceptualising a household relates to the boundary problem that, according to Wilk (1989, 2019), has been persistent in household studies. As he argues, "How can we talk what is inside the household if we cannot agree on the boundary between inside and outside?" (Wilk, 1989, 2019, p. 26). Searching for functions and attributes that differentiate households, he points out that there no society "…in which households are totally isolated and self-sufficient. Households are always connected to each other, and penetrated by other affiliations through age, kinship, gender and class" (Wilk, 1989, 2019, p. 27). Acknowledging this interconnectedness and the permeability of household boundaries requires a more refined conceptualisation and a more nuanced definition of the household.

"In doing this, we need to pay much closer attention to what goes on among household members. We need to see the household as social relations and practices that integrate a number of functions and activities, distributing the products of labour, and allocating work and resources. A focus on integrative activities, on the ways that things are shared, and the way decisions are made, is logically inseparable from the issue of household boundaries" (Wilk, 1989, 2019, p. 27).

One solution to these issues is to treat households as *systems* analogous to ecosystem, which are similar in the sense that they are not naturally bounded units, neither entirely closed nor impermeable though degrees of permeability can be defined. An analogy between ecosystems and household systems suggests that we can place boundaries where we want during our analysis, as long as we remember the boundaries are arbitrary and specify that there are flows between them (Wilk, 1989, 2019). Ecology may be a particularly useful analogy in studying *systems* such as households as it offers necessary tools (formal modelling with a variety of graphics and statistical methods to simplify and represent the system under study) for describing these discrete systems and the way they connect with each other, without obscuring the dynamic and changeable nature of those relationships.

Anthropological debates may contain useful insights for entrepreneurial scholars wishing to apply a household perspective in their studies (Stewart & Aldrich, 2015). The discussion about the epistemological status of a household and the difficulty in providing its cross-culturally valid definition started from the observed tendency among social researchers to look at this unit through the lens of a family that generated it (Wilk & Netting, 1992). Interestingly, similar trends are observable in the entrepreneurship literature where the household perspective is usually more concerned with kinship relations within the household, and rarely includes in the analysis variables for co-residing groups. One could argue that in practical terms the family unit and the household unit overlap and paying attention to this distinction is artificial. Nevertheless, household perspectives are dependent upon our understanding of a household and the cultural context in which they exist. As Netting et al (1992, p. xxiii) argue, households "are seldom as uncomplicated and stable at they appear, and there are dangers in selecting and reifying those forms that we find familiar in our own culture".

This does not mean that kinship relations should be ignored in entrepreneurial studies applying a household perspective. Instead, as suggested by Wilk (1989, 2019), families and households should be treated as distinct systems which may or may not penetrate each other. Applying the proper perspective (a household, a family, or perhaps a family-household) is dependent upon the context of the research and its aims and objectives. Understanding this distinction is crucial for the appropriate conceptualisation of the phenomenon under investigation and carries further implications with respect to application of appropriate theories that are distinct for kinship-based and residual social groupings.

A common notion of a family business is an example of the risk posed by the blurred or overlapping understanding of a household and a family. For example, a business run by a household member is typically conceptualised through the kinship relations and classified as a family business, not a business of a household (the exceptions (Mwaura & Carter, 2015; Carter, et al., 2017). As will be later shown in the empirical part of this study, household members can be engaged in a whole spectrum of entrepreneurial activities with none of them falling into the category a family business. The implication of this can be profound as the entrepreneurial ventures run by household members, which fall outside the family business definition, can be easily considered as peripheral, of limited importance or, even ignored and eliminated from the scientific enquiries. This is despite the recent calls to embrace 'everyday' entrepreneurship (Welter, et al., 2017; Dodd, et al., 2021), and empirical evidence that demonstrates that economic activities sometimes regarded as peripheral can contribute significantly to the economic preservation of a household unit (Carter, et al., 2004).

Acknowledging this distinction becomes even more important as our understanding of what constitutes a family is also evolving (Jaskiewicz & Dyer, 2017; Seltzer, 2019; Kushins & Behounek, 2020; Aldrich, et al., 2021). Changes in family formation and composition have accelerated in recent years (Seltzer, 2019). With more people living without establishing any legal unions and having fewer children, the traditional nuclear family comprising of a heterosexual, married couple with dependents may be soon the product of the past (Aldrich, et al., 2021). Entrepreneurship scholars have argued that these changes carry significant implications for studying family-run businesses (Jaskiewicz & Dyer, 2017; Aldrich, et al., 2021) as we rely on a perhaps dated understanding of a family unit (Kushins & Behounek, 2020). Ignoring the heterogeneity of modern families poses a "risk of missing the opportunity to investigate novel and interesting empirical phenomena, to formulate critical research questions, and to generate new and valuable insights, if they do not fully take into account these major socio-historical changes and their implications for the family business research" (Aldrich, et al., 2021, p. 2).

2.4. The Household as a Concept

Historical and anthropological insights into household evolution and its defining characteristics reveal a diverse landscape, indicating that households are not universal in form and function. Instead, they exhibit variations across different geographical regions, cultural contexts, and throughout history. For example, Wilk and Rathje (1982), who have contributed substantially to the field of household studies, define the household as "the most common social component of subsistence, the smallest and most abundant activity group" (Wilk & Rathje, 1982, p. 618). In their conceptualisation, the household is composed of three elements: the social element including the number and relations between members, the material element consisting of the dwelling itself and its possessions, and the behavioural element which includes the activities performed within it. Collectively these elements produce a domestic strategy capable of meeting the productive, distributive, and reproductive needs of its members. Expanding on the household concept, Wilk (1989, 2019) also argue that the process of identifying and setting a boundary around the household or family unit depends upon the cultural context, which itself varies over the place, time and status. The cultural context will similarly determine the form and nature of the household's relationships with other households and individuals and the wider, formal economy. Moreover, how decisions are made, and resources allocated and shared will be "logically inseparable from the issue of household boundaries" (Wilk, 1989, p. 27).

On the other hand, Smith and Wallerstein (1992) propose a definition that addresses the interrelations between the household, the workplace, and the state. They define a household as "the social unit, that effectively, over long periods of time, enables individuals, of varying ages of both sexes, to pool income coming from multiple sources in order to ensure their individual and collective reproduction and well-being" (Smith & Wallerstein, 1992, p. 13), and call the multiple processes by which household members pool income, allocate tasks, and make collective decisions 'householding'. Importantly, this conceptualisation does not presume that all members of the household are necessarily kin nor that a household is necessarily a group resident in the same house or even in the same locality, although this is often the case. For Smith & Wallerstein (1992), households are considered to be those that have entered into long-term income pooling arrangements which entail some set of mutual obligations. Unsurprisingly, they are vague about the precise boundaries at the level of definition and do not specify how long is long-term or how much pooling constitutes pooling as they do not presume that there is only one set of possible boundaries for a household.

Wheelock and Oughton (1996) refer to two definitions that may provide a useful working guide to the identification of the household. The first, from Roberts' (1991, p. 61) is based upon function, with the household being "the basic unit of society in which the activities of production, reproduction, consumption and the socialisation of children take place". Wheelock and Oughton (1996) emphasise that this definition neither requires members of the household to be co-residents nor be related through kinship or marriage. The second definition is based upon the functional activities of the household and characterises it as a "(…) group of people, their relationships and activities, who acknowledge a common authority in domestic matters, a 'budget unit', or 'a group who have a common fund of material and human resources and rules for practices and exchange within it'" (Messer, 1990, p. 52).

Wheelock and Oughton (1996) postulate that these concepts are universal and can be used anywhere at any time. In practice, though, these variables will be combined to produce households of very different types depending on the place, culture, and history. By different types, Wheelock and Oughton (1996) understand, for example, that the membership of the household may be characterised by individuals with very different relationships, kin or non-kin, depending upon the specific context. While these depict a household as bounded by social and economic ties, more contemporary ways of conceptualising a household appear to move towards individualisation. The space, the activities performed by its members, and the members themselves create the household. Therefore, the household is not only a dwelling or material good but also a sphere of activities and thus, can be defined by its behaviour.

2.5. The Household as a Research Focus

Economists have largely ignored the family and household in studies of economic behaviour, assigning them only the function of consumption (Wheelock & Oughton, 1996; Bryant & Zick, 2006; Apps & Rees, 2009). However, in the mid-1960s, new features emerged in 'post-industrial' economies that required explanation. The simultaneous growth of small businesses, self-employment, and high levels of unemployment which accompanied a broader process of economic restructuring challenged economics scholars to pay closer attention to the less formal aspects of advanced economies. Furthermore, the notion of rational economic man as the fundamental actor in assessing economic behaviour ceased to be the central one. As Wheelock and Oughton (1996) argued, for consumption as well as labour supply decisions, the crucial unit is not the individual, but the household. Not only is the focus on the individual misleading because it conjures up the idea of isolation from the social, historical and gender settings, closer analysis of household behaviour reveals a variety of motivations besides narrow economic gain, including traditional or patriarchal reasoning, dignity and self-respect, altruism, and a need to care and nurture (Ram, 2001; Karra, et al., 2006; Discua Cruz, et al., 2013; Alsos, et al., 2014; Discua Cruz & Basco, 2018).

Sociologists have also challenged the notion of the family as a distinct institution which is separated from other aspects of social life. Firstly, Parsonian ideas of the family evolved from fulfilling the purpose of economic production, to performing the less distinct, but equally important roles of socialising children and stabilising adults within its boundaries has come under severe critical scrutiny (Ram & Holliday, 1993). Contemporary perspectives on the family deny that such clear-cut boundaries can be established. For instance, the formalist dichotomy between 'economic' and 'non-economic' activity has been challenged by the number of scholars, who prefer to see these as a 'mobile continuum' that is historically and culturally defined (Harding &

Jenkins, 1989). Secondly, feminist studies have repeatedly shown that women's employment patterns are significantly influenced by their location within the family. Hours, place, and type of work are shaped by women's domestic position (Ram & Holliday, 1993; Jennings & McDougald, 2007; Jennings & Brush, 2013; Alsos, et al., 2016). Thirdly, scholars have consistently shown that family and kinship ties play the central role in informal recruitment practices (Karra, et al., 2006; Alsos, et al., 2014). The family as such cannot, therefore, be seen as performing any particular functions on its own in isolation from other institutions.

Within the domain of entrepreneurship, scholars have also become aware that the separation of the family from studies of entrepreneurial activity may be misleading. A growing body of entrepreneurship research indicates that family and business are inextricably intertwined, and the implications can be seen in a number of ways, including the emergence of new business opportunities, opportunity recognition, business start-up decisions, and the resource mobilization process (Aldrich & Cliff, 2003; Discua Cruz, et al., 2013; Jennings, et al., 2013; Discua Cruz & Basco, 2018; Aldrich, et al., 2021). Therefore, acknowledging context in general, and the family and household's perception particularly, has become increasingly important within entrepreneurship research (Carter, et al., 2017). Clearly, the family is indeed connected with domain of business in a variety of ways, whether it is acknowledged by researchers or not. The family and household build a specific context that surrounds the enterprise in the form of different circumstances, situations or entities and it would be hard to deny its impact on entrepreneurial activities. Since most individuals live in households, the analysis that starts at the level of the household, and the individuals within it, could enable researchers to tackle a broader and more relevant research agenda than one based on the maximizing individual (Carter, et al., 2017).

2.6. The Household as an Economic Unit: Production and Consumption

Historically, the most common unit of production has been the household, in which the domestic group jointly provides labour, possesses at least part of the means of production, and may dispose of at least part of the product of its labour (Friedmann, 2019). The socio-historical transformation in the institution of the family over the last century disconnected households from their business sphere (Aldrich & Cliff, 2003; Aldrich, et al., 2021), neglecting their role as a production unit and assigning them only the function of consumption (Parsons, 1944; Wheelock & Oughton, 1996).

As mentioned in the preceding paragraph, within sociological literature, the concept of a household being solely a consumer began to emerge in the mid-twentieth century and was particularly evident in the works of Parsons (1944). One of the main premises of his work was the emergence of the nuclear family, first suggested by Burgess in 1916, and further elaborated by Ogburn in 1932. Parsons postulated that progressive industrialisation and urban revolution significantly changed the structure of modern families from extended - with strong ties that bounded multiple generations together - to nuclear, with decreased size and composition. Nuclear families, being freed from the obligations of wider kin, were more flexible and geographically mobile and therefore better able to adapt to the requirements of modern industrial society. This transition in the size and composition also impacted on their primary role which evolved from social-institutional to emotional-supportive. While in pre-industrial society, large extended family networks formed economic structures with many people working with or in their family unit, in the new era of industrialisation the Parsonian nuclear family ceased to be an economic unit of production. In his view, smaller and more geographically mobile families became much more of a unit of consumption, with the economic function largely been taken over by other agencies in modern industrial society. Within Parsons' framework, the nuclear families retained only two 'basic and irreducible functions', the primary socialisation of children through the reproduction of values and norms, and the stabilisation of the adult personalities within its boundaries.

In the economic literature, the significance of the family and household and their economic behaviour has also been overlooked (Wheelock & Oughton, 1996; Bryant & Zick, 2006; Apps & Rees, 2009). This oversight primarily stemmed from scholars' pervasive focus on large, publicly held corporate enterprises, leading to a tendency to overlook small-scale and informal economic activities (Wheelock & Oughton, 1996). This phenomenon was observed long before World War II, when Institutionalists and

Marxists started to track the growth of large-scale enterprises, together with orthodox economists, who joined them afterward. Large-scale firms were often associated with Fordist methods of mass production, which required scientific management at its core, and with mass consumption. Wheelock and Oughton (1996) argued that even those economists who have not concentrated their attention on economic model building have still traditionally focused on the formal economy, rather than on reciprocal or cooperative relations, often in a context that makes only relatively minor modifications to rational economic man as the fundamental actor.

Since the 1960s, however, a shift has been observed in the dynamics of 'post-industrial' economies (Bryant & Zick, 2006; Apps & Rees, 2009). Changes in labour force participation patterns, coupled with the simultaneous growth of small businesses, self-employment, and unemployment, were recognised as facets of a broader economic restructuring process requiring thorough examination. The inception of New Household Economics (NHE) by Gary Becker (1930 – 2014) and Jacob Mincer (1922 – 2006) marked the genesis of a paradigm that prioritised the examination of household members' decisions concerning resource allocation. This encompassed considerations ranging from consumption and labour supply to transportation, fertility, and health (Becker, 1960; Mincer, 1962; Becker, 1965). Both Becker and Mincer made the neglected topic of home production their central matter of interest, applying theoretical and econometric methods of analysis that had been developed for the study of production by firms. They also signalised that within the household sector, the notion of production can have dual nature.

The conditions of simple commodity production were described by Friedmann (2019) as being where household production is specialised and competitive and the means of production and subsistence must be purchased. However, within the work of Becker and Mincer, it was recognised that work for self-consumption for the family unit, or in other words home or non-market production, also takes place - shedding light on the topic of female labour supply (Becker, 1960; Mincer, 1962; Becker, 1965). Household work can be broken down into domestic work consisting of housework and caring, and extra self-consumption (non-market production) (Smith & Wallerstein, 1992; Bryant & Zick, 2006; Apps & Rees, 2009; Oakley, 2019). Extra self-consumption can be distinguished by the fact that, although these goods and services could be purchased on the market, the work is undertaken within the household on an unpaid basis. Thus, the view of the household only as the place for consumption and as the decision unit for factor supply was abandoned in favour of considering the household as the place that engaged in the production of basic commodities. Moreover, female labour supply was no longer seen as an isolated decision, but as a result of an optimal time allocation within the household utilising comparative advantages in production of all family members (Becker, 1960; Mincer, 1962; Becker, 1965).

As a result, household provisioning, which aims to satisfy human needs and wants, involves making choices across various spheres, encompassing both consumption and production (Oughton & Wheelock, 2003; Bryant & Zick, 2006; Oughton & Wheelock, 2006; Apps & Rees, 2009). It is essential to closely examine consumption within the household sphere, as it serves as a primary indicator of living standards (Stiglitz, et al., 2009).

The original referent for the term 'consumption' was to those basic processes through which humans keep themselves alive (Campbell, 2005), whereas in conventional economic terms, consumption is considered a good, providing positive utility, so that spending income becomes a proxy for obtaining well-being (Oughton & Wheelock, 2006). Individually as well as within a household, consumption may serve to fulfil a wide range of personal and social functions. For example, it commonly satisfies needs or indulges wants and desires. In addition, it compensates the individual for feelings of inferiority, insecurity or loss, or symbolises achievement, success or power. It also communicates social distinctions or reinforces relationships of superiority and inferiority between individuals or groups. Consumption can also, on some occasions, express attitudes or states of mind, or communicate specific messages from one person to another. Finally, it may be instrumental in creating or confirming an individual's sense of self or personal identity (Campbell, 2005).

The study of consumption within the household has become of particular interest among researchers because it serves to unlock the 'black box' of the family's economic functioning (Wilk, 1989, 2019; Campbell, 2005). The idea that the modern family's relationship with the economy operates to a large degree through its function as a unit of consumption has been accepted by a wide range of scholars and observed across different fields (Parsons, 1944; Wheelock & Oughton, 1996; Campbell, 2005; Oughton & Wheelock, 2006). Campbell (2005) argued, however, that such an argument often implies that the family or household is regarded as if it constituted a single unit of consumption. Although this is the approach typically adopted in classical economics in which the household is effectively treated as if it were an individual, this ignores complex intra-familial processes which in practice directly affect consumption (Apps & Rees, 2009).

While relatively little is known about economic interactions within the household (Apps & Rees, 2009), sociological debates about power relations between household members shed some light on this 'black box'. In particular, the work of Pahl (1989) challenged economic perspectives which treat the household as a monolithic unit within which resources are shared unproblematically among household members. Pahl (1989) deconstructed the unified institution of the household and raised fundamental questions as to who decides how household income is to be divided, who spends it, and who benefits from the expenditure. Her findings revealed stark gender inequalities in the control, management and distribution of household resources (Pahl, 1989). Revealing the household as a unit in which each member has different interests, power bases and goals that are reconciled through complex processes including negotiation and coercion, it is necessary to understand decision-making processes within the family or household if one is to fully understand how it functions as a consumption site (Bryant & Zick, 2006; Apps & Rees, 2009; Bennett, 2013).

2.7. Conclusion

This chapter explored various disciplinary perspectives on the evolution of the household concept, shedding light on its relevance for entrepreneurship research. Beginning with historical studies and progressing through anthropological challenges in defining the household, it ultimately portrayed the household as a fundamental economic unit, striving to meet human needs and desires through decision-making across consumption and production spheres. This underscored the necessity for ongoing investigation to fully comprehend its significance in entrepreneurial contexts.

Furthermore, this chapter addressed the conceptual challenges in applying the household perspective in entrepreneurship research. Four key insights emerged from this discussion, informing the conceptual and empirical framework of the study (as addressed in Chapters 1 and 4). First, there is no one universally accepted definition of a household. Second, definitions vary, sometimes substantially, not only across the different social science disciplines, but also within the same area of research interest. Third, the differentiating boundaries of a household often appear arbitrary, and their application is typically justified by serving the purpose of a specific study. These are also dependent upon our understanding of what a household is and the cultural context in which it exists. Finally, households are often confused with families, though they should be regarded as distinct systems akin to ecosystems, which may or may not penetrate each other. The choice of perspective, whether household, family, or family-household, depends again on the cultural and research context and carries implications for the application of appropriate theories tailored to kinship-based or residual social groupings.

Looking ahead, the subsequent chapter delves deeper into the household as an economic entity, exploring various perspectives on household decision-making, who makes decisions and on what basis, and their implications for economic behaviours. It also introduces the concept of household economic well-being, examining potential distinctions between entrepreneurial households and employee households.

CHAPTER THREE

THE ECONOMIC FUNCTIONING OF THE HOUSEHOLD

3.1. Introduction

While households have historically been seen as centres of social and economic activities, their contemporary role has evolved primarily into being recognised and studied as units of social relations. This chapter delves into the diverse economic functions carried out within households, encompassing both production and consumption activities. Through an examination of household decision-making models, power dynamics, and gendered monetary practices, it lays the groundwork for a comprehensive understanding of economic behaviours within entrepreneurial households.

Subsequently, the chapter explores the dichotomy between family and business within entrepreneurship literature. It introduces the concept of economic well-being at the household level and examines the disparities in economic well-being between employee households reliant on waged work in the formal labour market and the growing number of entrepreneurial households that also depend on entrepreneurship as their source of income. This exploration aims to establish a foundation for a deeper comprehension of how entrepreneurial households organise their domestic economy to ensure their internal well-being and economic stability. The chapter concludes by enumerating these aspects of economic functioning of entrepreneurial households that will be the focus of the empirical part of the study.

3.2. Household Economic Behaviour and Decision Making

In a traditional economic sense, production performs the instrumental function of bringing in a household income, consumption involves the using up of that income, whereas the distribution of consumption goods within the household is based on a calculus of economic gain (Mincer, 1962; Becker, 1965). Hence both consumption and production are governed by formal rationality. When people behave by the rules of formal rationality, they are calculating the best way of meeting given needs by quantifiable means: they are behaving according to instrumental values (Oughton & Wheelock, 2006).

Oughton and Wheelock (2006) argued, however, that when we look at production and consumption in terms of social relations, we can introduce substantive rationality as an additional analytical tool. Substantive rationality is the use of particular values to determine actions. When people act in terms of substantive rationality, there is space for intrinsic values to be included. Both production and consumption incorporate social relations, so that both can be understood in terms of social relationships; relationships that are embodied in work.

According to Oughton and Wheelock (2006), production and consumption each have both instrumental and intrinsic value, and are therefore difficult to differentiate. Individuals, drawing on substantive and formal rationalities, make decisions about their production and consumption activities taking both aspects of value into account. These decision-making processes are at the same time constrained and expanded by being made in the context of membership of a household. Although this adds more complexity to the analysis of the ways in which people achieve wellbeing, Oughton and Wheelock (2006) have suggested that it is more appropriate to investigate the mix of formal and substantive rationality which guide people's action in both market and household spheres. This holistic approach offers insights in terms of the distribution of paid and unpaid work within and outside the household.

The household can be viewed as a primary and basic unit which specialises in the areas of production, distribution, consumption, socialisation and reproduction of the members of a society (Pessar, 1988; Agarwal, 1997; Hendon, 2007). Apart from this traditional sense, it is also "… an arena of social relations organised along generational, gender, and kinship lines. These relations generate and are reinforced by a structure of power, ideological meanings, and sentiment …" (Pessar, 1988, p. 197) which build inner hierarchy and inequity within this domestic unit. In a complex household structure constituted of multiple actors with varying preferences and interest, it is reasonable to assume that conflicts and struggle among family members may occur at many levels of analysis including the sphere of power and authority control over decision making, the division of labour, and household resources allocation (Pessar, 1988; Agarwal, 1997; Ellickson, 2008).

3.3. Decision Making Power

Defining the exact nature of power relations in the household is difficult and may vary widely across different fields and research contexts. From the sociological perspective, "power is a property of the social relation; it is not an attribute of the actor" (Emerson, 1962, p. 32). Moreover, it is a vacant statement as long as it is not specified "over whom" this power persists. Emerson theorised this phenomenon referring largely to the concept of dependence and defining it as a function of the reliance of one actor on another (Emerson, 1962; Emerson, 1972). He claimed that social relations commonly entail ties of mutual dependence between the parties. These ties imply that "each party is in a position, to some degree, to grant or deny, facilitate or hinder, the other's gratification" (Emerson, 1962, p. 32). Therefore, the power to control or influence others resides in control over resources they value. Others have also argued that power relations exist when the power has effect on at least one other person; however, "one has more power to the extent that one's objective situation allows the advance of one's own wishes even when this is detrimental to another person's wishes" (England & Kilbourne, 2019, p. 164).

In the economics literature, there is no consistent and widely accepted concept of power in general, and easily applicable to studies of household behaviour (Bartlett, 2006). Indeed, microeconomic textbooks provide very little information about power relations mentioning, for instance, very briefly only two of their forms: the concept of monopoly and bargaining power in trading (England & Kilbourne, 2019). Neoclassical economists have also only occasionally digressed to a consideration of power and human relations. For institutional economists on the other hand, power is a central element of economic analysis; however, it is treated as self-evident “with no commonly accepted definition or understanding” (Bartlett, 2006, p. 7).

The notion of power relations in the multi-person household, therefore, is complex. It should not be considered as a characteristic of a particular family member, but as a realm of social interaction in which entities exchange. As men, women and children are socially assigned to particular roles in the household, different forms of their interactions are largely socially constructed (Vogler, 1998). However, this process of social construction seems to be still inadequately understood and is generally excluded from economic analysis. Hence, it is worth considering how power relations within the household have been conceptualised, more or less successfully, by researchers from different fields.

3.4. Models of Household Decision Making

Parallel to a growing research interest in the intra-household economy, scholars have proposed a variety of theoretical and methodological frameworks in order to provide valuable insights into the sphere of household decision making processes. These have resulted in the development of a range of often competing approaches which vary in terms of their underlying assumptions, explanatory mechanisms and variables. Among these frameworks, the most popular are a range of bargaining models from the field of economics, the resource theory followed by the sociology of gender from the sociological perspective, and the model of entitlement and the social psychology of distributive justice from the domain of psychology.

3.4.1. Economics Perspectives

Although the concept of power relations and inequality in the household resonate more for sociologists and political scientists, their underpinnings are also embedded in and shaped by the economic theories (Pollak, 1994; Burton, et al., 2007). Indeed, the historical considerations of the household distribution practices and decision-making processes date back to the early 1950s, particularly the period when the new branch of neoclassical economics New Household Economics (Becker, 1960; Mincer, 1962; Becker, 1965) was shaped. These considerations resulted in development of two main approaches that dealt with the multiplicity of decision makers in the household, i.e. unitary and non-unitary models of the household behaviour.

Table 3.1. Economic Models of Decision-Making Processes in the Household

UNITARY MODELS	NON-UNITARY MODELS
	Cooperative bargaining models
• Consensus model **(Samuelson, 1956)** • Altruist model **(Becker, 1974; Becker, 1981)**	• Nash bargaining model **(Nash, 1950; Manser & Brown, 1980; McElroy & Horney, 1981; Lundberg & Pollak, 1993)** • Collective model **(Chiappori, 1988; Bourguignon & Chiappori, 1994)**
	Non-cooperative bargaining models
	• Ulph **(1988)**, Wolley **(1988)**

The popularity and ascendancy of the unitary, or common preference, model date back to the period from the 1950s until the 1980s (Lundberg & Pollak, 1996). One of the fundamental assumptions of this approach is the actual disregard of the power differentials in the household. In their analysis, neoclassical economists omitted the possibility of internal conflicts and inequalities between the family members (Pollak, 1994; England & Kilbourne, 2019). Instead, they treated the household as an almost wholly cooperative, altruistic unit, in which either each member has the same preferences or one of them takes all the decisions under a single pooled budget constraint. As a result, the household forms a unitary structure where the joint utility function aggregates individual utilities of each family member (Pollak, 1994).

Two concepts provided the theoretical underpinning of the unitary approach to family behaviour; the consensus model proposed by Samuelson (1956) and the altruist model developed by Becker (1974, 1981). The consensus model analysed the issue of intra-family allocation and distribution by postulating a family social welfare function. Samuelson (1956) argued that family behaviour can be rationalised as the outcome of maximising a single utility function of every household member. Thus, despite having their own preferences, by consensus they agree to pool their resources and work to maximise the common utility function. What was not explained, however, is how the household achieves this consensus nor how it is maintained (Lundberg & Pollak, 1996). In contrast, the altruist model proposed by Becker (1974, 1981) addresses these questions and provides an account of how resources are distributed within the family. According to Becker and his "Rotten Kid Theorem" (1974, 1981), the family consists of a group of purely selfish but rational 'children' and one altruistic parent whose utility function reflects a concern for the well-being of other family members. The presence of an altruistic parent who makes positive transfers to each member of the family is sufficient to induce the 'selfish kids' to act in an apparently unselfish way. The altruistic parent will adjust transfers so that each 'rotten kid' finds it in his or her interest to choose actions that maximise family income, and as a result, the altruist's utility function. Therefore, the main implication of Becker's concept of altruism (1974, 1981) is the fact that even if the household lacks a joint utility function, it behaves as though it has one, reaching a conclusion similar to that of the Samuelson's consensus model (Lundberg & Pollak, 1996; Chiappori & Donni, 2009).

Over the years, the unitary (common preference) model has been considered as a powerful explanatory framework which expanded our understanding of consumption behaviour and labour supply in the household (Lundberg & Pollak, 1996). Nevertheless, this approach has been the focus of intense theoretical and empirical criticism observed at different levels and areas of analysis. Economists have claimed that in studies of marriage and divorce the model does not allow comparisons of the expected utilities of different agents inside and outside the marriage because these utilities could not be recovered from the family social welfare function that generates consumption, labour supply, fertility and other behaviour within marriage (Lundberg & Pollak, 1996). Moreover, evidence from further empirical studies did not support the specific restrictions imposed on the joint utility welfare function, rejecting, for example, the family income pooling assumption (Lundberg & Pollak, 1996; Chiappori & Donni, 2009). Criticism of the unitary model was also a result of the growing recognition that economic self-interest may operate within household and accounts not only for the 'rotten kids' but also for 'rotten parents' who are not necessarily wholly altruistic (Folbre, 1986). The approach also proved to be too restrictive. It failed to acknowledge intra-household negotiation over assets and the possibly severe inequalities within households separating gender dynamics at the microeconomic level from the known external dimensions of gender differentiation and asset distribution (Dwyer & Bince, 1988; Chiappori & Donni, 2009).

The lack of convincing empirical support for the unitary model and its relative lack of theoretical foundations implied that alternative visions of household dynamics may be more appropriate. A new body of knowledge emerged based on a non-unitary description of household behaviour (Burton, et al., 2007). The non-unitary framework of the household falls into two broad categories: cooperative and non-cooperative bargaining models and more recently, a mix of both. As Agarwal (1997, p. 4) explained, "in varying degrees they seek to incorporate the social reality of the family as described in anthropological and sociological writings". These approaches differ in terms of their assumptions and mechanisms used to uncover the decision-making rules and processes; however, they share one common and broad feature, a form of bargaining between the household members.

The non-unitary models recognise that intra-household interaction contains both cooperation and conflict. In cooperative bargaining approach for example, household members cooperate insofar as these arrangements make each of them better-off than non-cooperation. Many different sets of cooperative outcomes are possible among which some are more favourable to each party than others (Pareto efficiency assumption). Which outcome will emerge depends on the relative bargaining power of the household members. This bargaining power may be defined by a range of factors which vary between different non-unitary approaches. For instance, cooperative bargaining models perceive the strength of agents in their fall-back position (also termed as the 'threat point'). The fall-back position can be explained as the outside options which determines how well-off actors would be if cooperation failed, for instance in the situation of divorce (Manser & Brown, 1980; McElroy & Horney, 1981). Better alternatives outside marriage may lead to an improvement in the deal the person gets within the household.

By contrast, in non-cooperative bargaining models most of the assumptions of Samuelson's and Becker's unitary model have been relaxed, including those of Pareto efficiency, income pooling, and enforceable and binding contracts (Agarwal, 1997). Here, each individual within the household is considered to maximise his or her own utility, relative to his or her own budget constraints, taking the actions of other household members as given (Wooley, 1988). Moreover, it allows for individuals to make consumption and production decisions based on their own labour and access to resources making these decisions independent but also interrelated (Doss, 1996).

In summary, while the unitary model of household behaviour neglected completely the notion of power differentials within the household, the non-unitary models address this concept to some degree, but the analysis is not explicit and omits several important factors. Some models characterise household dynamics as a form of bargaining but typically say little about the complex range of factors, especially qualitative ones that might determine bargaining power (Agarwal, 1997; Apps & Rees, 2009). In the literature on intra-household economics only a few authors explicitly recognise the importance of social norms, ideologies, individual preferences, or gender differences in the exercise of self-interest (Bryant & Zick, 2006; Apps & Rees, 2009). Certainly, it is recognised that these formal models are restricted in their ability to incorporate the full complexity of social interactions observed at the level of the household. However, some scholars argue (Agarwal, 1997) that it is critical to think beyond their restrictions and limitations, and to move toward a less restrictive formulation which incorporates qualitative aspects and greater complexity (Bryant & Zick, 2006; Apps & Rees, 2009).

3.4.2. Sociological and Psychological Perspectives

In the field of sociology, a large literature on the intra-household economy has emerged in response to concerns about household financial allocation practices and reported gender inequalities (Pahl, 1989; Sonnenberg, 2008; Sonnenberg, 2017). Early studies often framed their approach using the resource theory of power (Blood & Wolfe, 1960). The resource theory perceives the institution of marriage as a set of exchange relations in which marital power in general and power over decision-making in particular rests with the partner who contributes most resources to the household (Vogler, 1998). For instance, Blood and Wolfe (1960) found that the larger income, thus greater contribution to the household budget, places the male in more dominant position in the process of decision making. However, if the woman is in paid employment, her power increases and the longer she works, the more power she has. Consequently, Blood and Wolfe (1960) assumed that female paid employment and improved access to economic resources should place men and women in more evenly balanced position with regard to their power over decision making. Over the years, however, these rather optimistic conclusions have conflicted with contemporary studies which show that increased engagement in paid employment by women does not necessarily correspond with more equally shared economic resources in the household (Pahl, 2005; Daly, et al., 2012; Main & Bradshaw, 2016; Sonnenberg, 2017). These contradictory findings have provoked long discussion between scholars about the explanatory power of resource theory which has highlighted some major problems with this approach.

The first important criticism of the resource theory of power refers to its tendency to treat the intra-household economy as sociologically neutral, which isolates investigated households from wider systems of gender inequalities (Vogler, 1998; Sonnenberg, 2008). As an example, it has been proved that employment patterns and wage rates differ substantially between men and women in favour of the former (Lundberg & Rose, 2000; Misra, et al., 2011). Gendered wage discrepancies affect the level of economic resources individuals are able to bring to a marriage often placing male partners in a more dominant position. However, the resource theory of power treats different employment patterns and wage rates as randomly distributed individual or personal characteristics rather than as the outcome of patterned inequalities in wider society.

The resource theory of power also overlooks ideological and cultural aspects and disregards both historical and contemporary evidence which suggests that male and female economic contributions to the household are perceived and treated rather differently (Vogler, 1998; Apps & Rees, 2009; Oakley, 2019). For instance, even historical findings show that women's earnings have not increased their power in the household because male and female wages have traditionally been seen as different and non-fungible (Zelizer, 2021). This notion is deeply rooted in the ideology of male breadwinners responsible for providing sufficient economic resources to ensure the existence of the entire family (Ferree, 1990). The acceptance and strengthening of this role resulted in a tendency to view male economic contribution as of greater value than female regardless of how much women earned. Although it was rare that men were able to earn enough to support a whole household, women's wages came to be seen only as a supplementary economic resource which was earmarked for different purposes and treated as less important, even when it was essential for keeping the family out of poverty (Zelizer, 2021). For some scholars, the ideology of the male breadwinner is a major source of hierarchy within the household which prevents women's income from increasing their power in direct proportion to increases in their earnings (Ferree, 1990; Zelizer, 2021).

The major opponents of the resource theory of power also postulate that due to its tendency to overlook the impact of intra-household relations on economic behaviour, it cannot explain fully the observed contradictions and persisting gender inequalities in household financial practices (Sonnenberg, 2008). Indeed, purely economic arguments fail to address the social nature of relations between household members in the process of allocation and redistribution of economic resources. Consequently, scholars have advocated a focus on what has been termed 'the sociology of gender' (Vogler, 1998), which recognises that the economic situation of individuals within household cannot be freely determined by each household in isolation. This approach corresponds to social norms of behaviour to which most households in any given society comply. As men, women and children are socially assigned to particular roles in the household, their division of labour or income is more likely to be socially – not biologically – determined (Vogler, 1998).

Evidence to support the premise of the sociology of gender, have been found in prominent works of Volger (1998), and Vogler and Pahl (1993), (1994), who studied the way in which married couples organise money within the family. While the resource theory sees power over decision making as being determined by the partner who contributes most resources to the marriage, Volger and Pahl's findings show that the monetary practices were more strongly related to ideological and cultural factors, particularly to the husband's education, attitudes, and socialisation, than they were to the wife's characteristics.

Independent effects on power, over and above the resources each person contributes to the household, has been also discussed by Sonnenberg (2008) who refers to the psychology of entitlement (Major, 1993) and the social psychology of distributive justice (Deutsch, 1975) in her explanatory framework. She stresses the importance of notions of 'entitlement' or 'ownership' of the economic resources in the domestic sphere. Here the perceived ownership of earned income is seen as a result of the fact that men and women enter the labour market as individuals rather than members of the same household. Therefore, the actual earners of the household income are entitled or hold the right to greater financial control over something that they perceive as their own.

Although each of these theories and approaches has expanded our understanding of the factors that may influence the power relations and the decision-making process within households, there are still some areas that remain not well understood. Neither the resource theory of power nor notions of 'entitlement' and 'ownership' explains why and how considerations of economic contribution override the notion of equal sharing in marriage (Sonnenberg, 2008). Moreover, the mechanisms by which female breadwinners, unlike their male counterparts, often appear to forgo their apparent entitlement to a greater control over and access to household finances remain unexplained.

3.4.3. The Child as Third Decision-Maker

There is an important relationship between the status of children and the structure of household decision making (Browning, 1992; Basu & Van, 1998); however, studies which examine the family decision making practices have nearly always centred on the husband-wife dyad, while overlooking the possible influence of other household members (Basu, 2006). As a consequence, children have been mostly excluded from household behavioural models and relatively little has been written about their involvement in decision mechanism (Basu, 2006). In practice, however, every parent knows that children, even at a very early age, have their own preferences over consumption and their parents' labour supply (Dauphin, et al., 2011). Therefore, the child's involvement in family decision making cannot be easily discarded. Especially, as children grow up, "their autonomy may eventually translate into the possibility of receiving some earnings and, later on, of becoming fully independent at the legal age of majority. Therefore, the well-being that a child can attain in a non-cooperative equilibrium might improve as he grows up and so should his bargaining position" (Dauphin, et al., 2011, p. 872). Despite this, the family decision making literature shows that the nature and extent of the child's decision autonomy has not been examined extensively.

Within the economics literature, for example, until recently scholars were rather silent on the process under which children become independent decision-making agents (Lundberg, et al., 2009; Dauphin, et al., 2011). This is unsurprising given that multi-person households were assumed to act as if they were one unit where members maximise a unique utility function under the household budget constraint (Becker, 1976). Over the last two decades however, this unitary model has been challenged for its failure to acknowledge "methodological individualism, which is a fundamental tenet of microeconomic theory" (Dauphin, et al., 2011, p. 871). In order to base all accounts of economic interaction on individual behaviour, it is crucial to take into account preferences of each household member (Apps & Rees, 2009). As the unitary model does not meet these requirements, it has been generally rejected at both empirical and theoretical level. While different frameworks have been proposed, they are also silent as to the role children may play in the family decision processes. Moreover, there is still an ongoing discussion between economists whether children can be treated as potential economic agents questioning the rationale for their incorporation in the modelling of family decision making process (Dauphin, et al., 2011). Browning et al. (1994) argue that children are unlikely to have much to say in household decisions because their preferences are defined over such a limited subset of goods that it is pointless to treat them as economic agents. Basu (2006) and Bourguignon (1999) suggest that women tend to internalise their children's preference meaning that their utility function reflects the child's interest, while Blundell et al. (2005) perceive children only as household public goods.

Within the field of sociology, there is also little information about children's autonomy in the family decision making process. Until recently, childhood has been largely ignored as a social position (Mayall, 2002). The models and approaches that could examine the position of children in the family were sporadic or did not exist at all, while leaving the subject of interest to other disciplines, mainly psychology, education and social policy (Corsaro, 2017). Therefore, in the sociological discourse of Western culture, children were presented as being innocent, vulnerable, passive and dependent on adults (Zelizer, 1994; Gram, 2007). There was also tendency for children to be perceived as human 'becomings' rather than as human beings (Uprichard, 2008; Qvortrup, 2009), "progressing from a state of vulnerability to sophistication, from an earlier lack of skills to a later possession of abilities" (Young, 1990, p. 41). Certainly, this depiction had consequences for the way children were further perceived in society. It also played an important role in adults' consideration whether children should be allowed to participate in family decision making (Gram, 2007). In recent decades, however, the situation has changed significantly. Recognising that children are a part of the world's social order, scholars have started to argue that they must be included in sociological studies (Mayall, 2002; Corsaro, 2017). A different and more active view has found its way into many studies, offering a more adequate perception, particularly with respect to an emphasis on children's voices, their capacity to be agents and their status as social actors (Gram, 2007; Moran-Ellis, 2010). As a result, the sociology of childhood has emerged as a new field of study. Pioneering in the 1970s and 1980s in the UK, USA and Northern European countries, this new critical discipline developed quite rapidly in the 1990s and 2000s (Moran-Ellis, 2010; Mayall, 2013), exploring the subjects of children's status, rights and competence, childhood embodiment, children and the media, globalisation, and childhood geographies (Mayall, 2013). Despite this visible research advancement, many areas of children's activity remain unexplored by sociologists, including those of their involvement in the family decision making process. Moreover, some researchers argue that the 'old' view of children's role in the society is still dominant within public perceptions (Gram, 2007), demonstrating the importance of continuing sociological work on childhood (Mayall, 2013).

While economists and sociologists have largely neglected children as the potential subject of research, a great deal of attention has been devoted to children as consumers assessing directly the nature and extent of their influence on family purchase decisions (Belch, et al., 1985). These studies examined, for instance, food purchase (Belch, et al., 1985; Ebster, et al., 2009), family leisure activities (Belch, et al., 1985; Gram, 2007), dining-out experience (Belch, et al., 1985; Lee & Beatty, 2002), household appliances and toy purchase decisions (Belch, et al., 1985; Flurry & Burns, 2005). While there is clear evidence that children do participate in family decision making, the results also show that their involvement and influence may vary by product class, stage of the decision-making process, and by various decision areas. Moreover, children have developed a variety of techniques and approaches to influence parental decisions (Gram, 2007). While one form is a passive or indirect way of indicating what they like and what they do not like (Roedder, 1999), direct approaches are also observable including, for instance, bargaining, compromising, persuasion, and in more extreme situations pestering and blackmailing (Gram, 2007). Gram (2007) also notes that "the influence of children is not just a one-way unsophisticated process with a screaming child in a supermarket, as the process is thought of stereotypically, but a two-way communicative and multifaceted process between the child and an adult often encouraging the child's participation" (Gram, 2007, p. 21). According to Gram (2007), involving children in decision-making processes serves a dual purpose. It not only helps in preventing conflicts but also contributes to their upbringing and the development of responsible individuals.

The increasing impact of children on family decision-making has accelerated as the structure of the family unit has changed (Clulow, 1993; Flurry, 2007; Aldrich, et al., 2021) as shown in Table 3.2.

Table 3.2. Changes in Family Increasing Children' Role as Decision-Makers*

'TRADITIONAL' FAMILY	'NEW' FAMILY	POSSIBLE IMPLICATIONS
Families as producers	Families as consumers	Children encounter consumption decisions earlier
Multi-member households	Limited member households	Due to the changing family structure (postponed childbearing, single parents, etc.), households are smaller
Hierarchical relationship	Horizontal relationship	Family decision making is more egalitarian, with children having more equality in the family; children are taking on more decision-making responsibility
Collective values	Individual values	Children form values because of external influences
Biological family ties	Social family ties	Families are no longer necessarily biologically related, changing traditional familial roles
Unpaid care	Paid care	Children encounter non-family socialisation agents earlier
Differentiated relationships	Fused relationships	Stereotypical family decision making forms are declining
Rights	Responsibilities	Children are achieving equal-shareholder status
Belonging	Isolation	Children make more decisions autonomously

**Adopted from Clulow (1993) and Flurry (2007).*

Flurry (2007) argues that in the modern family, children are involved in a decision-making process from an earlier age taking greater role and responsibilities than in the past. It has been found, for instance, that children in the analytical stage of development (ages 7–11) are more aware of their environment, actively seek information from multiple sources, and utilise this information to exert influence in purchase decision making (John, 1999). Their influence also extends far beyond what is traditionally thought to only include areas where children were primary product users (Meyers, 2004; Roy, 2004). One of the indicated reasons of this change is the fact that children are increasingly being socialised by agents external to the family, such as mass media and peers (Flurry, 2007). The percentage of children living in homes where both parents are working had doubled by the start of the new millennium (Francisco, 1999). With women increasingly entering the work force, children spend a large portion of their formative years in out-of-home settings or alone. Having better access to advancements of technological environment, they consume more hours per day using TV, mobile phones, computers and internet (Dotson & Hyatt, 2005). The marked pace of technological change combined also with educational development has left many of them more knowledgeable than their parents (Francisco, 1999).

Another aspect which has elevated children's decision-making status is related to record-high growth of the single-parent families (or mother-only families), especially in the developed countries, which is a result of increasing rate of family disruptions such as divorce or out of wedlock birth (Flurry, 2007). In these single-parent homes, children are uniquely positioned to be equal participants in family decisions because they are often not socialised to have a clear role distinction between a parent and child. Children in these households have been found to participate more in household tasks, including shopping, cleaning, and food preparation which implies that they are more independent in their choices than children in dual parent households.

Changes in parents' attitudes and socialisation forms have also important implications for the increased decision autonomy of children. Flurry (2007) argues that it is common for modern parents to be less child-centred and less willing to make sacrifices for their children. They spend less time with their offspring and have less control over them, so children may have more control over their own consumption decisions and the freedom to exercise their preferences in purchase decision making. Certainly, changes in the structure, composition, role and ideology of the family collectively suggest that children are faced with a different decision-making environment. "Social forces, demographic shifts, and changes in parents' attitudes have all worked to increase the child's status as an active decision-maker. In fact, children may have more absolute decision-making influence than ever before" (Flurry, 2007, p. 323).

3.5. Gendered Household Monetary Practices and Financial Allocation Strategies

Studies of the intra-household economy, especially financial allocation practices, have generated a rich body of findings. One of the most noticeable and continually found is the gender disparity which has been observed along several important dimensions (Sonnenberg, 2008). While the husband-and-wife dyad are considered core members of the same economic unit, and inseparable in some economic studies, careful analysis of their monetary practices has revealed important gender differences, observed at the household level in money management and control, access to household financial resources, and individual lifestyle and living standards (Vogler & Pahl, 1993; Vogler & Pahl, 1994; Vogler, 1998; Vogler, et al., 2006).

The starting point for these findings usually requires specification of the distinction between the mechanisms of money management and control of financial resources within the household. Being responsible for money management, for example, implies dealing with routine, day-to-day financial matters. Control over money means having more power and influence over financial decisions that affect the household. Vogler (1998, p. 691) explains that this distinction is essential because "in a company or work environment, the person responsible for managing the company's affairs and implementing decisions on a day-to-day basis may not necessarily be able to exercise any real power or control over broader strategic decisions concerning the operation of the enterprise as a whole".

How income is distributed between members of a family unit was a central question in Pahl's (1989) pioneering works which drew on sociological and ethnographic approaches to explore household economy. These small-scale studies of married couples in the south of England led to the identification and delineation of different strategies of how household members organise and manage their incomes. While

Pahl's (1989) typology (outlined below) is now dated, both in its focus on marriage and heterosexuality and its depiction of women as secondary income earners (Bennett, 2013; Aldrich, et al., 2021), her identification of distinctive approaches to financial management within the household remains relevant to this day.

1. The *female whole wage system* refers to the situation when a male partner passes his salary to a female partner usually retaining some personal spending money (pocket money). The female partner adds her own salary, if any, and carries the sole responsibility for managing household finances and expenditure.
2. The *male whole wage system* indicates a strategy where a male partner retains his own earnings but is solely accountable for managing household finances and expenditure. In this case, a non-earning female partner may be left without any personal spending money, a strategy that may lead to female poverty even within relatively well-off, middle-class households.
3. The *housekeeping allowance system* depicts households with a breadwinner, traditionally a male partner, who hands over to his female partner a specific amount of money (fixed or variable) for day-to-day housekeeping expenses (housekeeping allowance), whilst maintaining control over the remainder.
4. In the *pooling system*, both spouses pool, have access to and share all (or nearly all) household income. Initially, each partner was regarded as equally responsible for managing the common pool. However, later studies distinguished female managed pools, male managed pools and jointly managed pools.
5. The *independent management system* is characteristic of couples where each partner has his or her own independent source of income and is responsible for specific items of expenditure. Earnings are usually kept in separate banking accounts to which the other partner has no or limited access.

Pahl's categorisation of married couples into what she termed 'household allocative systems' based on their financial arrangements drew attention to the different dynamics that exist within households. More specifically, it shed light on who in the relationship distributes the household income within the family, and who is responsible for different items of household expenditure, and to what extent. These allocative systems also draw a distinction between the mechanisms of management and control of household funds, because dealing with routine, day-to-day financial matters does not necessarily imply the real control over money (Vogler, 1998; Bennett, 2013).

Apart from the unquestionable value of Pahl's (1989) typology of household allocative systems, her work also cast doubt on the notion of a unified institution of the household within which resources are shared unproblematically among its members. The studies highlighted the gendered nature of household monetary practices. For instance, some studies have reported that in households with higher levels of income, sufficient to allow for discretionary spending, it is more likely that the husband both deals with day-to-day financial matters and has the 'final say' in these decisions (Vogler, 1998). However, if income levels are low, typically the wife takes the responsibility for the management of the household budget (Pahl, 1989), although the lack of resources in these households means that "the task is likely to be a chore or a burden rather than a source of power" (Vogler, 1998, p. 692). If a man possesses a higher degree of financial control in the lower-income household, it is more likely that his wife experiences financial disadvantage and greater economic deprivation (Vogler and Pahl, 1994). On the other hand, if a woman is the breadwinner, she will typically uphold her husband's status as the head of the household, regardless of the actual level of his financial input (Pahl, 1989; Vogler, 1998; Vogler, et al., 2006; Bennett, 2013).

Gendered monetary practices may also be seen in 'the relative financial contribution of the respective partners' (Sonnenberg, 2008; Sonnenberg, 2017). It has been observed that even within the pooling system of money management, which is based on the underlying notion of equality and sharing, female partners tend to feel constrained when they use money for personal expenditure, especially if the proportion of their contribution to the common budget is smaller than their male partners. Interestingly, when asked, the majority of couples endorse the ideal of equality and declare a partnership that includes the sphere of household finances (Burgoyne, 1990). However, it appears that the principles of marital equality in sharing economic resources do not eliminate the contradictions between men and women in their actual monetary practices. These findings demonstrate the persistence of the traditional, gendered division of work allocation, in which men participated in the labour-market while women took responsibility for (unpaid) household labour and childcare. It is well established that such traditional approaches restricted female access to household financial resources, placing women and children in potentially more financially vulnerable positions than men (Burgoyne, 1990; Burgoyne, et al., 2006; Burgoyne, et al., 2007). Moreover, there is also evidence which suggests that the contribution to household-related expenditure is based on different male and female expectations. Women, more than men, have been found to be family-oriented in terms of their spending patterns, devoting a relatively higher proportion of their earnings to their children (Pahl, 2005; Daly, et al., 2012; Main & Bradshaw, 2016).

In the light of contemporary social trends which have seen a growth in female participation in the labour market and their greater contribution to household budgets as well as greater awareness of diverse household and family forms (Aldrich, et al., 2021), notions of gender discrepancies in control and access to the household money appear old-fashioned and paradoxical (Sonnenberg, 2008; Sonnenberg, 2017). The fragmented research on household allocative practices prevents a full understanding of contemporary practices which may have changed considerably. Nevertheless, it is worth observing that the growth in female engagement in the labour market has not resulted in corresponding changes between men and women about domestic work (Sonnenberg, 2008; Sonnenberg, 2017). It is also the case that many women still discontinue work or move to part-time employment after the birth of their children, suggesting similar allocative practices may still exist, despite the social changes that taken place over the past thirty years (Apps & Rees, 2009).

Interestingly, Pahl's (1989) original categorisation of household financial allocation practices has undergone various modifications in the intervening period and these have become a useful reference point for tracking the changing patterns of household financial allocation strategies (Pahl, 2005). As Sonnenberg (2008, p. 544) notes, this happened "partly in recognition of the fact that systems of money management might themselves be evolving and partly due to a growing concern with their descriptive accuracy." As described above, the initial pooling system, which assumed that both partners pool all or most of the household income and manage it jointly, over the years, has been further sub-divided into new categories (Pahl, 2005; Burgoyne, et al., 2006; Burgoyne, et al., 2007). These sub-categories emerged based on the recognition that partners may combine only some of their earnings to pay for collective expenditure remaining the rest for their individual spending, or that the level of contribution of each partner may be the same or differ substantially (Vogler, 1998; Ashby & Burgoyne, 2008).

A marked shift has also been observed in the popularity of particular systems, e.g. there has been a marked decline in the use of housekeeping allowance (Pahl, 2008; Sonnenberg, 2008). Moreover, more recent studies conducted in the UK have revealed that partners in the same household are becoming more individualised in their financial arrangements (Pahl, 2008). Although the system of income pooling in a joint banking account is still the most frequently endorsed approach, fewer couples prefer this form and more decide to keep at least some part of their earnings in individual accounts to which their partner does not have access (Pahl, 2008; Sonnenberg, 2008). Thus, even though less frequent in terms of overall numbers, the form of independent management is steadily increasing, particularly among re-married or cohabiting couples, and among younger and more affluent couples, usually before they have children (Pahl, 2005; Vogler, et al., 2006; Ashby & Burgoyne, 2008).

It has been argued that the situation where partners increasingly opt for the independent management of their earnings may represent a more lasting change in norms and values including in the sphere of household financial management (Pahl, 2008). Their desire to express individualism may lead to a situation where one or both partners build and maintain a high degree of autonomy or privacy in their money management practices. Current advances in the electronic economy and variety of new forms of money may deepen this process, as credit and debit cards and electronic banking are essentially individualised. This permits concealment of spending from partners, substantially decreasing levels of money control within the household. Although the system of independent money management may be motivated by a desire for equality and autonomy in the household, the implication of this process may lead to increased inequality between partners, for instance, in the form of higher or lower living standards between individuals within the same household (Pahl, 2008; Daly, et al., 2012; Main & Bradshaw, 2016).

3.6. The Separation of Family and Business

While much has been written about power dynamics and decision-making models within households, there has been an assumption within this work that household income is generated from income earned outside the home, through employment in the formal labour market (Smith & Wallerstein, 1992). Additional income may be derived from state transfers, such as pensions and other forms of individual or household benefits, which some studies have included (Smith & Wallerstein, 1992). However, none of the work to date has focused on, or even included in their analyses, households that generate income through self-employment or business ownership.

To a large extent, this exclusion is because contemporary research assumes that families (households) and businesses are distinct social institutions and, usually studied by scholars in different departments or schools (Aldrich & Cliff, 2003; Aldrich, et al., 2021). Sociologists have focused on families and households but have largely missed the structural economic changes that have seen a consistent growth in entrepreneurship and small business ownership. Entrepreneurship researchers, likewise, have focused on the enterprise to the exclusion of the household (De Massis, et al., 2021). The separation of the household from the formal economy now includes the separation of the household from self-employment and business ownership – even when these activities are a significant element of household activity and income-generation.

Despite a body of work that shows that family and business dynamics are inextricably linked (Wheelock, 1992; Kibria, 1994; Alsos, et al., 2014; Gras & Nason, 2015; Jayawarna, et al., 2021), this separation persists in empirical and theoretical literature across different fields (Aldrich & Cliff, 2003; Aldrich, et al., 2021). While there has been a growth of interest in family-owned firms, the fact that many of these firms are located within the home has not spurred an equal interest in the household (De Massis, et al., 2021). Moreover, the largest fraction of enterprises in any given economy comprises single person and very small enterprises (GOV.UK, 2022), nearly always owned and managed by one or more individuals who can draw on family resources in support of the enterprise (Scase & Goffee, 1980; Heck, et al., 1995; Baines, et al., 2002; Alsos, et al., 2014).

The academic perspective on the separation between family and business realms deserves a deeper examination. As discussed in the previous chapter, one reason for this division is scholars' strong interest in studying large corporations, often overlooking small-scale and informal economic endeavours (Wheelock & Oughton, 1996). Households have been seen mainly as a site for consumption, whereas the main focus of economic research attention is on exchange relations in the market, rather than on reciprocal or cooperative relations within the home. Even those economists who have not concentrated their attention on economic model building have still traditionally focused on the formal economy and the rational economic man as the fundamental actor (Wheelock & Oughton, 1996). Sociologists also noted a family disconnection from its economic function suggesting that progressive industrialisation and the urban revolution significantly changed the structure and functioning of modern families (Parsons, 1944).

These approaches have influenced the domain of entrepreneurship research. Firstly, there is evidence that even the existing literature on family businesses tends to focus more on large-scale family firms rather than 'everyday' entrepreneurship (Welter, et al., 2017; Dodd, et al., 2021), excluding the social institution of the family and household from the analysis of economic activities (Aldrich & Cliff, 2003). Secondly, there is a strong argument among scholars that the profound socio-historical changes witnessed in the past century have caused us to perceive the two institutions as separate systems, needlessly dividing the study of each (Aldrich, et al., 2021). Furthermore, ongoing shifts in family structure, along with changes in familial roles and relationships, have resulted in the emergence of smaller families and the loss of many previously established role connections (Aldrich, et al., 2021).

3.7. Economic Well-being within Entrepreneurial Households

The concept of well-being has attracted considerable academic and policy interest (GOV.SCOT, 2022). GDP growth was the traditional measure of well-being and assumed to reduce individual and household poverty by a mechanistic trickledown effect (Sumner, 2004). Influential publications such as the Brandt Report (1980), Chambers' (1983) work on non-monetary poverty, and the World Development Report (1980) which defined well-being as beyond income and included nutrition, education and health shifted the focus away from economic determinism. The publication of the United Nations Development Programme: Human Development Report (1990), influenced by the work of Amartya Sen, was a landmark in our understanding of well-being. This report described the new concept of human development and introduced a new set of indicators, i.e. the human development index (HDI). The World Development Report (2000) solidified the centrality of well-being, presenting a multi-faceted model of well-being, and well-being markers in the statistical tables.

While interest in household well-being has grown as a consequence of these development, there has been an assumption that household income is derived from employment. Entrepreneurial households differ substantially from their wage or salary receiving counterparts in significant ways. These include the presence of potentially competing objectives between the household and the business, financial uncertainty as entrepreneurial households do not have a regular salary or wage, but depend on often unreliable business takings, and the multi-dimensional nature of the financial rewards from business ownership which may constitute privilege to the household but may also be invisible in scholarly analyses (Carter, 2011).

The first aspect that distinguishes business owning families from employee households is the presence of competing objectives arising from different social and economic functions that they serve. The transition in the size and composition of modern families observed over the last century has had important implications, for instance on their primary role changing from social-institutional to emotional-supportive (Aldrich & Cliff, 2003; Aldrich, et al., 2021). While family concerns typically revolve around two ‘basic and irreducible functions’, primary socialisation of children through the reproduction of values and norms and stabilisation of adult personalities within its boundaries (Parsons, 1944), in entrepreneurial households’ concerns are not limited to family issues only. The boundaries between the business sphere and the private sphere are often highly blurred; business and household decisions are made in tandem and business strategies are interwoven with household strategies (Alsos, et al., 2014). Therefore, entrepreneurial households typically address overlapping, and often competing, concerns revolving not only around traditional altruistic values found within the household, such as nurturing and development of family members, but also business survival, success and profitability (Steier, 2003). How entrepreneurial families deal with these contradictory objectives, and what consequences it may have on both business and the household, has yet to be explained.

Secondly, while paid employment offers a degree of economic stability and regularity of income to employee households, the financial rewards of entrepreneurship are characterised as uncertain and irregular due to the high earnings risk associated with business venturing (Carter, 2011). As a consequence of this financial uncertainty, entrepreneurs and their families have markedly different and more frugal patterns of consumption, expenditure and savings than waged households, which are often subject to further negotiation and adjustment to suit fluctuating business and family economic conditions (Scase & Goffee, 1980; Mulholland, 1997; Quadrini, 2000; Cagetti & De Nardi, 2006; Carter, 2011). It has been noted that even in periods of relative economic prosperity, business owning households may sacrifice their personal consumption or living standards in order to increase their savings which can offset future large earnings risks and to smooth future consumption (Scase & Goffee, 1980; Carter, 2011). A further distinction is the fact that entrepreneurial households, unlike waged households, can make decisions about the type, value, and timing of financial rewards, adjusting them according to the prevailing situation or their current priorities (Carter, 2011). Certainly, this has long-term implications for survival and success of the business ventures as well as family well-being. To date, however, how these financial resources are managed at the entrepreneurial household level, and by whom, remains unknown.

Thirdly, in comparison to employee households, the rewards of entrepreneurship are multi-dimensional, and can include both direct and indirect benefits (Carter, et al., 2015). In terms of direct financial benefits, financial rewards may differ substantially over the different stages of the business life cycle, from often meagre returns at start-up to potentially larger returns as the business matures and grows. The rewards of small business ownership are not only financial, but also include non-financial benefits, such as company owned vehicles and computers and services that are paid for by the company but also consumed by the household, increasing relative lifestyles, and living standards (Carter, 2011; Carter & Welter, 2015). Notably, many entrepreneurs are not motivated to start businesses because of the potential financial rewards, but rather because they value the greater autonomy, independence, flexibility, job satisfaction and control associated with business ownership and which are perceived as compensating for the lower and uncertain financial rewards derived from entrepreneurship (Hamilton, 2000; Blanchflower, 2004; Shane, 2008). Many entrepreneurial households also derive additional income from other sources. These can include property rental, the full-time or part-time employment of household members outside the business, shareholdings and equity stakes in other businesses, or from social security transfers (Carter, et al., 2004).

Because entrepreneurial households can access multi-dimensional financial and non-financial rewards, and potentially income derived from multiple sources, economic well-being for entrepreneurial households may have a substantially different meaning and dimensions than for employee households. To date, however, little is known about management and negotiation processes that entrepreneurial households apply in order to sustain both the family and the business in a state of economic viability (Carter, 2011; Aldrich, et al., 2021).

Analyses of economic well-being usually focus on single dimensions of household economic resources (Carter, 2011; Carter, et al., 2017). For example, in the entrepreneurship domain, such studies have generally used incomes of the self-employed, or wealth of business owning households as a basis for analysis (Åstebro & Chen, 2014). Nevertheless, single-dimensional approaches have been challenged as being too static and unable to capture the variety of reward mechanisms available to entrepreneurial households, therefore, giving very limited understanding of how they ensure their economic existence (Carter, et al., 2017). As an example, some studies of entrepreneurial income show that on average entrepreneurs enter and persist in business despite the fact that they are financially worse off than comparable wage employees with the same observed characteristics (Hamilton, 2000; Åstebro, 2012; Åstebro, et al., 2013; Hyytinen, et al., 2013). In contrast, studies of entrepreneurial wealth collectively demonstrate than entrepreneurs dominate the ranks of the rich and the super-rich. The greater wealth of entrepreneurs is especially visible in studies that have directly focused on asset holdings rather than incomes, where greater concentration of wealth, disproportionately higher levels of household assets and total net worth in hand of entrepreneurs has been well documented (Quadrini, 2000; Gentry & Hubbard, 2000; Bradford, 2003).

The combination of uncertain incomes, greater frugality and greater wealth has led to the view that "neither incomes nor wealth, as individual measures, fully capture the range of financial rewards available to the entrepreneur and the ways in which economic wellbeing is constructed over the life course of the venture" (Carter, 2011, p. 46). Given that the rewards of entrepreneurship are multidimensional, by extension, the notion of household economic well-being is also multidimensional and better understood by simultaneously considering household earnings, wealth, assets, savings, and pensions, as well as highly subjective and individualised measures of consumption, lifestyle, and living standards (Carter, 2011; Carter, et al., 2017). While there are definitional and scope issues regarding the measurement of each of these items, it is important to comprehensively examine them to assess the coherence of the various measures and ensure that all critical elements are considered (Stiglitz, et al., 2009). Unlike single-dimensional measures of economic well-being, multidimensional approaches provide a broader perspective on the variety of reward mechanisms available to entrepreneurial households and "(…) have the capacity to capture relative prosperity over different time periods, and therefore offer a more comprehensive and dynamic view of entrepreneurial rewards" (Carter, 2011, p. 47).

The economic well-being of entrepreneurial households therefore comprises different aspect of rewards available to entrepreneurial households as well as mechanisms or strategies which they apply in order to ensure personal and business financial stability. The understanding of these components is essential in the process of consideration of how the sense of economic wellbeing is created within small business owning families (Table 3.3.).

Table 3.3. Components of Economic Well-being in Entrepreneurial Households

Income generating activities	**Non-income generating activities that contribute to the household' economy**
Income from market production:	Household members as free or cheap labour
- One firm	Engagement in non-market production
- Portfolio of firms	
Supplementary self-employment	**Additionally:**
Income from wage labour	Adjustable consumption patterns
Non-earned income:	Consumption of business goods
- Grants	Adjustable savings patterns
- Shares	Adjustable lifestyle and livings standards
- Pensions	
- Social security	
- Family credit	

3.8. The Economic Organisation of Entrepreneurial Households

While employee households are assumed to depend upon wage income earned in the formal labour market by one or more householders, entrepreneurial households have access to a wider range of income sources as they are not limited to the ownership of a single enterprise but can simultaneously engage in multiple income generating activities, including the ownership of multiple enterprises (Baines, et al., 2003; Carter, 2011; Carter, et al., 2017; De Massis, et al., 2021). Moreover, multiple individuals within the household may engage in a variety of income generating activities; indeed, studies that have concentrated on the way in which the economic life is shaped in entrepreneurial households show that household members are focused on gathering a wide variety of resources (patchworking) from diverse social and economic arenas (Baines, et al., 2003; Wheelock, et al., 2003; Alsos, et al., 2014). Other gainful activities within an entrepreneurial household can be broadly categorised as those which generate household income (cash generation), and those which contribute to the household economy without generating additional profits (Smith & Wallerstein, 1992).

Various studies have also demonstrated that entrepreneurs themselves often derive income from the ownership of multiple businesses (De Massis, et al., 2021). Multiple business ownership, sometimes referred to as portfolio entrepreneurship, refers to entrepreneurs establishing secondary or multiple firms in addition to their primary business venture (Carter & Ram, 2003). The motivations for this have mainly been explained as the result of a profit maximisation strategy pursued by growth-seeking entrepreneurs (Carter, et al., 2004). These motivations include habitual entrepreneurship, the desire for further expansion, and expansion driven by fiscal reasons. Additional motivations for owning multiple businesses include offsetting the risk associated with a single venture and the need to engage in additional income-generating options in order to sustain their primary entrepreneurial occupation.

It has been also noted that entrepreneurs engage in supplementary self-employment activities that are separate from their primary business ownership (Carter, et al., 2004). Additionally, other research has emphasised the significance of waged employment, which can be pursued either on a full-time or part-time basis (Wheelock, et al., 2003). Supplementary income sources may also include personal investments like equity holdings or informal angel activities (Carter, et al., 2004). Moreover, pensions, grants and social security benefits also represent earnings for entrepreneurial households, including those with specific personal characteristics (such as their age, location, sector), or those starting businesses post-career (Kerr, 2017).

In addition to income generating activities, studies that can contribute to a greater understanding of the domestic economy have also noted markedly different patterns of expenditure and savings at the level of small business owning household (Gentry & Hubbard, 2000; Quadrini, 2000). Given the financial uncertainties associated with entrepreneurial ventures, members of these households may adjust their consumption patterns by directly adapting their expenditures to align with prevailing economic conditions (Mulholland, 1997; Carter, 2011). Additionally, they have access to a range of goods and services related to their business activities, which not only reduces household expenses but also enhances their living standards (Carter, 2011). Moreover, entrepreneurial households are likely to exhibit higher savings rates compared to households with employed individuals, even during periods of relative economic prosperity. As a result, entrepreneurial households are often characterised by lower levels of expenditure and higher levels of savings (Scase & Goffee, 1980; Gentry & Hubbard, 2000; Quadrini, 2000).

3.9. Conclusion

This chapter provided a comprehensive exploration of the economic functions within households, shedding light on their intricate dynamics and organisational structures. By delving into household decision-making models, power dynamics, and persistent gendered monetary practices, it has laid a solid foundation for understanding the complexities of economic behaviours within these units. Furthermore, the examination of the dichotomy between family and business within entrepreneurship literature, alongside the concept of economic well-being at the household level, has highlighted the disparities in economic outcomes between different types of households.

Through this exploration, the chapter emphasised the significance of studying entrepreneurial households not only as distinct units within the broader economic landscape but also as independent entities with their own domestic economies. Recognising the multifaceted nature of these constructs, the chapter set the stage for the empirical part of the study by outlining various aspects of economic functioning within entrepreneurial households worthy of further exploration. Specifically, how these households earn a living, save, and manage work and labour to provide for the needs of their members will be scrutinised in detail in the subsequent empirical part of the study. By concentrating on these aspects, the empirical analysis aims to yield valuable insights into how entrepreneurial households function to ensure the economic stability of the unit while maintaining business continuity.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1. Introduction

This chapter provides a detailed overview of the methodology employed in this study. The chapter first outlines the aims and objectives of the study, before outlining some of the underpinning philosophical principles that influenced the research approach. The chapter then elaborates the rationale for utilising a mixed methods approach, which combines a secondary analysis of the UK Wealth and Assets Survey and a qualitative, comparative multi-case approach. The remainder of the chapter provides a detailed explanation of the analytical steps employed at each stage of the study. This includes a thorough explanation of the secondary analysis of the UK Wealth and Assets Survey, and the comparative multi-case approach. Finally, the chapter concludes with the presentation of the timeframe of the research process and the completion of the thesis, providing a clear understanding of the research timeline.

4.2. Aims and Objectives

The overarching aim of this study is to explore the economic organisation of the domestic lives of entrepreneurs as a foundation for understanding how entrepreneurs make a living and sustain the economic well-being of their households (Carter, 2011; Aldrich, et al., 2021). In so doing, the study aims to contribute a greater appreciation of the daily experiences of 'everyday' entrepreneurs and their households (Welter, et al., 2017). This will be addressed through the following research questions:

RQ 1: Do entrepreneurial households have different patterns of income generation and wealth accumulation compared to other (non-entrepreneurial) households?

RQ 2: How do entrepreneurial households earn their livelihoods?

RQ 3: How do entrepreneurial households provision themselves through work and labour?

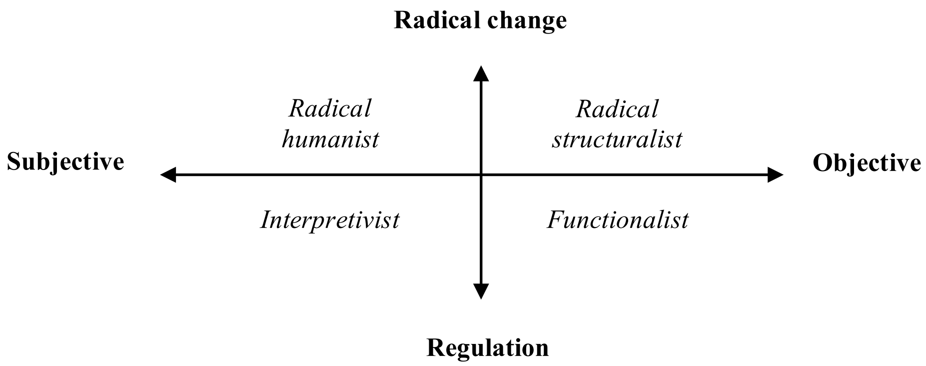
4.3. Philosophical Considerations

This section examines the prominent philosophical traditions that play a central role in entrepreneurship research, following the framework proposed by Burrell and Morgan (1979). By identifying the primary philosophical paradigm in entrepreneurship, alternative paradigmatic positions are then suggested as more suitable for addressing the aims and objectives of this research.

4.3.1. The Multiple Paradigm Model of Burrell and Morgan

Within the broader field of social and organisational sciences, and specifically within the domain of entrepreneurship, the multiple paradigm model presented by Burrell and Morgan (1979) has garnered significant attention and is widely employed to address the fundamental philosophical assumptions that underpin scientific inquiry (Jennings, et al., 2005). Arguing that "all social scientists approach their subject via explicit or implicit assumptions about the nature of the social world and the way in which it may be investigated" (Burrell & Morgan, 1979, p. 1), they propose a two-dimensional model presented in Figure 4.1. with subjective-objective and radical-regulation axes to examine the philosophical assumptions which underpin different approaches to social science.

Figure 4.1. Burrell and Morgan's Paradigmatic Framework*



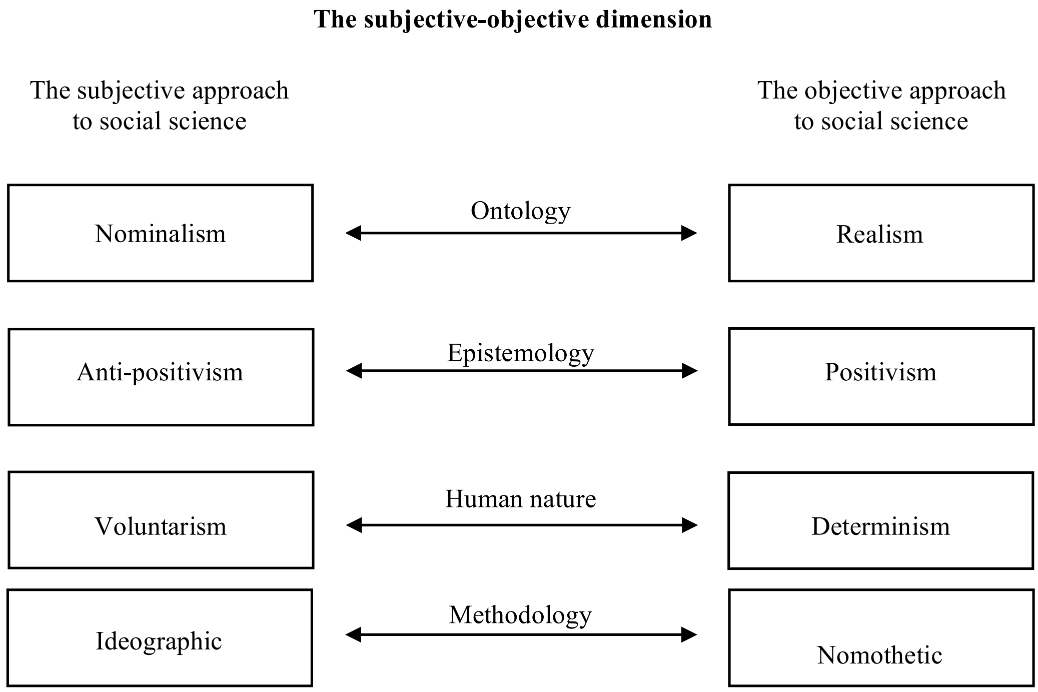
**Adapted from Burrell and Morgan (Burrell & Morgan, 1979).*

To position oneself along the subjective-objective axis as proposed by Burrell and Morgan (1979), it is necessary to consider four sets of assumptions pertaining to ontology, epistemology, human nature, and methodology. These assumptions revolve around the following questions:

1. Ontology: Is 'reality' an objective external entity or a construct influenced by individual cognition?
2. Epistemology: What constitutes valid grounds for knowledge, and how do we distinguish between 'truth' and 'falsehood'?
3. Human Nature: What is the nature of the relationship between human beings and their environment?
4. Methodology: How do we investigate and acquire 'knowledge' about the social world?

Burrell and Morgan (1979) emphasise the importance of considering these assumptions in understanding the philosophical underpinnings of different research approaches within the social sciences. By addressing these dimensions, researchers can gain insight into their own positioning and the implications it has for their study of the social world.

Figure 4.2. A Scheme for Analysing Assumptions About the Nature of Social Science*



[*] *Adapted from Burrell and Morgan* (Burrell & Morgan, 1979).

At the ontological level of analysis, Burrell and Morgan (1979) distinguish between two perceptions of reality (see Figure 4.2.). One perspective views reality as a socially constructed product of the mind, known as nominalism, while the other considers reality as an objective entity external to individual cognition, referred to as realism. Moving to the epistemological dimension, they highlight two contrasting approaches. Positivism seeks to explain and predict phenomena by identifying regularities and causal relationships, while anti-positivism recognises the social world as relativistic, emphasising the need to understand it from the frame of reference of individuals in action. Regarding human nature, actions can be interpreted as being driven by either the free will of individuals (voluntarism) or the situation and environment in which individuals find themselves (determinism). Finally, researchers can adopt either an idiographic approach, which focuses on revealing the internal logics guiding human behaviour, or a nomothetic approach, which draws on systematic protocols and techniques derived from the natural sciences.

Importantly, researchers should also position themselves along the radical-regulation axis, as it represents differing views on the nature of society within the paradigmatic framework (see Figure 4.1.). The radical perspective focuses on understanding and explaining radical change, deep-seated structural conflict, modes of domination, and structural contradictions within society (Burrell & Morgan, 1979). In contrast, the regulatory perspective provides explanations of society that emphasise its underlying unity and cohesiveness (Burrell & Morgan, 1979). By considering their position on this axis, researchers can acknowledge and reflect on their own inclinations towards perceiving and interpreting societal dynamics as either characterised by radical change and conflict or by regulation and harmony. This awareness contributes to a more nuanced understanding of the theoretical frameworks and perspectives they adopt in their research endeavours.

Taken together, these assumptions, which represent the two independent dimensions of Burrell and Morgan's model (1979), delineate four distinct paradigms: radical humanist, interpretivist, radical structuralist, and functionalist (see Figure 4.1.). These paradigms reflect the underlying meta-theoretical assumptions that shape the shared philosophy, perspective, theorising, and approach of researchers operating within them. Each paradigm is rooted in a specific intellectual tradition and offers a fundamentally different perspective for analysing social phenomena (Jennings, et al., 2005).

The identification and understanding of these paradigms are crucial for researchers as they shape the overall conceptualisation and interpretation of research questions, the selection of appropriate methodologies, and the formulation of theoretical frameworks. By recognising the existence of these distinct paradigms, researchers can navigate the diverse landscape of entrepreneurship research and choose an approach that aligns with their ontological, epistemological, and methodological preferences. Figure 4.1 visually represents the positioning of these paradigms along the subjective-objective and radical-regulation axes, providing a valuable framework for understanding and situating one's own research within the broader context of entrepreneurship scholarship.

4.3.2. The Dominant Paradigm in Entrepreneurship Research

Following Burrell and Morgan's (1979) paradigmatic taxonomy, Grant et al. (2002) and Jennings et al. (2005) argue that a significant proportion of entrepreneurship theory and research falls within the bounds of the functionalist paradigm. The functionalist paradigm is built upon the assumption of a singular 'truth' in science and posits that entrepreneurship, as the phenomenon under investigation, exists objectively and independently of individuals, free from subjective values. This paradigm emphasises objectivity across various levels of analysis (Grant & Perren, 2002). It suggests that researchers in entrepreneurship aim to remove themselves as observers, treating the investigator and the object of study as separate entities. The researcher strives to study the object without exerting influence upon it or being influenced by it.

Within the functionalist paradigm, human beings, in this case entrepreneurs, are seen as products of external environmental forces. They are shaped and conditioned by their surroundings, leading them to behave and respond in predictable and deterministic ways (Grant & Perren, 2002). The functionalist paradigm also advocates a research process in which the researcher is distanced from the subject matter by the rigour of the scientific method. Consequently, many entrepreneurship studies adopt systematic approaches and draw upon methods derived from the natural sciences (Grant & Perren, 2002).

This paradigm exhibits a pragmatic orientation, with a focus on analysing society to produce valuable and practical knowledge that contributes to the establishment of order and regulation. Entrepreneurial studies within the functionalist paradigm primarily seek to explain how society is regulated and emphasise aspects such as the status quo, social order, consensus, social cohesion, solidarity, and actuality (Grant & Perren, 2002).

Although characterised nearly two decades ago, the picture of contemporary entrepreneurship research, as depicted by Grant et al. (2002) and Jennings et al. (2005), has not changed drastically. A more recent study conducted by McDonald et al. (2015) systematically reviewed the methodologies and data gathering methods employed by researchers publishing in top entrepreneurship journals, arguing that "mapping methods indicates how the field is being shaped; whether questions about 'what' or 'how' have come to dominate entrepreneurial enquiry" (McDonald, et al., 2015, p. 292).

The findings of McDonald et al. (2015) indicate that positivist approaches and quantitative data gathering methods still dominate entrepreneurship research. However, they also present evidence suggesting a shift in this landscape, indicating "that the primacy of quantitative methods may be breaking down and giving way to a more plural research tradition, more in line with a multiple perspective paradigm" (McDonald, et al., 2015, p. 306). Consequently, there have been repeated calls for greater paradigmatic and methodological diversity within entrepreneurship research (Shepherd, 2015; Welter, et al., 2017), a call that this study also seeks to address. This evolving landscape underscores the importance of embracing multiple perspectives and methodologies within entrepreneurship research to foster a richer understanding of the field.

4.3.3. A Paradigmatic Anchoring in a Mixed Methods Study

The exploratory nature of this study, focused on understanding the economic functioning of entrepreneurial households, the lack of evidence that could be generalised to the wider population of households, as well as the complexity surrounding the domestic lives of 'everyday' entrepreneurs (Scase & Goffee, 1980; Carter, 2011; Welter, et al., 2017; Aldrich, et al., 2021) mandates a mixed methods approach to capture the phenomenon from a variety of angles (Johnson & Onwuegbuzie, 2004). As explained in the following section, the selected approach combined both quantitative (the secondary analysis of the quantitative survey) and qualitative tools (a comparative multi-case study approach) to address the aims and objectives of this study. Despite an eclectic approach and methods rooted in different traditions, the study adopts a holistic, single-paradigm frame of interpretivism

(McChesney & Aldridge, 2019) as a worldview that signifies the following philosophical assumptions.

It is argued that interpretivism does not deny the existence of external reality, but it does not expect that it can be objectively captured by scientific inquiry (Willis, 2012). Instead, interpretivism aims to

> "…understand[d] the complex world of lived experience from the point of view of those who live it. This goal is variously spoken of as an abiding concern for the life world, for the emic point of view, for understanding meaning, for grasping the actor's definition of a situation, for *Verstehen*. The world of lived reality and situation-specific meanings that constitute the general object of investigation is thought to be constructed by social actors" (Schwandt, 1994, p. 221).

Interpretivist research is, thus, "a socially constructed activity, and the 'reality' it tells us about therefore is also socially constructed" (Willis, 2012, p. 96). The knowledge arising from interpretivist research is integrally linked to the participants and the research context, meaning that the products of interpretivist research are not universally applicable theories or laws but, rather, rich and contextually situated understandings. Interpretivist research accepts both 'subjective' and 'objective' methods of inquiry (Willis, 2012).

By raising the above philosophical assumptions representing the interpretivist paradigm (Burrell & Morgan, 1979), the study justifies a comparative multi-case study as suitable to engage in the study of the lived experience of 'everyday' entrepreneurs to unfold a process-oriented, multi-perspectivist and contextual reality of living and making a living in an entrepreneurial household (Steyaert & Bouwen, 1997). Arguably, the quantitative component, i.e., a secondary analysis of the survey data, also reflects some aspects of interpretivist worldview (Johnson & Onwuegbuzie, 2004; Bergman, 2020). For example, the secondary analysis of the income and assets holdings of self-employed vs. employee households is of an exploratory nature. Its aim is to describe the economic situation of British households depending on their occupational structure, not to explain, predict or test any hypothesis. Despite providing evidence generalised to a wider population and being more associated with the positivistic perception of knowledge and its creation, the quantitative part describes, rather than tests, the material standing of British households and contextualises the lived experience of the research participants reported in the case study reports.

Within the ‘paradigm war’ between proponents of qualitative and quantitative research traditions, it has been argued that qualitative and quantitative research paradigms, including their associated methods, cannot and should not be mixed (Johnson & Onwuegbuzie, 2004; Shan, 2022). However, Johnson et al. (2004) explain that “… differences in epistemological beliefs (such as a difference in beliefs about the appropriate *logic of justification*) should not prevent a qualitative researcher from utilising data collections methods more typically associated with quantitative research, and vice versa” (Johnson & Onwuegbuzie, 2004, p. 15). Bergman (2020) comes to a similar conclusion by providing examples of research practices which follow this principle. “For example, many QN [quantitative] projects across all social science disciplines exist that are based on small, non-representative data sets, and there are many types of statistical procedures that do not aim at testing hypotheses but, instead, are mainly exploratory. Examples of these are cluster analyses, factor analyses, multidimensional scaling, network analyses, or correspondence analyses” (Bergman, 2020, p. 5).

Although the process of weaving a paradigmatic worldview in a mixed methods or multimethod studies now has several recognisable strategies (Johnson & Onwuegbuzie, 2004; McChesney & Aldridge, 2019; Shan, 2022), in this particular case, a single overarching paradigm of interpretivism is a viable option that aligns with the research aims and objectives.

4.4. Mixed Methods Design

The purpose of the research design process is to ensure that the evidence obtained enables us to address the research aims and objectives in a clear and unambiguous manner. Therefore, the research design demonstrates a logical structure for the inquiry

(Miles & Huberman, 1994; Miles, et al., 2018). This section begins by discussing the rationale for combining different research methods and subsequently describes the chosen approach to a mixed methods design for the study.

4.4.1. The Rationale for a Multimethod Strategy

Methodological pluralism, a well-established research approach (Bell & Newby, 1977), advocates flexibility in the selection of research methods and different types of data based on the principle of choosing the most suitable ones for the nature of the problem being researched. This approach rejects the idea that one kind of method or data, either quantitative or qualitative, is automatically better than another. Instead, it recognises the strengths and weaknesses of both and aims to build a fuller picture of the studied phenomenon by their combination.

The convergence of different methods in a single research design has also been practised for decades (Campbell & Fiske, 1959). Bergman (2020) argues "that researchers were routinely combining different data collection and analysis methods since the very beginning of the social sciences, well before the term 'mixed methods' was coined" (Bergman, 2020, p. 6). Traditionally, this approach has been associated with collecting several quantitative methods in a single research setting when two forms of data are blended (Campbell & Fiske, 1959). Nowadays, however, at the most general level, the practice of 'mixing' is associated with combining at least two different research methods into one research design (Bergman, 2020).

The research methods literature now recognises two such strategies – the mixed methods approach and the multimethod approach (Brewer & Hunter, 2006; Hesse-Biber & Johnson, 2015; Bergman, 2020). These are considered related and "some use the terms interchangeably" (Bergman, 2020, p. 2). Bergman (2020) recognises several distinct variants in the process of 'mixing', 'blending' or 'integrating' different research methods and points out the lack of conceptual clarification that exists in the empirical literature. For instance, some researchers state:

> "that multimethod research designs include any combination of QL [qualitative] and QN [quantitative], while MMR [mixed methods research]

> must include at least one QN and at least one QL component. From this perspective, combining two or more QN methods, combining two or more QL methods, or combining at least one QN and at least one QL method in a single research design are variants of multimethod research but only the latter qualifies as MMR" (Bergman, 2020, p. 3).

Regardless of the chosen strategy of 'mixing' or 'blending', the complexity added to a research design requires a well-considered justification for applying a mixed-method or a multimethod approach over a single method. Much of the research methods literature states that the main benefit of applying a mixed-method or a multimethod approach over a single one is to take advantage of the strength of each method and, thus, overcome their respective weaknesses (Bergman, 2020). For example, quantitative studies lack an understanding of the research context or setting. They do not allow the participants' voices to be heard and exclude researchers from the discussion on their own biases and interpretations. Although qualitative studies compensate for these weaknesses, they also have their weaknesses. Unlike quantitative studies, they are seen as deficient because of the personal interpretations made by the researcher, the ensuing bias created by this, and the difficulty in generalizing findings to a large group because of the limited number of participants studied. But, as Brewer & Hunter (2006, p. 4) argue "social science methods should not be treated as mutually exclusive alternatives among which we must choose and then passively pay the costs of our choices."

Indeed, Bergman (2020) points to four justifications found among mixed methods and multimethod research. The first, *holism,* justifies the process of 'mixing' research methods "based on providing findings that are considered more complete, due to the combination and thus additive value of the qualitative and quantitative components" (Bergman, 2020, p. 7). The second, *perspectivism* refers to a situation where a researcher adds a qualitative or quantitative component to a quantitative or qualitative study to gain an additional perspective and produce a fuller picture of the empirical domain under study. Perspectivism is considered to be an improvement because it acknowledges the conditionality and partiality of any research result (Bergman, 2020). Thus, an additional perspective extends or qualifies research findings in fundamental ways. The third, *validation* comes closest to the meaning of triangulation as it refers to the degree of overlap between the results from the qualitative and quantitative components, which may imply cross-validation of results. Finally, *complementarity* is linked directly with the research design process. For instance, conducting exploratory, unstructured interviews to identify important underlying dimensions of thought among a target population before developing a questionnaire is a sequential design based on complementarity.

Given their added complexity, mixed-method or multimethod research is not inherently better than a single-method design. Therefore, it "is best justified not according to vague and untenable dichotomies between QL [qualitative] and QN [quantitative] methods, nor by a problematic appeal toward a greater range of evidence, but by substantive justifications that pertain directly to answering a research question in accordance with a theoretical framework, research purpose, and available skill sets and resources" (Bergman, 2020, p. 8).

4.4.2. Qualitative Dominant Mixed Methods Design

This study utilises a qualitative dominant approach to mixed methods design (Johnson, et al., 2007). Qualitative dominant mixed methods research refers to a type of mixed research where researchers with a qualitative perspective on the research process acknowledge the value of incorporating quantitative data and approaches into their primarily qualitative research projects (Johnson, et al., 2007). This approach is often based on the belief that the inclusion of quantitative elements can enhance the outcomes of the qualitative research process. However, in this study, the inclusion of the quantitative component (the secondary analysis of the quantitative survey) also serves the purpose of justifying the main qualitative part of the inquiry (a comparative multi-case study approach), while maintaining a mostly distinct role throughout the research process.

4.5. Stage One: Secondary Analysis of WAS

The aim of the first empirical stage of inquiry is to address the RQ 1, which is to assess whether entrepreneurial households have different patterns of income generation and wealth accumulation compared to employee households. To achieve this, the study entailed a secondary analysis that examines the size, composition, and distribution of income and wealth across the population of self-employed, employees, and all private British households. The analysis is conducted using a secondary data set, the UK Wealth and Assets Survey (WAS). This survey collects information on the well-being of households and individuals, focusing on their assets, savings, debt, and retirement planning (ONS, 2022). By utilising this data set, the study establishes a case for the distinct economic organisation of entrepreneurial households, particularly when compared to their employee counterparts. Additionally, the analysis provides evidence on how the material living conditions of the British population vary based on the profession or employment status of household members.

The Wealth and Assets Survey (WAS) is a biennial longitudinal survey initiated in 2006 with the objective of assessing the economic well-being of households and individuals using a single data source (ONS, 2022). The estimates derived from WAS play a crucial role in comprehending the distribution of assets and debts, addressing informational deficiencies that existed in official statistics, either due to the absence of evidence from other survey sources or administrative data (HMRC, 2016). The survey gathers data on income sources and various types of assets owned by individuals residing in private households, encompassing financial wealth, property wealth, physical assets, and private pension wealth. It also examines attitudes and attributes related to these (ONS, 2023). WAS is currently sponsored by a funding consortium, including the UK Office for National Statistics (ONS), Department for Work and Pensions (DWP), HM Revenue and Customs (HMRC), and Scottish Government (ONS, 2023).

WAS offers significant advantages for researchers willing to utilise the survey data. One of the key strengths is its longitudinal nature (ONS, 2023). The survey captures data over multiple time points, allowing for the examination of changes in wealth and income over time. WAS has also a more complete population coverage and the extensive overall sample size which makes it stand out compared to similar surveys worldwide (HMRC, 2016; ONS, 2023). For instance, during the period of 2012-2014, the survey successfully conducted interviews with approximately 40,000 individuals aged 16 or over, residing in over 20,000 private households across Great Britain (ONS, 2023). This large sample size enhances the robustness of the cross-sectional estimates for each two-year period, providing reliable data for analysis.

The survey is particularly useful for this study as it includes variables on household employment status. This allows for the extraction of sub-samples of self-employed and employee households to compare their asset and income holdings. The survey does not collect information on household business assets; thus, the possible differences in wealth accumulation cannot be attributed directly to the ownership of these. Given that the survey does not have a distinct category for 'entrepreneurial households' that encompasses both self-employment and business ownership, self-employment is used as a proxy measure for entrepreneurship in this analysis. While not ideal, this proxy measure is commonplace in entrepreneurship research (Carter, 2011).

4.5.1. WAS Methodology

The data collection process in WAS employs a longitudinal panel design with two interview stages. The first stage is referred to as the 'mainstage' interview, where the WAS questionnaire is used. The second stage aims to update and maintain the contact details of the respondents between survey waves. The mainstage interview is conducted through Computer Assisted Personal Interviewing (CAPI). Face-to-face interviewing is the preferred method because of the survey's intricate subject matter and the requirement for the interviewer's assistance in guiding the respondents through the questionnaire (ONS, 2023).

The WAS data collection process began in July 2006, with the initial set of interviews conducted over a two-year period, concluding in June 2008 (Wave 1). Respondents were approached again for a Wave 2 interview between July 2008 and June 2010. Wave 3 covered the period from July 2010 to June 2012, followed by Wave 4 from July 2012 to June 2014, and Wave 5 from July 2014 to June 2016. After Wave 5, the survey period transitioned to a two-year, financial year-based periodicity (April to March), referred to as a ‘round’. Consequently, Round 6 began in July 2016 but only ran for 21 months, ending in March 2018. Data for Round 6 covered the period from April 2016 to March 2018, including the last three months of Wave 5 (April to June 2016) and the subsequent 21 months of Round 6 (July 2016 to March 2018). Round 7 of the WAS survey commenced in April 2018 and lasted for two years, concluding in March 2020 (ONS, 2023).

WAS gathers data regarding a diverse range of assets and liabilities held by individuals and households in Great Britain. The primary objective of the survey is to obtain comprehensive wealth estimates, monitor their changes over time and provide potential for in-depth analysis within each wealth domain. Wealth in WAS is classified into four main types: financial wealth, pensions wealth, physical wealth, and property wealth. Although the primary focus of the questionnaire is to estimate wealth, it also collects additional information on non-wealth topics such as socio-demographic characteristics, income, and financial knowledge. This enables the analysis of wealth in conjunction with other factors, both at an overall level and within individual components.

The WAS questionnaire consists of two sections, where all adults aged 16 and above (excluding those aged 16 to 18 who are currently in full-time education) are interviewed within each participating household. The household-level survey is completed by one individual in the household, typically the head of the household or their partner. This part primarily collects information at the household level, including the number of individuals, their demographics, relationships within the household, as well as details about the residence such as ownership, value, mortgages, and other household assets. The individual-level survey is administered to each adult within the household and covers topics such as economic status, education, employment, business assets, benefits, tax credits, saving habits and behaviour, attitudes towards debt, insolvency, significant expenses, retirement planning, attitudes towards saving for retirement, pensions, financial assets, non-mortgage debt, investments, and other sources of income (ONS, 2023).

The survey employs a multi-stage stratified random sampling approach to select private households with an address in Great Britain. The residential addresses are selected using the Postcode Address File (PAF) – the address database containing 28 million delivery points to which mail items are delivered in the UK. The WAS sample frame includes addresses in England, Wales, and Scotland, excluding the North of the Caledonian Canal and the Isles of Scilly. To ensure representativeness, the survey uses a ‘probability proportional to size’ (PPS) method, where the probability of selection is proportional to the number of addresses in a given area. Densely populated areas have a higher number of selected addresses. The sampling process involves a two-stage or ‘clustered’ approach, starting with the random selection of postcode sectors from the PAF, followed by the random selection of 26 addresses within each sector. While the address selection within postcode sectors is random, certain addresses have a higher probability of selection due to the skewed distribution of wealth. Wealthier households, which hold significant wealth, are oversampled to account for the difficulty in securing responses from them. The WAS sample excludes individuals residing in residential institutions such as retirement homes, nursing homes, prisons, barracks, university halls of residence, and homeless individuals (ONS, 2023). Table 4.1 provides rounded sample sizes for Waves 1-5 and Rounds 6-7 of the Wealth and Assets Survey.

Table 4.1. Sample Size of Each WAS Wave/Round

Waves/Rounds	Number of households interviewed	Number of individuals interviewed
Wave 1	30,600	71,200
Wave 2	20,200	46,300
Wave 3	21,400	49,400
Wave 4	20,200	46,400
Wave 5	18,800	42,800
Round 6*	18,000	40,500
Round 7*	17,500	38,900

* *The change in survey periodicity.*

Source: UK Data Service - Wealth and Assets Survey, Waves 1-5 and Rounds 6-7, 2006-2020.

WAS relies on respondents' self-reported valuations rather than market valuations to estimate wealth. The wealth estimates are obtained by aggregating the values of different types of assets owned by households and subtracting any liabilities. Total household wealth comprises four main components: net property wealth, physical wealth, net financial wealth, and private pension wealth. The components are, in turn, made up of smaller building blocks. Net property wealth is calculated by subtracting the value of all mortgages and amounts owed due to equity release from the sum of all property values. Physical wealth includes the combined values of household contents, collectibles and valuables, and vehicles, including personalized number plates. Net financial wealth is determined by summing up the values of formal and informal financial assets, along with certain assets held in the names of children, and subtracting the value of non-mortgage debt. Private pension wealth is the total value of various pension types, including current occupational pension wealth, retained rights in occupational pensions, current personal pension wealth, retained rights in personal pensions, Additional Voluntary Contributions (AVCs), expected pension value from former spouse or partner, and pensions currently being received.

WAS defines household income as a flow concept which refers to the incoming flow of resources over time. In the survey, household income comprises four constituent parts: earned income from employment (including both employees and the self-employed); income from state support (including benefits, tax credits and state pensions); income from private pensions (including occupational and personal pensions) and other income (such as income from investments and rent). In contrast, household wealth is a stock concept that refers to a balance of assets at a time. Wealth can be accumulated over time, but its value can also depreciate. Income is one way of accumulating wealth (ONS, 2022).

Multiple quality assurance methods are applied to ensure the reliability of the WAS data. These methods are implemented during the interview process and after data collection. They include outlier detection and comparisons of the data between waves and rounds. Any data identified as potential errors are thoroughly investigated and, if necessary, adjusted. Furthermore, revisiting respondents in subsequent waves or rounds allows for confirmation of the current round's data against previously collected data. Similar to other surveys, the WAS data may contain missing values. 'Non-response' refers to instances where a respondent does not know or refuses to answer a specific survey question. To address this issue, imputation, a statistical process, is employed. Imputation estimates the statistical properties of the missing data and replaces them with valid and plausible values (ONS, 2023).

As part of the ONS Data Collection Transformation Programme (DCTP), multiple surveys have been consolidated to create the Household Finance Survey (HFS). The objective of HFS is to provide comprehensive data on household incomes, consumption, and wealth. Its development has followed an iterative approach, commencing in 2017 with the integration of the Living Costs and Food (LCF) survey and the Survey on Living Conditions (SLC) sample designs. During this phase, questions related to employment, income, and material deprivation were harmonised. The next stage of development involved integrating WAS. This required transitioning the survey period to a financial year basis (Rounds 6 and 7). The new phase of integration included the use of a shared sample for all three surveys and harmonisation of certain income-related questions across them.

4.5.2. Secondary Analysis

ONS produces summary statistics for the Wealth and Assets Survey (WAS) and allows interested parties to access anonymised microdata. The data is provided in downloadable formats such as CSV and Excel. Researchers can access the data through the UK Data Service (UKDS) at the University of Essex, under an End User Licence obtained in June 2016. All the selected data sets were downloaded in January 2017. After obtaining the WAS data sets for each wave from the UK Data Service, all the analytical procedures were conducted using SAS University Edition software. The license agreement for non-commercial use of the software was obtained in December 2016.

At the time of completing this thesis, WAS had conducted seven waves/rounds of data collection. However, for the secondary analysis presented in Chapter 5, the study focused on the first four waves, which spanned the periods of 2006/08, 2008/10, 2010/12, and 2012/14. The selection of these waves was based on their alignment with the time frame of the personal stories collected during the qualitative phase of the study. It was important to analyse data from the same time periods as the qualitative data to ensure coherence. The subsequent waves of the WAS covered significant events such as the Brexit referendum, Brexit itself, and the COVID-19 pandemic. These events occurred after the collection of qualitative data and therefore could not be reflected in the personal stories. However, undoubtedly, they had a significant impact on the economic well-being of households in the UK.

Furthermore, the later waves of the WAS introduced important methodological changes, including changes in periodicity based on the financial year, inflation adjustments, and the inclusion of new variables such as individual-level wealth estimates. Additionally, the integration of WAS with HFS resulted in a reduction in the survey sample size, which further affected the comparability of estimates across the different waves/rounds. Overall, the decision to focus on the first four waves of WAS was based on their alignment with the qualitative data, while acknowledging the limitations in capturing more recent events and methodological changes in the later waves. Table 4.2 provides details about the size of the sub-samples (rounded) of self-employed and employee households that were extracted from the main WAS sample of all private households in Great Britain (GB). These sub-samples were extracted based on the declared economic activity of the household representative person. The information in Table 4.2 pertains to the secondary analysis conducted in Chapter 5.

Table 4.2. Sample Size of Each WAS Wave Selected for Secondary Analysis

Waves selected for the secondary analysis	Self-employed households	Employee households	All private households in GB
Wave 1	2,700	15,000	30,600
Wave 2	1,600	9,400	20,200
Wave 3	1,800	9,900	21,400
Wave 4	880*	4,850*	20,200

* *Please note that in Wave 4 of WAS, nearly half of the sample was not classified based on the economic activity of the household representative person.*

Source: UK Data Service - Wealth and Assets Survey, Waves 1-4, 2006-2014.

The analysis of income generation and wealth accumulation patterns between self-employed and employee households was conducted in four steps. Firstly, the analysis measured the assets' relative holding by self-employed and employee households and contrasted that with the population of all private households in Great Britain (GB). The values were provided in absolute terms. This was to demonstrate the magnitude of the accumulated capital and to point out certain noticeable differences across the survey waves and between the population groups that are likely to impact the subsequent data interpretation. This stage also included the calculations of the relative contribution of each of the four wealth components to household total net wealth for all three population groups.

Secondly, the analysis moved to the distributional considerations to demonstrate the experience of the whole population of the self-employed, employees and all private households. This analytical step addresses the recommendations made by Stiglitz and others (2009) to give more prominence to the distributional measures of household economic indicators as these provide a better reflection of the material living conditions of the population (Stiglitz, et al., 2009; ONS, 2022). The analysis started with the measure of wealth's central tendency. As wealth is not normally, i.e. symmetrically distributed across the population and is highly skewed towards the top, the median was used here as the most appropriate central location measure (Mwaura & Carter, 2015; Kuhl, 2017; ONS, 2022). The median represents a middle value in the ordered data set that is not affected by outliers, such as the mean. Therefore, as argued by Stiglitz and others (2009), it better reflects the experience of most of the population. Subsequently, the distribution considerations progressed into the analysis of deciles. Deciles divide the data into ten equal parts so that each part contains 10% of households – from the least wealthy in the 1st decile to the wealthiest in the 10th decile. The analysis was conducted for household total net wealth and its four components.

Thirdly, the analysis focused on the measures of inequality in wealth relative standing among the analysed population groups. In general, inequality is conceptualised as the dispersion of distribution, whether that be wealth, income, consumption or some other welfare indicator or attribute of a population (Litchfield, 1999). The inequality analysis captures the whole distribution of a given indicator. The rationale is that the top and the middle of the (wealth) distribution may be just as important in perceiving and measuring inequality as the bottom (Litchfield, 1999). There is no single measure of inequality (Atkinson, 1970; Litchfield, 1999; Cowell, 2000; Cowell, 2011). The different estimates usually reflect different aspects of inequality. Therefore, two indices were selected and applied to assess how equally/unequally wealth is distributed among the self-employed, employees and all households, i.e. the Gini coefficient and the Palma index.

The Gini coefficient is the most widely used and cited measure of inequality (Litchfield, 1999). The Gini coefficient, or Gini index, measures the extent to which the distribution within an economy deviates from a perfectly equal distribution and is expressed as a number between 0 and 1. The Gini coefficient of 0 represents perfect equality, whereas a Gini coefficient of 1 – perfect inequality, i.e. when one specific group or person owns all wealth and the rest owns nothing. The lower/higher the value of the Gini coefficient, the more equally/unequally the wealth is distributed (OECD, 2022). Although the Gini coefficient is the most widely cited measure of inequality (Litchfield, 1999), there are several limitations associated with its computing and interpretation. For example, it is argued that the Gini index cannot provide information about where the actual concentration of wealth exists, i.e. in the middle or at the extremes. It is also more sensitive to changes in the middle, and therefore, it does not explicitly capture changes at the top and bottom which are the focus of much inequality research (Atkinson, 1970; Litchfield, 1999; ONS, 2022).

To address the above limitations, an additional analysis was conducted to capture the changes in the share of total household wealth and its components between the least wealthy, mid-wealthy and wealthiest households. The measure used is the Palma ratio, or Palma index, which belongs to the family of inter-decile ratios. The Palma index is calculated by dividing the richest 10% of the population's share by the poorest 40% (Cobham, et al., 2016). This indicator is based on the assumptions of Jose Gabriel Palma (Palma, 2011), who argued that inequality is mainly due to economic dynamics at the extreme ends of the resource distribution or, in other words, at the "tails" of the distribution. Unlike the Gini coefficient, the index excludes the "middle" of the population from the analysis, usually located between the 5th and 9th decile (Cobham, et al., 2016).

Based on Palma's empirical observations (Palma, 2011) of the relative stability of the resource distribution in the middle, the population of self-employed households in Great Britain was divided in the following manner. The first analytical group represented the bottom 40% of the wealth distribution, i.e. the least wealthy self-employed households located between the 1st and 4th decile. The second group included the "middle" of wealth distribution, i.e. all the self-employed situated between the 5th and 9th decile (50% of households). The third group was represented by the wealthiest self-employed households located in the 10th decile of wealth distribution. Subsequently, a similar procedure was conducted for the employee households and all private households in Great Britain. Although the Palma ratio does not take into account the middle 50% of the population, the analytical commentaries considering changes in wealth ownership were provided for all three groups. Finally, the Palma ratio was calculated and discussed for total household wealth for self-employed, employees and all GB households.

The WAS secondary analysis concluded by applying the same analytical steps to the income variables introduced in Wave 3 and 4 of the survey, while also considering household income sources. All statistical procedures were conducted using the cross-sectional household-level weights provided by ONS.

In the earlier sections of this chapter, the use of mixed methods design was justified as a form of methodological triangulation for the research findings (Molina-Azorín, et al., 2012). However, additional efforts were made to validate and verify the findings from the WAS secondary data analysis alone. Firstly, during the analysis process, the researcher compared her results with her earlier WAS analysis conducted during her internship in the Scottish Government in 2016 for the population of Scottish households. This cross-referencing served as a control point to identify any abnormalities in the findings (Kuhl, 2017).

Secondly, other data sources were sought that could provide a comprehensive assessment of differences in household economic organisation and behaviour based on the occupational status of household members. For example, the most recent ONS statistical bulletin on average weekly household expenditure on goods and services in the UK was analysed, which differentiated expenditure based on the economic activity status of a household reference person (ONS, 2022). The latest release, covering the period from April 2020 to March 2021, reveals that while the total average weekly spending for employee and self-employed households is similar, there are variations in the breakdown of expenditures by commodities and services between these households (ONS, 2022). For instance, the self-employed spend less on transport compared to employees (£67.10 and £76.7 per week, respectively). In contrast, they allocate more of their budget to household goods and services (£50.1 and £38.8 per week, respectively) and food and drinks (£80.0 and £76.10), including alcoholic beverages, tobacco, and narcotics.

While the analysis of household spending is just one among many elements of household economic organisation and behaviour called ‘householding’ (Wilk, 1989, 2019), it complements the findings from the WAS analysis presented in Chapter 5, which show different patterns of income generation and wealth accumulation between self-employed and employee households. This enhances the robustness of the conclusion that the economic organisation and behaviour of entrepreneurial households are distinct compared to other occupational groups.

4.5.3. Ethical Considerations

By accessing the UK Data Service and accepting the End User Licence (EUL), the researcher agreed not to utilise the WAS data for commercial purposes. The WAS data provided under the EUL were accessible exclusively to registered users. Consequently, the WAS data were securely stored in a password-protected file and, upon completion of the research process, deleted. The researcher also had the responsibility to maintain the confidentiality of individuals, households, or organisations within the WAS data and refrain from attempting any form of identification. Moreover, in the event of any publications or reports based on the WAS data obtained through the UK Data Service, the researcher was required to furnish the bibliographic details to the data provider and utilise the correct citation and acknowledgment format in their publications.

4.6. Stage Two: Case Studies of Entrepreneurial Households

The aim of the second and primary empirical stage of inquiry is to address the remaining research questions (RQ 2 and RQ 3). Building upon the secondary analysis of the UK Wealth and Assets Survey (WAS), this stage focuses on exploring the significant yet often overlooked subject of 'everyday' entrepreneurs (Welter, et al., 2017) and the economic organisation of their households (Carter, 2011; Aldrich, et al., 2021). These research questions delve into how entrepreneurial households earn a living (RQ 2), and provision themselves through work and labour (RQ 3). Understanding the multifaceted processes through which entrepreneurial households pool income, redistribute resources, allocate tasks and make multiple decisions directed toward the preservation of a household unit (Wilk, 1989, 2019; Smith & Wallerstein, 1992) serves as a fundamental basis for understanding how entrepreneurs make a living (Aldrich, et al., 2021) and sustain the economic well-being of their households (Carter, 2011). As these questions deal with complex and potentially highly individualised organisational and processual links that need to be traced over time, a case study approach was selected as the preferred method of inquiry (Merriam, 1988; Yin, 1993; Yin, 2009) which allows a comprehensive understanding of the day-to-day experiences of 'everyday' entrepreneurs and their households (Welter, et al., 2017).

The need for a case study approach arose from the desire to understand the complex and previously unexplored social phenomenon of the economic organisation of households within the specific occupational group of entrepreneurs. The case study approach is particularly valuable in such circumstances as it allows for the exploration of the holistic and meaningful characteristics of real-life events, including household life cycles, behaviour and organisational processes (Yin, 2009). Furthermore, the case study approach is beneficial when the investigation "must cover both a particular phenomenon and the context within which the phenomenon is occurring, either because a) the context is hypothesized to contain important explanatory variables about the phenomenon or b) the boundaries between phenomenon and the context are not clearly evident" (Yin, 1993, p. 31).

To understand how entrepreneurs make a living and maintain the economic well-being of their households, it is crucial to comprehend the economic functioning of the households as a whole, rather than focusing solely on the individuals, namely the entrepreneur, within them. The economic function of the household is a fundamental aspect of its conceptual framework (Netting, et al., 1992), the concept itself denotes "an economic entity or, more precisely, a social entity with important economic functions" (Hendon, 2007, p. 143) as its primary objective is to provide for the needs of its members (Baines, et al., 2002). The household is also a set of formal and informal institutional arrangements that guide the behaviour of its members (Ellickson, 2008). Given the contextual complexity surrounding the phenomenon, the case study method is the preferred choice. It allows for an in-depth examination of the household's economic dynamics and provides a comprehensive understanding of the interplay between various organisational elements within the entrepreneurial household unit.

Among the various methodological frameworks available for case studies, this study employed a comparative multi-case design rather than a single study design to enhance the robustness and credibility of this research stage. The rationale for adopting a multi-case approach primarily stems from the concept of 'replication' as proposed by Yin (2009). Yin argues that 'sampling' of multiple case studies is "a mistaken analogy in the past, which incorrectly considered multiple cases to be similar to the multiple respondents in a survey, or to multiple subjects within an experiment" (Yin, 2009, p. 53). Instead, Yin emphasises the importance of replication logic, not sampling logic, in multi-case studies, which is analogous to the approach used in conducting multiple experiments. "For example, upon uncovering a significant finding from a single experiment, an ensuing and pressing priority would be to replicate this finding by conducting by conducting a second, third, and even more experiments. Some of the replications might attempt to duplicate the exact conditions of the original experiment. Other replications might alter one or two experimental conditions considered unimportant to the original finding, to see whether the finding could still be duplicated. Only with such replications would the original finding be considered robust" (Yin, 2009, p. 54).

Yin (2009) argues that the logic underlying the use of multi-case studies is the same. Each case must be carefully selected so that it either predicts similar results (a literal replication) or predicts contrasting results but for anticipatable reasons (a theoretical replication). In short, Yin (2009) postulates that the rationale for multi-case study design derives directly from our understanding of literal and theoretical replications.

4.6.1. Case Selection

The following section outlines the initial steps of the multi-case study design process. It starts from determining the unit of analysis – the case of inquiry - and subsequently provides a theoretical framework for the case replication procedure and concludes with details about the case selection process.

The crucial element in case study design is to identify and define the major unit of analysis. Once determined, the unit of analysis, or 'case', provides stability to a case study design (Yin, 1993). In this study, the entrepreneurial household unit serves as the case of inquiry, and the phenomenon under investigation is its internal economic organisation and functioning so the needs of household's members are met, business continuity maintained, and the economic preservation of the household unit secured.

As introduced in Chapter 1, for the purposes of this study, an entrepreneurial household is defined as a cluster of individuals bound together by co-residence, economic cooperation or interdependence, as well as responsibility for domestic tasks. It is also "a budget unit, or a group who have a common fund of material and human resources and rules for practices and exchange within it" (Wheelock & Oughton, 1996, p. 149). Moreover, the entrepreneurial household should include at least one person in self-employment, even though – acknowledging the relationship between a household and the formal economy – other members may be engaged in different forms of economic activities, such as being employed, or who are economically inactive, e.g. dependents, elderly, disabled and those on parental leave. Although members of an entrepreneurial household are not required to be blood relatives or in a formal cohabiting union, it is acknowledged that such arrangements are likely prevalent within the cultural context of the study.

Yin (2009) emphasises that a crucial aspect of the replication procedure (i.e. the equivalent of a sampling strategy) in a multi-case study is the establishment of a comprehensive theoretical framework. This framework should articulate the conditions under which a specific phenomenon is likely to be found (literal replication) as well as the conditions under which it is unlikely to occur (theoretical replication). The theoretical framework then serves as a means to generalise findings to new cases, similar to its role in cross-experimental designs. Table 4.3. details the theoretical propositions for the case selection under which the subject of household economic organisation was investigated.

Table 4.3. Theoretical Framework for the Case Replication Procedure

Theoretical dimensions	Sub-theme	References
Small-business owners	The distinct economic functioning of small-business households	(Scase & Goffee, 1980)
	The interest in ‘everyday’ entrepreneurship	(Welter, et al., 2017)
The income pooling	Ownership of multiple assets	(De Massis, et al., 2021)
	Portfolio entrepreneurship	(Carter & Ram, 2003)
	The economic pluriactivity of farm households	(Kinsella, et al., 2000) (Rønning & Kolvereid, 2006) (Alsos, et al., 2014)
	Migrant entrepreneurship/household in sustaining venture in impoverished settings	(Ram, et al., 2017) (Gras & Nason, 2015)
	The multiple income sources of entrepreneurs	(Carter, et al., 2004)
	A ‘livelihood package’ of self-employed and small-business households	(Baines, et al., 2003)
Women/Children	The presence of children and how it affects the household material well-being	(Apps & Rees, 2009)

The case replication process applied various inclusion criteria to ensure that the selected research participants accurately reflect the phenomenon under investigation (Suri, 2011; Patton, 2014). The study accepted the following three forms of household business ownership. The first group included households consisting of co-entrepreneurial couples, also called ‘copreneurs’ (Marshack, 1994; Fitzgerald & Muske, 2002), who ran a business jointly working together as an entrepreneurial team.

The second group included couples owning two businesses operated separately, and the third group consisted of couples in which only one person owned and run a business. With regard to the size of a business venture, the primary focus was on micro and small businesses ('everyday' entrepreneurs) currently underrepresented in theoretical and empirical considerations (Welter, et al., 2017; Dodd, et al., 2021). At least one household business was required to be in operation for five years to get an adequate time frame to evaluate its economic impact on a household's economic well-being.

Finally, various industry sectors were accepted in the first stage of the data collection process, following the principle of maximum variation sampling (Suri, 2011; Patton, 2014). However, the inclusion in the final sample was based on the extreme case principle, which focuses on participants with unique or special characteristics (Suri, 2011; Patton, 2014). The selected entrepreneurial households included two Scottish farm households and three migrant households because that they display high variation in income and asset holding – the key indicators of household economic well-being (OECD, 2022). The farm households with a long tradition of farming and economic activities tied to agricultural practices and traditional sector are more likely to own substantial assets through land and building ownership. They are also more likely to experience a high variation in income sources (McElwee & Bosworth, 2010; Alsos, et al., 2014; Wilson & Tonner, 2020). In contrast, migrant households representing the first generation, who moved to Scotland within the past 20 years, bringing diverse cultural backgrounds, skills, and perspectives, and who must establish themselves in a new environment usually do not own any substantial assets after moving to a host country. They are also limited in their options of generating income due to language barriers, skills and knowledge gaps, structural discrimination or under-capitalisation (Refai & McElwee, 2021).

In addition to categorising households based on their economic activity, the research participants were also theoretically selected (Suri, 2011; Patton, 2014) according to similar social and kinship ties within a household unit. The focus was on nuclear families, which were prevalent in the cultural context of the study and aligned with the dominant understanding of what constitutes a household (Hammel, 1992; Netting, et al., 1992; Wilk, 1989, 2019). Therefore, the study participants included opposite-sex couples who were married, remarried, or cohabiting, living under the same roof, as these were most likely to have a dependent minor. Having at least one school-aged dependent child was another necessary condition to reflect a similar stage in the family life cycle. The presence of a dependent child was deemed crucial for evaluating a household's economic situation (Apps & Rees, 2009). It has been acknowledged that once the decision to have children is made, the household life cycle evolves around them, influencing decisions related to work, leisure, consumption, and savings. This indicates that the presence of children can significantly impact the household's economic organisation and material living conditions. The absence of other forms of social relations within a household unit in the context of this study is discussed as a limitation in Chapter 8.

A Scottish community organisation supporting women in business was approached, which helped to identify the first potential research participants. Through the system of referrals (Suri, 2011; Patton, 2014), the study managed to build a network of contacts and engaged new respondents in the study. The interview data were collected over the course of a year, starting in the first quarter of 2015. The process consisted of two stages: the main interview was conducted in 2015, and a follow-up interview a year later. Over the first round of interviews, the researcher interviewed thirteen entrepreneurial households, out of which six took part in the second round conducted a year later. Five entrepreneurial households, which took part in both interviews, were eventually included in the sample based on pre-defined criteria of sample selection (Suri, 2011; Patton, 2014).

4.6.2. Data collection protocol

This study sought to understand the issues affecting the material living conditions and economic well-being of entrepreneurial households living and working in Scotland. Focusing on the experiences, perspectives, thoughts and concerns of these families in a holistic manner, the study employed in-depth qualitative interviewing as a method of collecting the primary data, which is regarded as the most prominent and powerful tool for exploring the personal stories and the lived experience of the research participants from their perspective (Clandinin & Connelly, 2000; Miller, 2000). In addition to the interviews, the study sought publicly available factual data about the families and their businesses. These included the company websites, personal blogs, open-access social media channels, podcasts, and interviews conducted for other online platforms and magazines. Table 4.4 summarises all the data sources utilised for the analysis of the case studies.

Table 4.4. Primary and Secondary Data Sources for Case Study Analysis

Case study	Primary data source	Secondary data source
1. The oil producers	Interview Field notes	The company website Personal blogs Open-access social media channels Interviews (online platforms)
2. The storage providers	Interview Field notes	The company website Personal blogs Interviews (magazines, online platforms)
3. The deli meat producers	Interview Field notes	The company website Personal blogs Open-access social media channels Interviews (magazines, online platforms, podcasts)
4. The restaurateurs	Interview Field notes	The company website Open-access social media channels Interviews (magazines, online platforms)
5. The builders	Interview Field notes	The company website Open-access social media channels

Before the first meeting, research participants were informed generally about the subject of this study which was articulated in the following statement: *"We are interested in how business affects you and the life of your family. We would like to hear your personal stories and will be grateful if you could share with us your experience"*. Following the guidance of Rosenthal (Rosenthal, 1993; Rosenthal, 2004; Rosenthal, 2006), each interview started with an open request to each participant to tell a bit about him/herself, his/her family and the business he/she owns. This request to hear the participants' life story made it much easier for the interviewees to talk freely and without other considerations and planning. Generally, this initial request was followed by a long narration, in some instances, lasting more than the half of time secured for the entire interview. This so-called *internal narration* (Rosenthal, 1993; Rosenthal, 2004; Rosenthal, 2006) was not interrupted by thematically focused questions from the researcher. Instead, it was only supported by paralinguistic expressions of interest and attentiveness like "ok", "mhm", "aha", through eye contact, and other gestures of attention, and in case of any interruption, by encouragement to continue narrating, such as "And then what happened?", "And what did you do?". This strategy for opening an interview proved to be particularly useful as it opened up new fields and thematic connections to the research aims and objectives that the researcher had not previously suspected.

Following the *internal narrative*, the interview usually moved to a more 'structured' but still 'open' form of interviewing with thematically focused questions. As Rosenthal (2004, p. 52) explains, this is the "phase that we orient ourselves according to our own scientific criteria and pose *external narrative questions* regarding topics that interest us and have not yet been mentioned", "where we have to state our specific research interest, and where it is not enough simply to refer to an interest in life histories". As the respondents' *internal narrative* was usually tied to the study's main interest (the economic situation of a household), certain aspects covered by the thematically oriented questions were not addressed again. Table 4.5. summarises the thematic orientation of open-ended questions in the *external narrative* part of the interviews.

Table 4.5. The Thematic Orientation of Open-Ended Questions

Interview I	Interview II
Financial management and sharing of household resources: household income, access to household and business money, management and control of household and business money, banking, debt, household's financial situation, the standard of living, household and business assets usage	**Family functioning:** time management, family free time, self-care, holidays, social life.
Family functioning: management of household and business tasks, areas of responsibilities for each household member, time management, the interface	**Future:** plans and ambitions for the business, succession, retirement plan, household financial security.

between the business owner, the family and the business.	
Children: their understanding and interest in the business, helping in business, potential succession, participation in household decision making.	**Self-reflection:** how business affects the family life, would they start this journey again?

Importantly, the interview itself, when conducted with both partners, adopted the 'dialogical' style (Kvale, 2006). Although not always possible, the participation of both partners increased the probability that the differences between 'his' and 'her' point of view was properly expressed during the interview (Table 4.6.). Moreover, the presence of a spouse having a mutual interest in or knowledge about the interview subject naturally engaged both sides in a desirable dialogue. Kvale (2006, p. 483) argues that the spousal dialogue is a joint endeavour "where egalitarian partners, through conversation, search for true understanding and knowledge". Husband and wife, both having mutual interests in a conversation, exchange their insights, sharing, adjusting or opposing their systems of meaning to make sense of their decisions, behaviour and human interaction. Dialogical interviewing served here as a more gentle and non-directive approach, which was more receptive to capturing meanings, motives, reasons and other subjective experiences of entrepreneurial household members.

Table 4.6. The Participation in Dialogical Interviewing

Case study	Interview I	Interview II
1. The oil producers	Female partner participating in the first part of the interview, and later, joined by the male partner	Female partner
2. The storage providers	Both	Both
3. The deli meat producers	Both	Female partner
4. The restaurateurs	Both	Both
5. The builders	Both	Female partner participating in the first part of the interview, and later, joined by the male partner

With permission, all interviews were recorded for transcription with assurances of anonymity and confidentiality. Each interview lasted an hour on average. The transcription of all interviews provided over 260 single-spaced A4-format pages of text. Eight out of ten interviews were conducted at the homes of the participants, where the researcher could additionally observe them during their everyday tasks or when working. The remaining two were undertaken on the business premises (the restaurateurs). Eight out of ten interviews were conducted with both partners, two with wives only (Table 4.6.).

4.6.3. Data analysis

To champion the everyday entrepreneurs and uncover the realities of living and making a living in an entrepreneurial household (Carter, 2011; Welter, et al., 2017; Aldrich, et al., 2021), the case study analysis followed a two-stage process adopted from Yin (2009). The analytic strategy is summarised in Table 4.7.

Table 4.7. The Strategy for Case Study Analysis[*]

Analytic stage	General strategy	Analytic tool	Data used	Outcome
I	Relying on theoretical propositions: *Income pooling and ownership of multiple assets (Baines, et al., 2003; Carter & Ram, 2003; Carter, et al., 2004; De Massis, et al., 2021)	Chronologies: narrative biographical approach developed by Rosenthal (1993, 2004, 2006) and pattern matching (Gibbs, 2018; Miles, et al., 2018)	Primary and secondary data (as described in Table 4.4.)	Case description – individual reports (Chapter 6)
II	Relying on theoretical propositions and insights from stage I: *The concept of work, the division of work, and the performers of work in entrepreneurial households (Thompson, 1989; Applebaum, 1992; Smith & Wallerstein, 1992; Wheelock, 1992; Oughton & Wheelock, 2006)	Pattern matching/ thematic analysis (Gibbs, 2018; Miles, et al., 2018)	Primary data (as described in Table 4.4.)	Cross-case synthesis and comparison (Chapter 7)

*Adopted from Yin (2009).

The first stage of the case study analysis followed the theoretical propositions that guided the selection of this approach (see Table 4.3.) and the development of RQ 2 (see Chapter 1, section 1.3.). According to Yin (2009), relying on theoretical propositions is the initial and preferred strategy in case study analysis as it provides a theoretical orientation and guides the process. In other words, the initially-developed propositions, which shaped the case study design, helped focus attention on specific data while disregarding other data. In this research, the first stage of the case study analysis focused on the variety of ways in which entrepreneurial households earn money, and how these evolve and change over the life course of its members. Theoretically, these propositions were reflected in the subjects of income pooling of small-business owners and entrepreneurs (Baines, et al., 2003; Carter & Ram, 2003; Carter, et al., 2004) and their ownership of multiple assets (De Massis, et al., 2021).

Subsequently, a narrative biographical approach developed by Rosenthal (1993), (2004), (2006) was selected as an analytical tool. The choice of the narrative biographical approach is inspired and philosophically underpinned, by the prominent works of Paul Ricoeur (1984), Donald Polkinghorne (1988), and Jerome Bruner (1990), (1991). These authors, concerned with the continuity and wholeness of an individual's life experience (life lived), turns their attention to a narrative (life told) as a primary form by which this experience is interpreted and made meaningful. Rosenthal (1993, p. 2) explains her two-fold approach:

> "[The] purpose of the genetical analysis is the reconstruction of the biographical meaning of experiences at the time they happened and further the reconstruction of the chronological sequence of experiences in which they occurred. The purpose of the analysis of the narrated life story, mainly based on the procedure of thematic field analysis, is the reconstruction of the present meanings of experiences and the reconstruction of the temporal order of the life story in the present time of narrating or writing".

Following the guidance of Rosenthal (1993), (2004), (2006), the analysis included: analysis of the biographical data; thematic field analysis (reconstruction of the life story); reconstruction of the life history; micro-analysis of individual text segments; and contrastive comparison of life history and life story.

- Firstly, the biographical life history was constructed. That is, the factual details of the respondents' life were clarified and ordered into the correct temporal sequence (chronological order). The factual details included, e.g., the places of living, schools attended, educational attainments, the sequence on jobs held and businesses run, information about other extensive public activities, marriage and birth of children, children's education etc. The bulk of this information came from the interviews with some additional information procured from other sources such as the company websites, personal blogs, open-access social media channels, podcasts, and interviews conducted for other online platforms and magazines.
- The collation of factual information laid the ground for the second stage of analysis – the *tex*t and *thematic field analysis*. In this step, the researcher reconstructed the form and structure of the narrated life story, i.e., the way in which it is temporally and thematically ordered in the interview.
- The third stage, the process of reconstructing the life history, took into account all other biographical experiences and put them into the chronology of the experienced life history. At this point of the analysis, biographical data or experiences were contrasted with the narrations and self-interpretations of the respondents. The task was to reconstruct the perspective of the past, to reconstruct the biographical meaning which the experiences had at that time when they happened.
- The fourth stage entailed micro-analysis of individual text segments. Ideas and nascent hypotheses developed in the steps before were checked in a detailed analysis of individual text segments. These included those based on the meaning of experience in the lived life history and those on the biographical overall concepts and evaluations of the life story.
- This last analytical step at this stage allowed for the contrastive comparison of

reconstructed life history and life story providing details about the way the selected experiences were presented, the differences between past and present perspectives (the differences in the temporality of narrated and lived life).

The life stories and narrative biographical analysis are presented in Chapter Six through individual case study reports, each dedicated to a participating household. These case reports aim to address RQ 2 by exploring the evolving dynamics between household and income-earning work over time. Additionally, they serve as a contextual introduction for the second stage of case study analysis, which delivers a cross-case synthesis and comparison of the lived experiences of entrepreneurial households. This process of multi-layered analysis is referred to as the hermeneutic circle (or the hermeneutic spiral). According to Gummesson (1991), it is an iterative process where each stage of the research contributes to the accumulation of knowledge and understanding. Each stage builds upon the previous one, leading to a deeper level of comprehension and potentially influencing the research direction. This natural and expected progression, particularly in qualitative research, allows for a continual refinement and adjustment of the study's focus (Gummesson, 1991).

Guided by the findings from the first stage of case study analysis, the second stage was further refined based on theoretical propositions that led to the development of RQ 3 (see Chapter 1, section 1.3.). Specifically, this stage focused on exploring the concept of work, the division of work, and the performers of work in entrepreneurial households (Thompson, 1989; Applebaum, 1992; Smith & Wallerstein, 1992; Wheelock, 1992; Oughton & Wheelock, 2006). Insights from these studies allowed for the theoretical definition of three analytical themes: income-earning work, domestic work, and voluntary work, along with their associated categories of household labour sources (domestic, social, and formal economies) against which the 'concept-driven coding' (Gibbs, 2018) of interviews took place. The coding process was undertaken both manually and using qualitative analysis software (NVivo). The 'concept-driven coding' approach allowed for constructing a framework or 'predicted pattern' (Yin, 2009) based on the identified concepts and theoretical propositions. This framework served as a reference against which the empirical patterns derived from the interviews were compared. When the patterns aligned, it strengthened the internal validity of the case study. Subsequently, a cross-case synthesis was conducted to further enhance the robustness of the findings, with the aggregated results analysed across the pre-defined themes.

4.6.4. Ethical considerations

Beyond the main ethical considerations that guide all social research (Bell & Bryman, 2007), the major ethical concern of this study was to protect the confidentiality and anonymity of the respondents, who voluntarily agreed to share their personal stories, in order to avoid any harmful effect caused by potential confidentiality breach. In a small scale, exploratory and in-depth study, identity protection proved to be challenging unless a substantial amount of detail is removed or changed, which undermines the ability to conduct meaningful research. In this study, the households are identified alphabetically and by industry sector of main business.

Prior to commencing this study, ethical approval was attained from the University of Strathclyde detailing all the steps to properly safeguard sensitive and personal information that participants would not reasonably want to disclose to others or make public. After careful consideration, in addition to the strategy listed in the ethical approval form, the researcher decided to remove details of the country of origin of migrant households participating in the study as these could potentially disclose their identity.

4.7. Timeframe

Table 4.8. offers insights into the duration of the research, including the various stages involved, such as data collection, analysis, and the writing process. By outlining the timeframe, readers can gain a better understanding of the research's overall timeline and the progression of the study from its inception to its completion.

Table 4.8. Timeframe of the Study

	Literature review	Research methods design	Data collection – case studies	Secondary analysis of WAS	Analysis of case studies	Thesis writing up and editing
2013						
2014						
2015						
2016						
2017						
2018						
2019	Internship/Maternity leaves/Voluntary suspension					
2020						
2021						
2022						
2023						

4.8. Conclusion

This chapter has presented an overview of the study aims, approach and methodology. Specific attention was paid to descriptions of the secondary analysis of the WAS which focused on addressing RQ 1, and the case studies that focus on addressing RQ 2 and RQ 3. The results of the empirical investigation are presented in the following three chapters.

CHAPTER FIVE

PATTERNS OF INCOME GENERATION AND WEALTH ACCUMULATION IN ENTREPRENEURIAL HOUSEHOLDS: INSIGHTS FROM THE UK WEALTH & ASSETS SURVEY

5.1. Introduction

This chapter addresses the first research question (RQ 1) which is to assess whether entrepreneurial households have different patterns of income generation and wealth accumulation compared with employee households. Data is drawn from the UK Wealth & Assets Survey (WAS) which enables a secondary analysis of the distribution of wealth and income across the population of self-employed, employees and all private households in Great Britain. This survey collects information about the well-being of households and individuals in terms of their assets, savings and debt, and planning for retirement (ONS, 2022). The survey contains variables on household employment status and therefore, it was possible to extract sub-samples of self-employed and employee households for comparison. The survey also does not collect information on business assets; thus, the observed differences could not be directly attributed to the ownership of these. As the survey does not contain a distinct category of 'entrepreneurial households' which includes both self-employment and business ownership, but does distinguish self-employment as an occupational category, in this analysis self-employment is used as a proxy measure for entrepreneurship.

The analysis is organised as follows. It begins by measuring the assets held by self-employed and employee households and contrasts that with the population of all private households in Great Britain. Next, the analysis moves to distributional considerations that highlight the experience of the entire population of the self-employed, employees, and all private households. The analysis then focuses on measures of wealth inequality between the groups and concludes with some final analysis of income variables introduced in the later stages of WAS.

5.2. Household Wealth Composition Over Time

Table 5.1. synthesises information on the value of household total net wealth and its components for each of the analysed population groups (i.e. all private households, employee households and self-employed households) across the four survey waves (i.e. 2006/08, 2008/10, 2010/12, 2012/14). The analysis starts by providing values in absolute terms to demonstrate the magnitude of the accumulated capital and to point out certain noticeable differences across the survey waves and between the population groups that are likely to impact the subsequent data interpretation.

As explained below, certain differences in wealth accumulation are attributed to the changes in the sampling procedures, data recordings, valuation methods or significant economic events rather than being only the result of different patterns of wealth accumulation across the population groups. For example, in the first wave of WAS (2006/08), data regarding physical wealth were collected for approximately half of the sample, which is reflected in its valuation demonstrated in table 5.1. In the fourth wave of the survey (2012/14), the sub-samples of self-employed and employee households were two times smaller than in the third wave (2010/2012). Therefore, substantially smaller values of household total net wealth and its components for self-employed and employee households in wave four of the survey (2012/14) were attributed to the significant changes in the size of these sub-samples. Consequently, the comparison between self-employed and employee households was provided for waves two and three only (2008/10 and 2010/12, respectively) and not between sub-samples due to the differences between their sizes. More examples that were likely to impact the value of household total net wealth and its components are provided below.

Table 5.1. shows that household total net wealth of all private households has been increasing consistently from the beginning of the survey. However, the most significant increase occurred between the last two survey periods. In 2010/12, household total net wealth was £9,435 billion; in 2012/14, household total net wealth was £11,132 billion, an increase of 18%.

Table 5.1. Household Total Net Wealth and its Components in Absolute Terms (£ Billion)

	All private households in GB			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	3535.6	3376.2	3520.7	3926.5
Financial wealth (net)	1043.0	1090.4	1304.2	1596.4
Physical wealth (gross)	555.3	1015.3	1080.3	1151.6
Private pension wealth	2885.9	3458.5	3529.3	4457.8
Household total net wealth	**8019.7**	**8940.4**	**9434.5**	**11132.2**
Household total net wealth (excluding private pension wealth)	**5133.8**	**5481.9**	**5905.2**	**6674.4**
	Employee households			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	1707.1	1630.6	1670.1	904.0
Financial wealth (net)	480.5	487.9	650.7	467.8
Physical wealth (gross)	308.3	558.1	591.9	317.0
Private pension wealth	1574.7	1876.9	1981.8	1224.5
Household total net wealth	**4070.6**	**4553.5**	**4894.6**	**2913.4**
Household total net wealth (excluding private pension wealth)	**2495.9**	**2676.6**	**2912.8**	**1688.8**
	Self-employed households			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	510.7	440.7	482.0	239.2
Financial wealth (net)	124.4	121.0	120.1	62.3
Physical wealth (gross)	63.0	111.0	117.5	60.7
Private pension wealth	200.0	283.4	278.5	157.3
Household total net wealth	**898.1**	**956.0**	**998.1**	**519.5**
Household total net wealth (excluding private pension wealth)	**698.1**	**672.7**	**719.6**	**362.3**

Much of this rise was caused by the large movements in the value of private pension wealth, which increased by 26.3% in 2012/14 compared to the previous survey period. This alone was driven mainly by changes in external market factors, i.e. annuity rates and discount factors, used for valuing some forms of private pension wealth (Kuhl, 2017; ONS, 2022). The second most significant rise in value was observable for financial wealth, with an increase of more than 22% between 2010/12 and 2012/14. These changes were driven primarily by an increase in the value of financial assets as opposed to a decrease in financial liabilities (Kuhl, 2017; ONS, 2022).

The value of property wealth decreased between the first two survey periods, which was mostly attributed to the drop in the value of properties as a reaction to the global financial crisis of 2007/08 (Kuhl, 2017; ONS, 2022). Subsequently, the value of property wealth increased by 11.5% between 2010/12 and 2012/14. These changes were driven primarily by a subsequent rise in the value of the main residence, valued by the property owners in current prices, rather than by a substantial increase in the number of properties owned (Kuhl, 2017; ONS, 2022).

The value of physical wealth increased the least between 2010/12 and 2012/14, i.e. by 6.6%. In the case of physical wealth, changes in value were mostly a reflection of a subsequent rise in the replacement value of household goods. Respondents valued these in current prices not adjusted for inflation rather than by a substantial increase in the number of household goods.

In the case of employee households, the value of financial wealth increased by 33.4% between waves two and three (2008/10 and 2010/12, respectively). That was significantly more than for self-employed or all private households in the same survey period. Physical wealth increased by 6.1%, comparable to all private households. Employee households also increased the value of private pension wealth by 5.6% between 2008/10 and 2010/12. In contrast, the private pension wealth of all private households increased by 2% between the same survey periods. Property wealth of employee households rose by 2.4% compared to a 4.3% increase for all private households.

The sub-sample of self-employed households experienced a different wealth change pattern between 2008/10 and 2010/12. For instance, the value of financial and private pension wealth decreased between these periods. The increase in physical wealth was similar to that of employees and all private households, i.e. 5.9%. In contrast, the value of property wealth of self-employed households increased by 9.4% between waves two and three. That is significantly more than for employees and all private households between the same survey periods.

Table 5.2. Relative Contribution of Wealth Components to Household Total Net Wealth

	All private households in GB			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	44.1%	37.8%	37.3%	35.3%
Financial wealth (net)	13.0%	12.2%	13.8%	14.3%
Physical wealth (gross)	6.9%	11.4%	11.5%	10.3%
Private pension wealth	36.0%	38.7%	37.4%	40.0%
	Employee households			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	41.9%	35.8%	34.1%	31.0%
Financial wealth (net)	11.8%	10.7%	13.3%	16.1%
Physical wealth (gross)	7.6%	12.3%	12.1%	10.9%
Private pension wealth	38.7%	41.2%	40.5%	42.0%
	Self-employed households			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	56.9%	46.1%	48.3%	46.0%
Financial wealth (net)	13.8%	12.7%	12.0%	12.0%
Physical wealth (gross)	7.0%	11.6%	11.8%	11.7%
Private pension wealth	22.3%	29.6%	27.9%	30.3%

Table 5.2. shows the relative contribution of each of the four wealth components to household total net wealth for all three population groups (i.e. all private households, employee households and self-employed households). For all private households, private pension wealth was the most significant component of household total net wealth, with its relative contribution reaching 40% in 2012/2014. Property wealth represented the second-largest share. However, its proportion decreased over time from 44.1% in 2006/08 to 35.5% in 2012/14. The contribution of financial wealth was relatively stable over time. In 2012/14, its proportion reached 14.3%. Physical wealth was also stable but represented the lowest share in household total net wealth for all private households.

For employee households, the relative contribution of each wealth component to household total net wealth mirrored the pattern of all GB households. Private pension wealth, representing the largest component, reached 42% in 2012/14. The proportion of property wealth, the second-largest share, also decreased over time from 41.9% in 2006/08 to 31.0% in 2012/14. As the third largest contributor, financial wealth increased moderately over time, reaching 16.1% in 2012/14. Physical wealth, representing the smallest share, was also relatively stable but dropped slightly in 2012/14, similar to all households.

Interestingly, the two most significant components of household total net wealth for self-employed households have the reversed share order compared to employees and all households. Property wealth accounted for the largest contribution, but its share fluctuated over time and dropped to 46% in 2012/14. Although representing the second largest contribution, private pension wealth accounted for a less significant share in household total net wealth than in the case of employees and all households, reaching 30.3% in 2012/14. Such as in the two previous population groups, financial wealth was the third largest contributor in household total net wealth for self-employed, accounting for 12% in 2012/14. This was slightly less than for employees and all households. Physical wealth represented only a moderately lower share in household total net wealth for self-employed, accounting for 11.7% in 2012/14. Excluding the first wave, where data for physical wealth were collected for half of the population only, financial and physical wealth accounted for the most stable share in household total net wealth among self-employed households.

Table 5.3. Relative Contribution of Wealth Components to Household Total Net Wealth Excluding Private Pension Wealth

	All private households in GB			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	68.9%	61.6%	59.6%	58.8%
Financial wealth (net)	20.3%	19.9%	22.1%	23.9%
Physical wealth (gross)	10.8%	18.5%	18.3%	17.3%
	Employee households			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	68.4%	60.9%	57.3%	53.5%
Financial wealth (net)	19.3%	18.2%	22.3%	27.7%
Physical wealth (gross)	12.4%	20.9%	20.3%	18.8%
	Self-employed households			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth (net)	73.2%	65.5%	67.0%	66.0%
Financial wealth (net)	17.8%	18.0%	16.7%	17.2%
Physical wealth (gross)	9.0%	16.5%	16.3%	16.8%

Unlike property, financial and physical wealth, assets accumulated in private pension schemes are not immediately accessible for most individuals (Kuhl, 2017; ONS, 2022). Table 5.3 demonstrates the relative contribution of the three wealth components to household total net wealth, excluding private pension for all households and the two sub-samples of employee and self-employed households. If the relative contribution analysis excludes private pension wealth, property wealth would account for 58.5% of household total net wealth for all private households in 2012/14. Financial wealth would represent the second largest contribution of almost 24%, and physical wealth would represent the smallest share, accounting for 17.3%. For employee households, this proportion of share would be relatively similar, with property wealth accounting for 53.5%, financial wealth – at 27.7%, and physical wealth – at 18.8%. For self-employed households, property wealth would represent the most significant share of household total net wealth accounting for 66% in 2012/14. Financial and physical wealth would be of similar contribution levels but significantly smaller than property wealth.

5.3. Distribution of Household Wealth

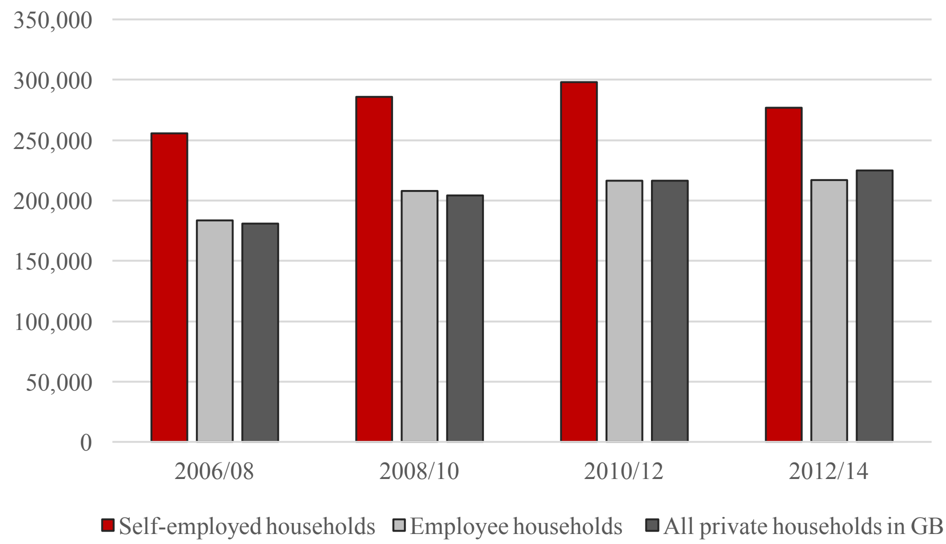
This part of the analysis responds to calls of Stiglitz and others (2009) to give more prominence to the distributional measures of household income, consumption and wealth. As these measures of economic indicators better reflect the material living conditions of the population (Stiglitz, et al., 2009; ONS, 2022), the rest of this chapter is focused on how wealth, and in the subsequent sections – income, are distributed across the population of self-employed, employee and all private households in Great Britain.

The analysis starts with the measure of wealth's central tendency. As wealth is not normally, i.e. symmetrically distributed across the population and is highly skewed towards the top, the median is used here as the most appropriate central location measure (Mwaura & Carter, 2015; Kuhl, 2017; ONS, 2022). The median represents a middle value in the ordered data set that is not affected by outliers, such as the mean. Therefore, as argued by Stiglitz and others (2009), it better reflects the experience of most of the population. Subsequently, the distribution considerations progress into the analysis of deciles. Deciles divide the data into ten equal parts so that each part contains 10% of households – from the least wealthy in the 1st decile to the wealthiest in the 10th decile. The analysis is conducted for household total net wealth and its four components.

5.3.1. Median of Total Household Wealth and its Components

Chart 5.1. and Table 5.4. demonstrate medians of total household wealth for self-employed, employee and all private households across all the survey periods. It is apparent that median values were markedly higher for the self-employed households than for employees or all GB households and that this difference, although decreased over time, was evident in each survey period.

Chart 5.1. Median of Total Household Wealth (£ at Current Values)



Looking closer, the median of total household wealth for self-employed households was at £255,618 in 2006/08, whereas for employee households – £183,787, and for all private households – £181,142. It implies that in the analysed survey period, half of the self-employed households in Great Britain accumulated wealth of £255,618 or more. At the same time, half of the employee households enjoyed wealth of £183,787 or more. Their experience aligned with half of all private households, who accumulated wealth of £181,142 or more in the same survey period.

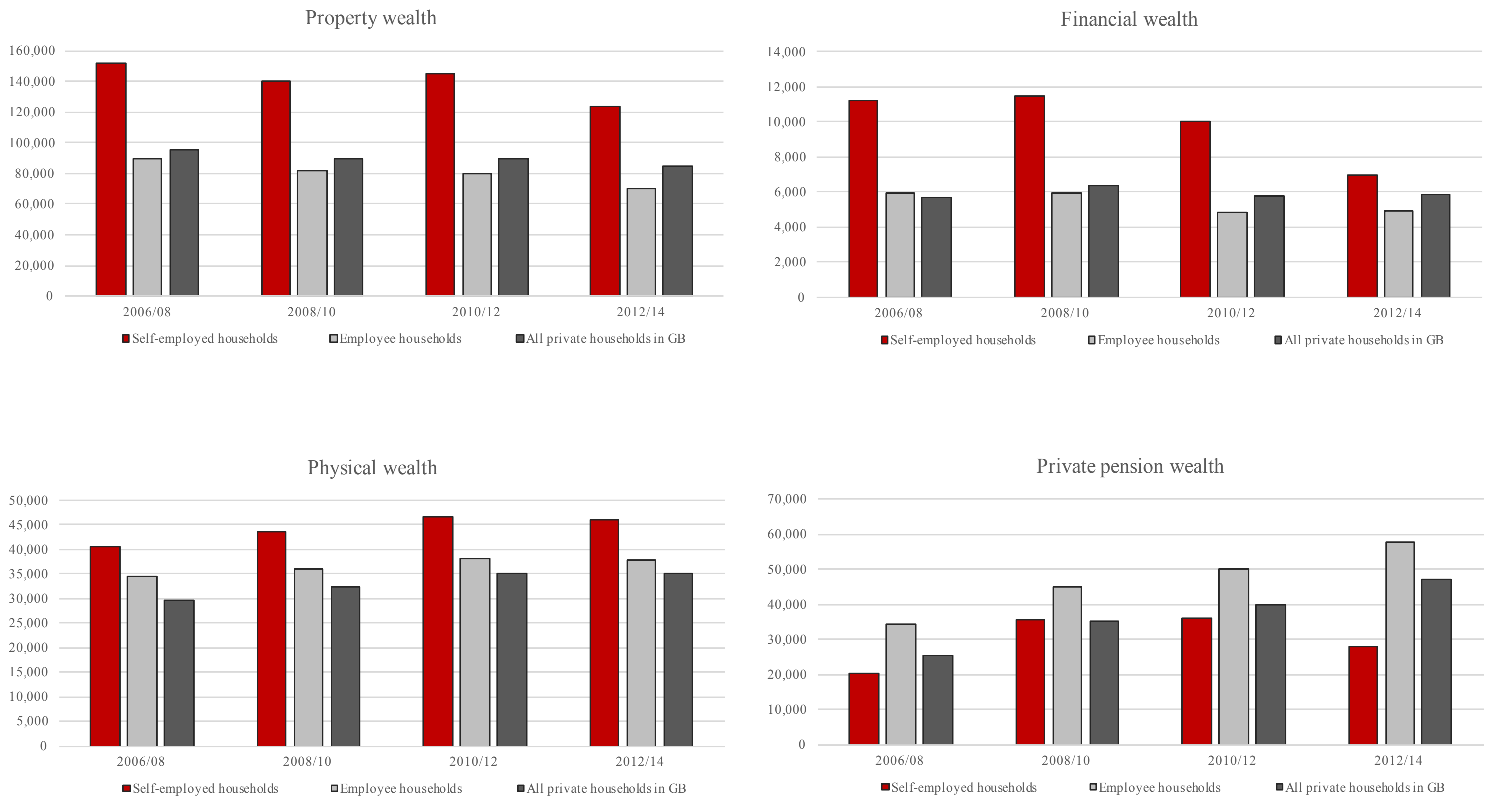
Over time, however, the difference between the medians of total household wealth for self-employed and the two following population groups started to decrease. For instance, in 2012/14, half of the self-employed households accumulated wealth of £276,775 or more. At the same time, half of the employees and all GB households had wealth of £216,900 and £225,090 or more, respectively. These changes can be mostly attributed to the drop in the median of total household wealth for self-employed rather than an increase in the same median of employees and all GB households. After the three survey periods of consecutive growth, the median of total household wealth decreased by approximately 7% compared to 2010/12. At the same time, employee households experienced a marginal increase of approximately 0.15%, whereas all GB households – 4%.

Table 5.4. and Chart 5.2. demonstrate the comparison of central tendencies for each wealth component. The analysis shows that the medians of property, financial and physical wealth were again markedly higher for the self-employed households than for employees and all GB households. In contrast, the median of private pension wealth was significantly lower for self-employed compared to the rest of the population groups, and this was evident across all survey periods. Except for private pension wealth, the medians of all GB households and their changes across time were aligned with those of employee households.

Table 5.4. Median of Total Household Wealth and its Components (£ at Current Values)

	Self-employed households			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth	152,000	139,999	145,000	124,000
Financial wealth	11,202	11,460	10,000	7,000
Physical wealth	40,600	43,500	46,500	46,000
Private pension wealth	20,260	35,511	36,105	27,918
Total household wealth	**255,618**	**285,897**	**298,170**	**276,775**
	Employee households			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth	89,500	81,400	80,000	70,000
Financial wealth	5,930	5,910	4,856	4,939
Physical wealth	34,500	35,900	38,000	37,700
Private pension wealth	34,400	45,071	50,235	57,661
Total household wealth	**183,787**	**208,261**	**216,574**	**216,900**
	All private households in GB			
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth	95,000	89,999	90,000	85,000
Financial wealth	5,700	6,350	5,820	5,870
Physical wealth	29,600	32,500	35,100	35,250
Private pension wealth	25,362	35,000	39,750	47,125
Total household wealth	**181,142**	**204,306**	**216,400**	**225,090**

Chart 5.2. Median of Household Wealth Components (£ at Current Values)



A more detailed analysis shows that the differences between the population groups were especially pronounced for property and financial wealth, favouring self-employed households. For example, the median financial wealth for self-employed was almost two times higher in 2008/10 and 2010/12 compared to employee households in the same period. In the case of property wealth, the difference was also significant. For example, the median property wealth for self-employed was more than 70% higher in 2008/10, and 80% in 2010/12 compared to employee households at the same time. In both cases, however, the difference in median values between employees and self-employed decreased as the survey progressed.

The difference in median values for physical wealth was the smallest and changed marginally over time but also favoured self-employed households. What is worth repeating here is that the WAS estimations of physical wealth did not include physical assets classified as business assets. Therefore, in the case of self-employed households, the "real" median values for physical wealth could have been higher than was reported in the survey.

Assets accumulated in private pension schemes are the only wealth component with median values markedly lower for self-employed households. Moreover, these differences became more pronounced with time. For instance, the median value of private pension wealth for employee households was almost 70% higher than for the self-employed in 2006/08. This difference dropped over the next two survey periods but increased again in 2012/14. In the last survey period, the median value of private pension wealth for employee households doubled compared to the self-employed. The increased disproportion of private pension wealth between self-employed and employee households in the last survey period can be attributed to two factors, i.e. to changes in the valuation of assets accumulated in pension schemes and to the legal requirement of automatic enrolment into a pension scheme by an employer introduced in the UK in 2012 (Kuhl, 2017; ONS, 2022).

5.3.2. The Distribution of Total Household Wealth by Deciles

This section commences the analysis of deciles and considers how total household wealth and, subsequently, its components are distributed across the population deciles for self-employed, employee and all households. These considerations are based on the analysis of deciles and decile group medians, i.e. the middle wealth values, which divide each decile group into two equal-sized parts.

Table 5.5. provides information about the sum of household total wealth for each decile group. In some cases, there were negative wealth values, i.e. when household liabilities exceeded the assets owned. Table 5.6. shows the percentage share in total household wealth for each decile, and this section has been calculated excluding negative values. It is important to remember that this potentially underplays the actual level of household wealth inequality.

Tables 5.5 and 5.6. show that the total household wealth was mostly concentrated around the top of its distribution, which was true for each population group. For instance, the wealthiest 10% of self-employed households owned approximately two times more household total wealth than the second richest decile (table 5.5.). This trend was similar for employees and all households and stable across all survey periods.

In 2006/08, the wealthiest 10% of self-employed households owned approximately 42% of total household wealth, which accounted for more than £388 billion. Over the next two survey periods, the wealth ownership of the self-employed increased slightly by approximately 1-2 percentage points and then declined again to 42% in 2012/14. The employees and all households demonstrated a similar trend. In 2012/14, the wealthiest group owned 45% and 44% of total household wealth in their groups, respectively.

Table 5.5. Household Total Net Wealth by Deciles and Population Groups in Absolute Values (£ Billion)

	Self-employed households				Employee households				All private households in GB			
DEC	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
1	-2.2	2.0	1.9	1.1	-6.9	6.9	5.6	2.8	-14.6	6.8	4.6	5.7
2	9.0	10.9	9.5	4.1	27.1	44.9	44.0	21.2	25.8	53.5	55.3	55.1
3	20.2	22.3	20.4	8.7	73.8	94.4	93.7	46.6	94.9	134.2	137.7	142.5
4	32.2	33.9	32.5	15.1	132.1	155.9	153.1	81.2	220.8	267.3	271.8	292.7
5	44.4	46.9	47.4	23.6	197.7	227.7	228.6	123.7	368.5	422.8	434.2	472.9
6	59.6	62.0	65.0	33.6	276.6	313.9	317.8	179.3	530.2	596.2	618.2	693.6
7	79.9	83.4	85.5	48.7	376.6	424.9	437.7	251.2	727.2	810.8	857.1	980.0
8	107.8	113.5	116.4	65.8	515.9	579.3	604.3	346.9	1002.3	1113.9	1190.7	1394.3
9	159.0	163.1	171.9	99.7	757.8	841.2	882.9	527.3	1482.6	1636.5	1750.5	2107.7
10	388.3	418.0	447.5	219.1	1720.1	1864.3	2127.1	1333.2	3581.9	3898.3	4114.5	4987.7

Table 5.6. The Percentage Share in Household Total Wealth by Deciles and Population Groups After Excluding Negative Values

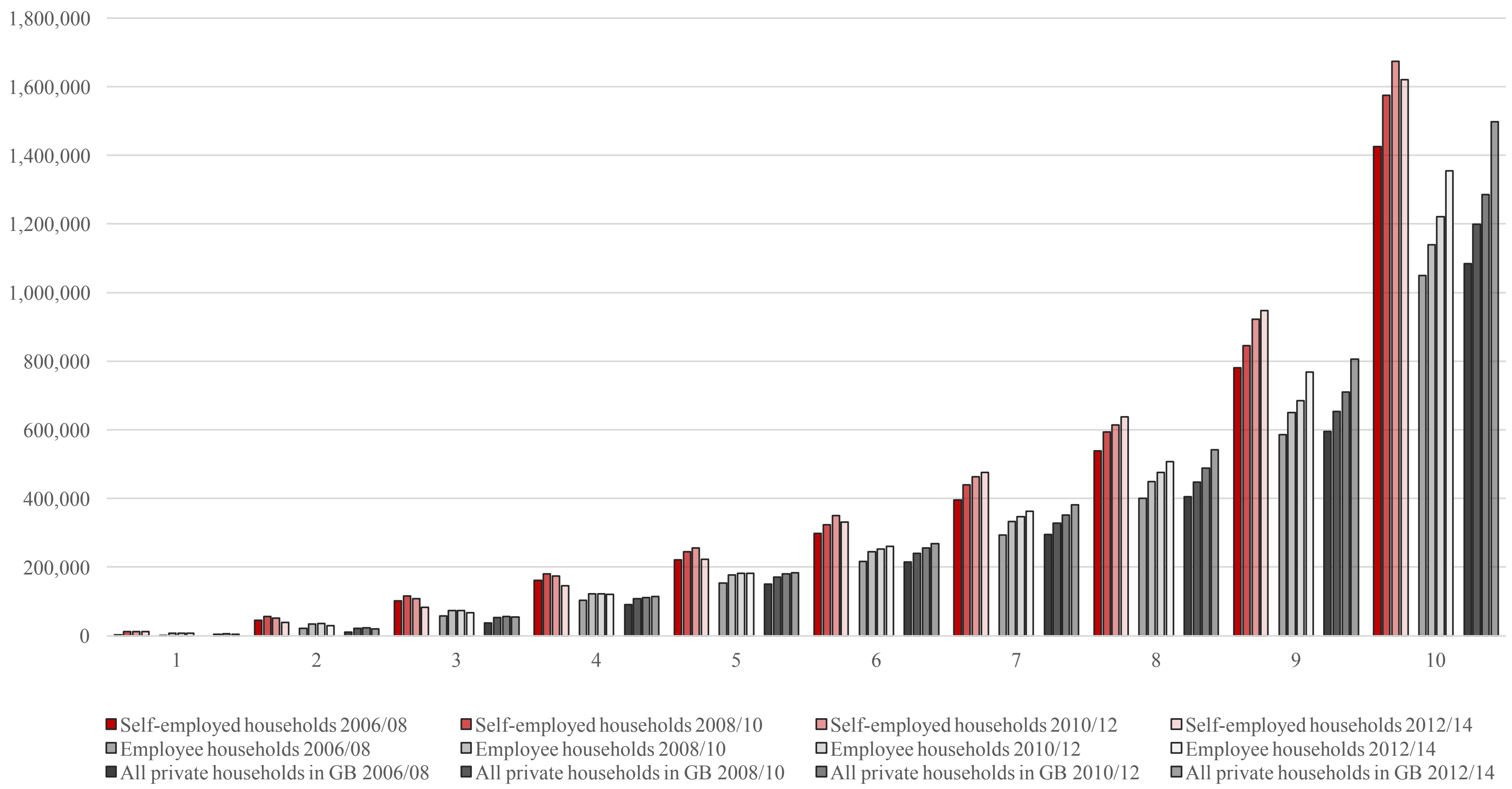
	Self-employed households				Employee households				All private households in GB			
DEC	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
1	0.33%	0.33%	0.29%	0.29%	0.22%	0.32%	0.30%	0.25%	0.09%	0.18%	0.19%	0.16%
2	1.31%	1.26%	1.05%	0.85%	0.99%	1.11%	1.03%	0.82%	0.56%	0.67%	0.66%	0.55%
3	2.51%	2.42%	2.14%	1.73%	2.17%	2.20%	2.04%	1.69%	1.60%	1.61%	1.58%	1.38%
4	3.75%	3.61%	3.30%	2.94%	3.52%	3.52%	3.24%	2.89%	3.16%	3.10%	2.99%	2.72%
5	5.02%	4.90%	4.82%	4.57%	5.04%	5.08%	4.75%	4.33%	4.85%	4.80%	4.68%	4.32%
6	6.69%	6.58%	6.45%	6.63%	6.90%	6.93%	6.53%	6.23%	6.74%	6.71%	6.60%	6.27%
7	8.85%	8.75%	8.63%	9.47%	9.24%	9.33%	8.97%	8.57%	9.07%	9.07%	9.10%	8.82%
8	11.83%	11.78%	11.70%	12.51%	12.56%	12.66%	12.27%	11.92%	12.36%	12.42%	12.57%	12.51%
9	17.48%	16.96%	17.16%	19.13%	18.25%	18.34%	17.94%	17.95%	18.13%	18.20%	18.45%	18.82%
10	42.22%	43.41%	44.45%	41.88%	41.12%	40.50%	42.94%	45.34%	43.43%	43.24%	43.19%	44.45%

In 2006/08, the wealthiest 10% of self-employed households owned approximately 42% of total household wealth, which accounted for more than £388 billion. Over the next two survey periods, the wealth ownership of the self-employed increased slightly by approximately 1-2 percentage points and then declined again to 42% in 2012/14. The employees and all GB households demonstrated a similar trend. In 2012/14, the wealthiest group owned 45% and 44% of total household wealth in their groups, respectively.

However, differences between the analysed population groups were more apparent when contrasting the wealthiest decile with the bottom of wealth distribution combined. For example, in 2006/08, the top 10% of self-employed households were 14 times richer than the bottom 30% combined (Table 5.5.). This disproportion decreased slightly over the next survey period and increased again in 2012/14. At that time, the top 10% of self-employed households were almost 16 times richer than the bottom 30%. Although already prominent, this disproportion was more significant for employee and all households. In 2012/14, the wealthiest 10% of employee households owned almost 19 times more total household wealth than the bottom 30%. In the case of all GB households, it was almost 25 times more.

Unsurprisingly, the most significant disproportions were observed between the wealthiest and the least wealthy deciles. For instance, in 2012/14, the top 10% of self-employed households were 204 times richer than the least wealthy 10%. In contrast, the wealthiest employee households were 479 times richer than the least wealthy ones, whereas the top 10% of all households owned 878 times more total household wealth than the bottom 10% in the same survey period.

Chart 5.3. Decile Group Medians of Total Household Wealth by Population Groups Over Time (£ at Current Values)



Extending the decile analysis, the median values were calculated for each decile group (Chart 5.3.) and for each survey period, i.e. the middle wealth values, which divided each decile group into two equal-sized parts. These were then compared to decile group medians for employees and all households. Interestingly, the decile medians for self-employed households were substantially higher than for employees and all GB households. Moreover, this visible difference was apparent continuously in each survey period. Considering the employee and all households alone, the former had substantially higher decile group medians only from the 1st to 4th decile. From the 5th decile onwards, the median wealth values were very similar.

5.3.3. The Distribution of Household Wealth Components by Deciles

This section continues the distributional analysis of household wealth, focusing this time on its four components, i.e. property, financial, physical and private pension wealth. As before, these considerations are based on the analysis of deciles and decile group medians. If there were negative values observed, these were set to zero for the ownership share analysis (approximately 1% from the unweighted sample for property wealth, and approximately 20% from the unweighted sample for financial wealth).

A. Property Wealth

Tables 5.7. and 5.8. demonstrate that property wealth is mainly concentrated around the top of its distribution. In 2012/14, the richest 10% of self-employed households owned approximately 44% of total property wealth – a slight decline after three survey periods of consecutive growth. The same group was about two times richer than the second wealthiest decile of self-employed households, and this trend was relatively stable as the survey progressed.

As in the case of total household wealth, more prominent disproportions and changes were observed between the wealthiest and the least wealthy group. For instance, in 2012/14, the top 10% of self-employed households were 16 times richer than the bottom 40% combined. This value represented a significant increase compared to 2006/08 when the wealthiest 10% were only eight times richer than the bottom 40% combined.

Table 5.7. Household Property Wealth by Deciles and Population Groups in Absolute Values (£ Billion)

	Self-employed households				Employee households				All private households in GB			
DEC	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
1	-3.4	-0.4	-0.6	-0.5	-8.6	-3.9	-5.7	-1.7	-13.2	-4.6	-6.8	-6.8
2	1.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	10.5	6.3	6.2	1.4	10.9	7.6	5.4	0.9	0.0	0.0	0.0	0.0
4	19.2	14.7	14.1	5.7	56.9	46.3	43.3	17.1	70.1	55.9	55.1	41.5
5	26.7	22.2	22.9	10.3	95.0	86.2	80.7	37.5	186.9	172.6	168.1	161.8
6	35.1	30.5	31.7	15.6	133.5	124.8	120.8	59.9	278.6	265.4	263.9	273.0
7	45.3	40.8	41.9	21.7	176.5	167.5	165.5	86.2	373.5	359.0	360.8	385.7
8	60.3	54.8	56.8	32.5	228.8	220.4	219.0	116.7	479.6	465.0	473.8	519.6
9	88.8	78.7	83.7	47.6	314.8	307.0	311.9	168.2	655.5	645.5	667.4	741.4
10	226.9	193.0	225.3	105.0	699.3	674.9	729.2	419.3	1504.5	1417.3	1538.5	1810.3

Table 5.8. The Percentage Share in Household Property Wealth by Deciles and Population Groups After Excluding Negative Values

	Self-employed households				Employee households				All private households in GB			
DEC	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.32%	0.07%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	2.15%	1.63%	1.40%	0.78%	0.82%	0.68%	0.51%	0.16%	0.00%	0.00%	0.00%	0.00%
4	3.79%	3.42%	2.98%	2.46%	3.46%	3.06%	2.78%	2.04%	2.16%	1.90%	1.77%	1.18%
5	5.23%	5.18%	4.80%	4.40%	5.62%	5.41%	4.94%	4.22%	5.34%	5.22%	4.87%	4.20%
6	6.84%	6.89%	6.58%	6.59%	7.82%	7.68%	7.28%	6.71%	7.88%	7.90%	7.53%	6.99%
7	8.78%	9.31%	8.66%	9.12%	10.27%	10.24%	9.87%	9.50%	10.52%	10.61%	10.22%	9.81%
8	11.72%	12.39%	11.96%	13.43%	13.28%	13.40%	13.00%	12.86%	13.47%	13.70%	13.40%	13.18%
9	17.07%	17.72%	17.11%	19.56%	18.24%	18.67%	18.45%	18.45%	18.41%	19.00%	18.85%	18.79%
10	44.10%	43.39%	46.46%	43.65%	40.48%	40.87%	43.16%	46.07%	42.21%	41.67%	43.35%	45.84%

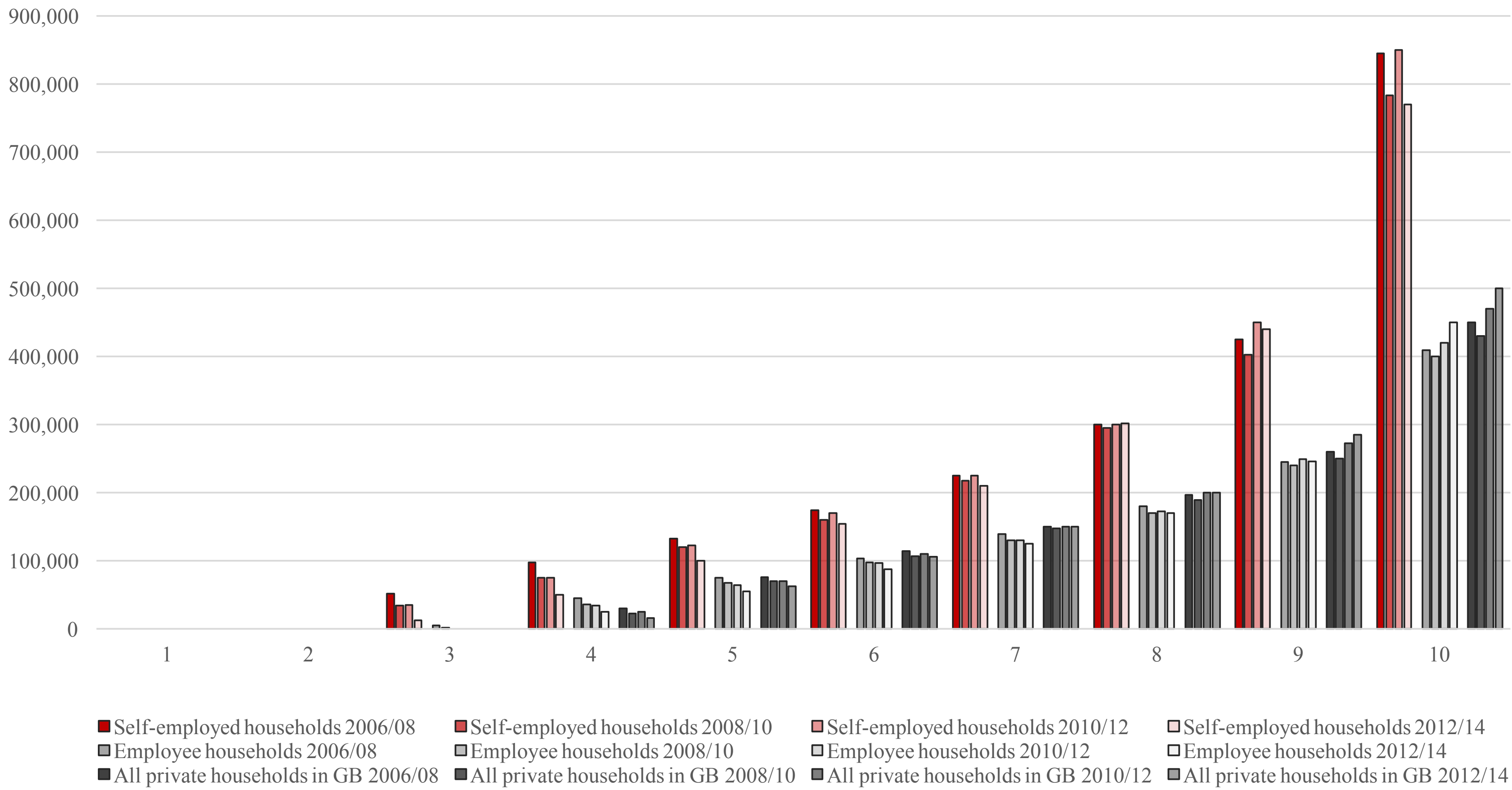
When comparing these results with employees or all households, the concentration of wealth around the top of its distribution demonstrates a similar pattern to that of self-employed households. However, the differences between the wealthiest and the least wealthy groups are much more pronounced than it was in the case of self-employed households. For instance, in 2012/14, the top 10% of employee households were almost 26 times richer than the bottom 40% combined. In contrast, in 2006/08, they owned only 12 times more property wealth. For all households, this disproportion is even greater. In 2012/14, the wealthiest group was 52 times richer than the bottom 40% combined. In 2006/08, the top 10% was 26 times richer than the bottom 40% combined.

When considering property wealth, attention should be paid to the bottom of wealth distribution. The least wealthy 10% of self-employed households had net negative property wealth, i.e. their outstanding mortgage liabilities exceeded the value of properties owned. However, the second least wealthy group demonstrated positive property wealth, except for the last survey period. If the bottom 30% of households were combined, the estimate of their total property wealth would be expressed in positive values. The situation is different for employees and all households. The bottom 30% of employee households combined reported net negative property wealth over the last two survey periods. In contrast, the bottom 30% of all households combined had net negative property wealth in each survey period.

There are a few important aspects to consider when interpreting the results for property wealth. First, many households in the least wealthy groups rent their homes, so they have no property wealth. Usually, it is their personal decision, or they cannot afford to buy (Kuhl, 2017; ONS, 2022). Second, households purchasing a house are likely to accumulate property wealth as they age. Younger families are more likely to have low net property wealth as their properties are more heavily mortgaged than those of older households. By pensionable age, however, many families, who own their own homes, are likely to approach the end of their mortgage or will own their property outright, and so their net property wealth is the value of the property (Kuhl, 2017; ONS, 2022). Third, when considering the changes in property value over time, these can be captured for older households. For example, property values increased rapidly prior to the global financial crisis in 2007/08, especially for those who bought a property in the 1970s. Many households with their own home saw significant increases in net property wealth. Younger households that bought properties during or after the crisis may not have experienced the same growth in net property wealth (Kuhl, 2017; ONS, 2022).

Chart 5.4. shows the median values calculated for each decile group and for each survey period. While the first two deciles of self-employed households had the decile medians equal to zero, the third the least wealthy group already demonstrated some positive values. In contrast, employees and all households still reported zero. Interestingly, the decile group medians of property wealth for self-employed households were significantly higher than for employee and all households. The decile medians of all households and their changes across time were aligned with those of employee households.

Chart 5.4. Decile Group Medians of Household Property Wealth by Population Groups Over Time (£ at Current Values)



B. Financial Wealth

Financial wealth was the most unequally distributed of the four wealth components and concentrated around the top of its distribution. However, for self-employed households, its inequality was not as prominent as for employees and all households. Considering the decile distribution in absolute values (Table 5.9.), the bottom 60% of self-employed households combined had almost no financial wealth, whereas the bottom 20% had net negative financial wealth across the first three survey periods. The wealthiest group of self-employed households increased their financial wealth ownership from 57% in 2006/08 to 59% in 2012/14 (table 4.10., excluding households with negative financial wealth). In 2012/14, the self-employed at the top of financial wealth distribution were 3.9 times richer than the second wealthiest group and 2.4 times richer than the rest of self-employed households combined (including households with net negative financial wealth).

As was demonstrated in Table 5.9., the estimates of financial wealth at the bottom of its distribution mainly had negative values. Although useful when analysing the distributional aspects in absolute terms, the negative values are problematic in assessing the population's wealth ownership degree. Therefore, as in previous sections, the percentage share in financial wealth was calculated excluding those households with net negative financial wealth. What is important, the percentage of excluded households is more significant in the case of financial wealth than it was for property or total household wealth. For the self-employed, it was, on average, 20% of the unweighted sample; for employee households – 25%; and for all households – again, approximately 20%. Interestingly, the percentage of households with net negative financial wealth excluded from the unweighted samples could indicate that employee households tend to have higher financial liabilities than the other two population groups. Table 5.9. shows that the net negative financial wealth was apparent for the bottom three deciles of the employee households. In contrast, the self-employed owned net negative financial wealth across the bottom two deciles.

Table 5.9. Household Financial Wealth by Deciles and Population Groups in Absolute Values (£ Billion)

	Self-employed households				Employee households				All private households in GB			
DEC	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
1	-5.1	-4.2	-4.2	-2.3	-27.2	-30.6	-32.7	-16.7	-42.5	-45.8	-50.7	-47.7
2	-0.7	-0.7	-0.8	-0.6	-5.1	-7.3	-8.2	-3.6	-4.3	-6.6	-7.3	-5.9
3	0.0	0.0	0.0	-0.1	-0.5	-1.3	-1.7	-0.5	0.1	-0.2	-0.3	0.0
4	0.5	0.5	0.4	0.1	1.2	1.0	0.7	0.5	2.4	2.6	2.2	2.6
5	1.4	1.4	1.3	0.4	4.7	4.7	3.6	2.0	8.9	10.1	8.8	9.4
6	3.5	3.4	2.6	1.1	12.1	11.7	9.7	5.3	22.2	24.1	21.9	24.2
7	7.0	6.6	5.8	2.9	24.6	24.1	22.0	11.1	47.2	50.5	47.2	52.3
8	11.9	11.7	11.5	5.4	46.0	47.0	43.6	23.0	92.3	98.6	94.6	107.0
9	22.7	23.1	21.6	11.2	86.3	91.4	86.7	47.8	180.8	196.5	195.5	228.0
10	83.1	79.3	81.8	44.1	338.4	347.3	527.1	399.1	736.0	760.7	992.2	1226.4

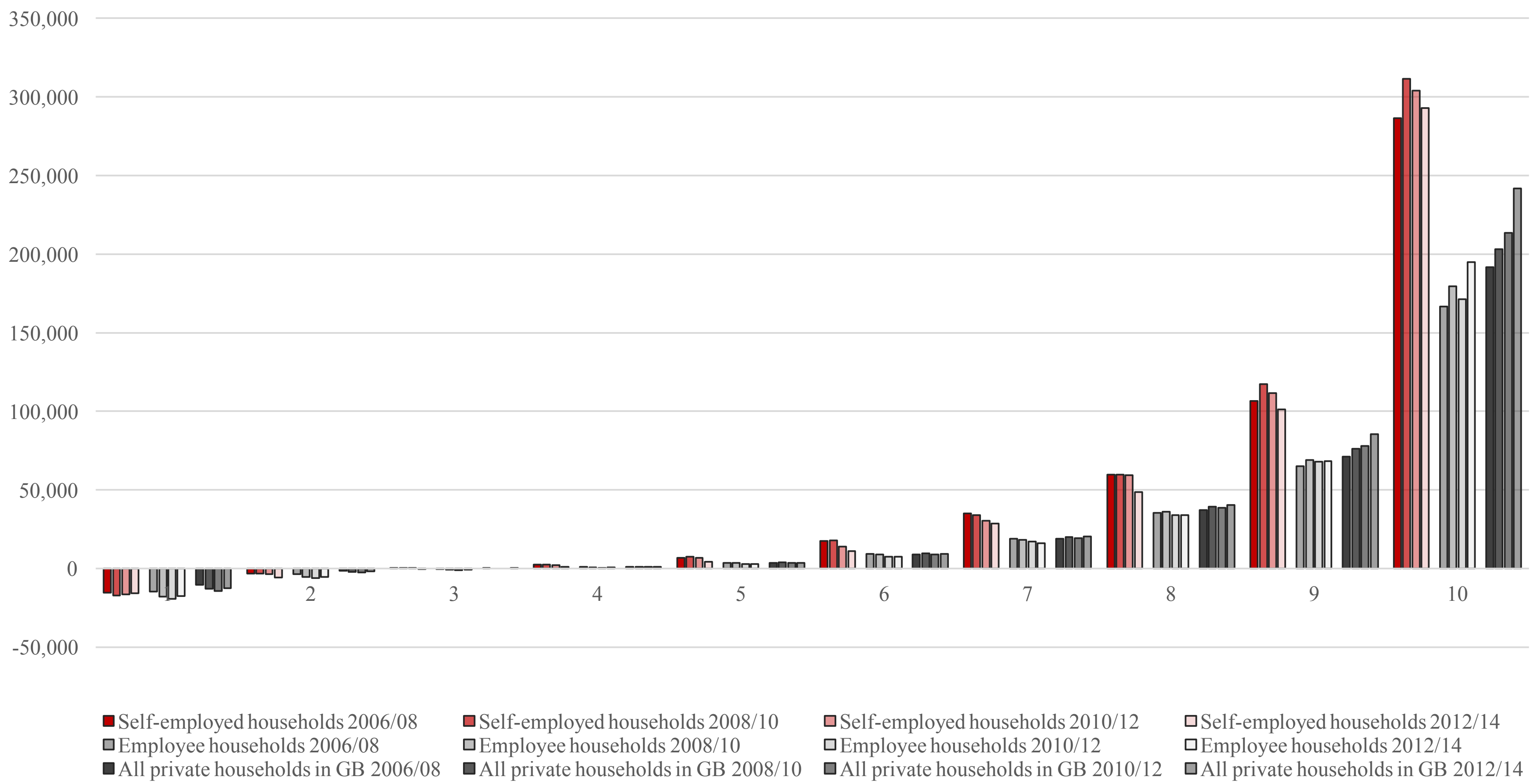
Table 5.10. The Percentage Share in Household Financial Wealth by Deciles and Population Groups, Excluding Negative Values

	Self-employed households				Employee households				All private households in GB			
DEC	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
1	0.05%	0.07%	0.05%	0.05%	0.06%	0.07%	0.04%	0.03%	0.02%	0.03%	0.02%	0.02%
2	0.25%	0.30%	0.26%	0.18%	0.27%	0.31%	0.20%	0.13%	0.14%	0.19%	0.14%	0.11%
3	0.63%	0.70%	0.61%	0.46%	0.67%	0.76%	0.49%	0.33%	0.45%	0.55%	0.40%	0.32%
4	1.33%	1.41%	1.12%	1.01%	1.37%	1.43%	0.94%	0.67%	0.98%	1.14%	0.86%	0.72%
5	2.48%	2.50%	2.07%	1.92%	2.44%	2.45%	1.66%	1.17%	1.91%	2.06%	1.58%	1.39%
6	4.19%	4.11%	3.66%	3.87%	3.98%	3.98%	2.87%	1.96%	3.37%	3.56%	2.80%	2.49%
7	6.34%	6.40%	6.26%	5.48%	6.28%	6.36%	4.53%	3.37%	5.71%	5.91%	4.72%	4.30%
8	9.76%	10.26%	9.94%	9.93%	9.74%	9.94%	7.21%	5.53%	9.30%	9.63%	8.01%	7.56%
9	17.62%	18.67%	17.54%	17.78%	16.57%	17.43%	12.32%	10.03%	16.72%	17.36%	14.47%	14.01%
10	57.33%	55.58%	58.50%	59.31%	58.62%	57.26%	69.76%	76.78%	61.41%	59.57%	67.01%	69.08%

While the magnitude of disproportions in financial wealth ownership among self-employed households was clearly visible, the outcomes of the same analysis for employees and all households were even more significant. Considering the wealthiest group of employee households, their financial wealth ownership increased from 59% in 2006/08 to almost 77% in 2012/14. At that time, the wealthiest employee households owned 8.4 times more financial wealth than the second richest group and 5.8 times more than the rest of the employee households combined. In terms of all households, the situation was similar. The wealthiest households increased their financial wealth from 61% in 2006/08 to 69% in 2012/14, owning 5.4 times more wealth than the second wealthiest group and 3.3 times more than all households combined.

This section concludes with the analysis of decile group medians for financial wealth (Chart 5.5.). The bottom 20% of self-employed households and all GB households demonstrated negative decile group medians. For the latter, these were, however, closer to zero. The employee households had negative decile group medians for all three deciles and across all survey periods. For the self-employed and all GB households in the 3rd decile and all groups in the 4th decile, the decile group medians were also close to zero but a bit higher for the self-employed than for the other two groups. From the 5th decile onwards, the self-employed households demonstrated visibly higher decile group medians.

Chart 5.5. Decile Group Medians of Household Financial Wealth by Population Groups Over Time (£ at Current Values)



C. Physical Wealth

In contrast to other wealth components, every household has some accumulated goods, contents, possessions, and valuables. Therefore, household physical wealth was the least unequally distributed of the four wealth components across all survey periods. Moreover, the differences in the distribution of physical wealth between different population groups were relatively minor. For instance, in 2006/08, the wealthiest 10% of self-employed households owned approximately 33% of physical wealth within this population group. Over the following two survey periods, their wealth ownership increased to 35% and then declined to 32% in 2012/14. For the least wealthy group, the ownership of physical wealth decreased only slightly over time from 1.4% in 2006/08 to 1.1% in 2012/14. In the last survey period, the wealthiest group was two times richer than the second wealthiest decile, 2.3 times richer than the bottom 40% combined, and 28.7 times richer than the least wealthy self-employed households.

The same analysis of disproportion in physical wealth ownership for the employees and all households shows only minor differences compared to the self-employed. The only difference, yet not as prominent as in the case of other wealth components, was when comparing the wealthiest group with the bottom of physical wealth distribution. For instance, in 2012/14, the wealthiest employee households owned 24.5 times more wealth than the least wealthy group. In the same survey period, the wealthiest households were 33 times richer than the least wealthy 10%. Again, there were only minor differences in these disproportions over time.

Table 5.11. Household Physical Wealth by Deciles and Population Groups in Absolute Values (£ Billion)

	Self-employed households				Employee households				All private households in GB			
DEC	2006/08	2008/10	2010/12	2012/14	2006/08	2008/10	2010/12	2012/14	2006/08	2008/10	2010/12	2012/14
1	0.8	1.4	1.4	0.7	3.5	6.8	7.7	3.9	4.7	9.8	11.1	11.0
2	1.8	3.1	3.3	1.7	8.7	16.6	18.0	9.2	11.7	23.4	26.7	27.0
3	2.6	4.6	4.9	2.6	12.7	24.4	26.2	12.9	20.7	38.9	40.7	41.8
4	3.4	6.1	6.6	3.4	17.9	33.8	35.1	18.2	28.3	55.9	60.1	61.6
5	4.2	7.6	8.0	4.3	21.8	41.3	43.6	23.4	37.1	70.6	76.3	80.5
6	5.0	9.0	9.3	5.2	26.8	49.8	52.8	28.2	47.1	89.3	93.7	99.8
7	5.9	10.7	11.7	6.4	32.1	59.7	63.0	33.5	57.7	108.4	114.5	122.0
8	7.3	13.1	13.5	7.5	38.7	73.2	78.3	41.9	70.3	133.1	143.9	153.8
9	9.1	16.6	17.2	9.4	48.9	91.3	95.0	51.1	91.2	169.5	176.0	189.6
10	19.6	38.9	41.6	19.5	90.7	161.1	172.3	94.9	174.1	316.4	337.4	364.5

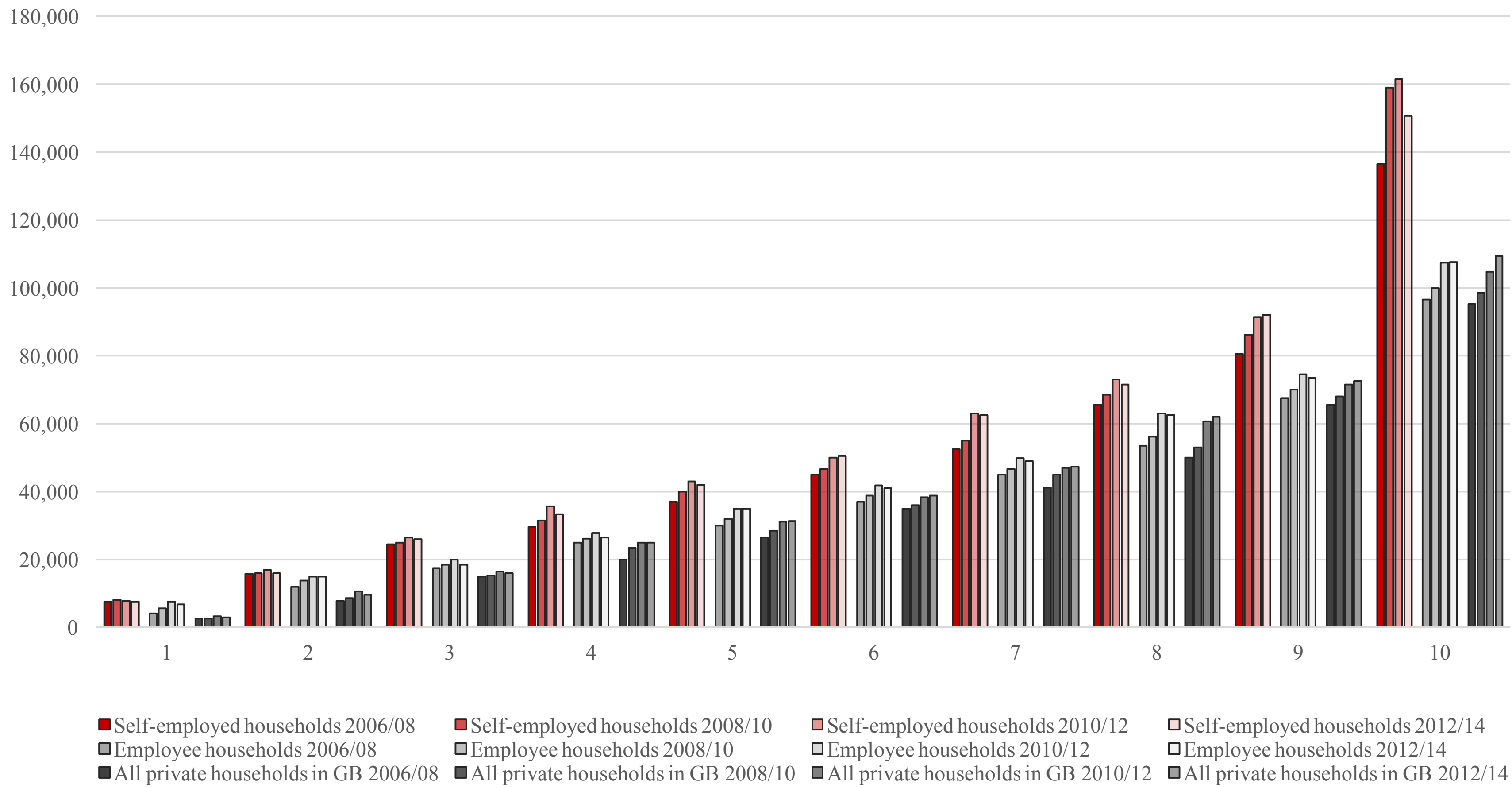
Table 5.12. The Percentage Share in Household Physical Wealth by Deciles and Population Groups

	Self-employed households				Employee households				All private households in GB			
DEC	2006/08	2008/10	2010/12	2012/14	2006/08	2008/10	2010/12	2012/14	2006/08	2008/10	2010/12	2012/14
1	1.36%	1.25%	1.21%	1.12%	1.15%	1.22%	1.29%	1.22%	0.87%	0.97%	1.02%	0.96%
2	2.99%	2.79%	2.79%	2.76%	2.87%	2.98%	3.03%	2.89%	2.16%	2.30%	2.47%	2.34%
3	4.40%	4.18%	4.19%	4.32%	4.22%	4.37%	4.42%	4.07%	3.81%	3.83%	3.77%	3.63%
4	5.61%	5.45%	5.64%	5.65%	5.93%	6.05%	5.93%	5.74%	5.22%	5.50%	5.56%	5.35%
5	7.05%	6.84%	6.80%	7.09%	7.23%	7.41%	7.37%	7.38%	6.84%	6.96%	7.06%	6.99%
6	8.34%	8.07%	7.87%	8.64%	8.88%	8.92%	8.92%	8.88%	8.68%	8.79%	8.67%	8.66%
7	9.93%	9.66%	9.99%	10.50%	10.65%	10.71%	10.64%	10.56%	10.63%	10.67%	10.60%	10.59%
8	12.22%	11.78%	11.52%	12.33%	12.83%	13.11%	13.22%	13.21%	12.94%	13.11%	13.32%	13.35%
9	15.31%	14.95%	14.61%	15.42%	16.19%	16.36%	16.06%	16.12%	16.79%	16.70%	16.29%	16.46%
10	32.79%	35.03%	35.37%	32.17%	30.05%	28.87%	29.11%	29.93%	32.06%	31.16%	31.23%	31.65%

The analysis of decile group medians (Chart 5.6.) also proves that physical wealth was the most equally distributed among the analysed population groups. However, the decile group medians for self-employed households were always relatively higher than for the employees and all households. Moreover, the difference was more pronounced with each decile group, with the most noticeable disproportion favouring the wealthiest self-employed.

When interpreting the physical wealth, it is important to remember that in the first survey period of 2006/08, data regarding physical wealth were collected for approximately half of the total sample only. Moreover, the valuation of physical wealth (and any other wealth component) does not include the business assets that a household may own. In any other case, this could be considered a serious limitation. In this particular study, however, it is desirable as the focus is on establishing whether economic organisation of domestic life is distinct for entrepreneurial households, especially in comparison to employee households. Therefore, differences in wealth accumulation not attributed to the ownership of productive assets (i.e. business) but to differences in economic behaviour and organisation at the level of a household (Wilk, 1989, 2019) were explored. Lastly, all the estimates of physical wealth were done in gross values, therefore any liabilities associated with acquiring physical assets were included in the estimates of financial wealth. Therefore, there were no negative values here.

Chart 5.6. Decile Group Medians of Household Physical Wealth by Population Groups Over Time (£ at Current Values)



D. Private Pension Wealth

Tables 5.13. and 5.14. show that private pension wealth is the second most unequally distributed wealth component. However, its inequality is more prominent for the self-employed than for the employees or all households. When interpreting private pension wealth, it is important to remember that in the UK, private pension wealth is not a state pension. However, since 2012, it has been the legal requirement imposed on every employer to enrol its employees into a private pension scheme automatically. Still, it is at the discretion of every individual if they want to participate. Moreover, private pension wealth is built up through working life; hence, it is closely associated with age. Therefore, younger households may not have accumulated assets in their private pension schemes.

The decile distribution of private pension wealth (Tables 5.13. and 5.14.) for self-employed households shows that the bottom 20% of the self-employed had no accumulated private pension wealth over the last four survey periods. The third and fourth decile shows minor contributions, but these values are still close to zero. The fifth decile is the first one where private pension wealth ownership of self-employed households exceeded 1% across all survey periods. Interestingly, the wealthiest 10% of the self-employed enjoyed a markedly higher proportion of wealth accumulated in private pension schemes than the employees and all households. For example, in 2006/08, this group owned almost 65% of private pension wealth. In 2012/14, this proportion declined to approximately 62%, still markedly higher than the wealthiest employees, who owned about 52% in the same survey period.

Considering further these disproportions, in 2012/14, the wealthiest group of self-employed owned 3.2 times more private pension wealth than the second richest group and almost 104 times more than the bottom 40% of self-employed households combined.

Table 5.13. Household Private Pension Wealth by Deciles and Population Groups in Absolute Values (£ Billion)

	Self-employed households				Employee households				All private households in GB			
DEC	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	0.0	0.0	0.0	0.0	0.0	0.4	0.6	0.1	0.0	0.0	0.0	0.0
3	0.1	0.4	0.4	0.1	5.1	8.6	10.0	4.3	0.7	2.4	3.9	3.4
4	1.1	2.3	2.2	0.8	16.1	23.5	25.6	14.0	15.3	24.6	29.4	30.9
5	3.0	4.8	5.0	2.1	33.0	44.5	48.1	29.2	43.7	61.5	69.9	84.1
6	5.6	8.6	8.8	4.4	59.2	76.0	83.1	52.1	88.2	117.4	132.8	169.2
7	10.0	14.1	14.6	7.8	99.1	126.8	138.5	87.6	161.5	204.2	232.8	297.7
8	17.3	23.2	25.0	13.9	168.9	207.0	230.8	149.2	284.1	347.4	398.9	513.6
9	33.4	42.6	46.6	30.9	306.2	369.9	398.5	256.4	533.6	636.1	717.8	927.4
10	129.4	187.3	175.8	97.3	887.0	1020.1	1046.7	631.6	1758.8	2065.0	1943.8	2431.4

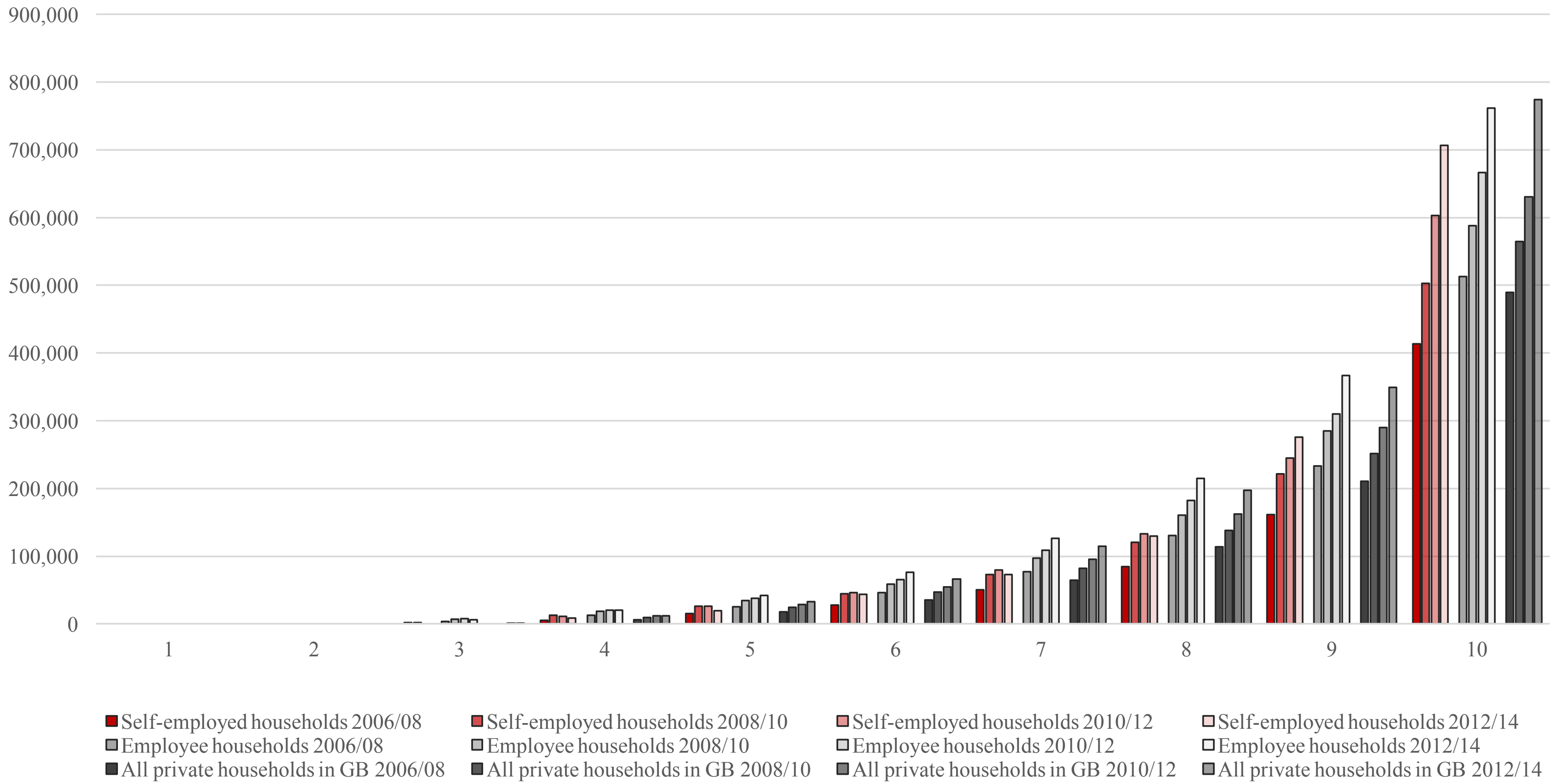
Table 5.14. The Percentage Share in Household Private Pension Wealth by Deciles and Population Groups

	Self-employed households				Employee households				All private households in GB			
DEC	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%
3	0.07%	0.13%	0.14%	0.06%	0.32%	0.46%	0.50%	0.35%	0.02%	0.07%	0.11%	0.08%
4	0.56%	0.81%	0.80%	0.53%	1.02%	1.25%	1.29%	1.15%	0.53%	0.71%	0.83%	0.69%
5	1.49%	1.71%	1.81%	1.34%	2.09%	2.37%	2.43%	2.38%	1.51%	1.78%	1.98%	1.89%
6	2.80%	3.05%	3.17%	2.78%	3.76%	4.05%	4.20%	4.26%	3.06%	3.39%	3.76%	3.80%
7	5.02%	4.96%	5.23%	4.99%	6.29%	6.75%	6.99%	7.16%	5.60%	5.90%	6.60%	6.68%
8	8.65%	8.20%	8.99%	8.83%	10.73%	11.03%	11.65%	12.18%	9.84%	10.04%	11.30%	11.52%
9	16.71%	15.04%	16.74%	19.61%	19.45%	19.71%	20.11%	20.94%	18.49%	18.39%	20.34%	20.80%
10	64.71%	66.10%	63.13%	61.85%	56.33%	54.35%	52.81%	51.57%	60.95%	59.71%	55.07%	54.54%

Surprisingly, these disproportions are not as significant for the employees and all households. For instance, in 2012/14, the wealthiest group of employee households was 2.5 times richer than the second wealthiest group and 34.3 times more prosperous than the bottom 40% of employee households combined. Considering all households, in 2012/14, the richest 10% owned 2.6 times more private pension wealth than the second wealthiest group and almost 71 times more than the bottom 40% combined. Moreover, some minor contributions to private pension schemes were observable for employee households even in the second decile, unlike for the self-employed. The wealthiest employee households slightly decreased their private pension wealth ownership from approximately 56% in 2006/08 to about 52% in 2012/14.

The analysis of decile group medians of private pension wealth distribution shows that the first two deciles of each sample group had median values of zero. The third decile shows the first positive decile group medians. However, these were apparent across all survey periods for employee households only. From the fifth decile onwards, each population group had a positive decile group median across all survey periods. Again, these were the highest for employees and the lowest for self-employed households. Only in the last decile the decile group medians of every population group are of comparable values.

Chart 5.7. Decile Group Medians of Household Private Pension Wealth by Population Groups Over Time (£ at Current Values)



5.4. Inequality in the Distribution of Household Wealth

This section continues the distributional considerations of household wealth among the self-employed, employees and all households. This time, however, the focus is on the inequality in relative wealth. In general, inequality is conceptualised as the dispersion of distribution, whether that be wealth, income, consumption or some other welfare indicator or attribute of a population (Litchfield, 1999). The inequality analysis captures the whole distribution of a given indicator. The rationale is that the top and the middle of the (wealth) distribution may be just as important in perceiving and measuring inequality as the bottom (Litchfield, 1999).

The phenomenon of inequality is recognised as the cause and consequence of political failure (Stiglitz, 2012). Moreover, inequality contributes to the instability and decreased efficiency of our economic system, which in turn contributes to increased inequality – a vicious downward spiral into which, according to Stiglitz (2012), we have descended. The rapid increase in the unequal distribution of wealth/income (capital/labour) began in the 1970s in advanced countries, causing erosion of standards of living of most citizens (Piketty, 2014), therefore measuring and controlling the level of inequality in society became important for many regulatory and public bodies (Piketty, 2014).

There is no single measure of inequality (Atkinson, 1970; Litchfield, 1999; Cowell, 2000; Cowell, 2011). The different estimates usually reflect different aspects of inequality. Therefore, two indices were selected and applied to assess how equally/unequally wealth is distributed among the self-employed, employees and all households. The first one, the Gini coefficient, is the most widely used and cited measure of inequality (Litchfield, 1999). The second, the Palma index, shows the ratio of ownership by the top 10% of a population compared to the bottom 40% (Palma, 2011).

5.4.1. Gini Coefficient

While the previous sections concentrated on the analysis of wealth distribution based on deciles and median values, this one explores the subject of inequality in its relative standing. Considering the inequality in the distribution of total household wealth and the four wealth components, a Gini coefficient was applied as the most widely used measure of inequality in society (Litchfield, 1999). The Gini coefficient, or Gini index, measures the extent to which the distribution within an economy deviates from a perfectly equal distribution and is expressed as a number between 0 and 1. The Gini coefficient of 0 represents perfect equality, whereas a Gini coefficient of 1 – perfect inequality, i.e. when one specific group or person owns all wealth and the rest owns nothing. The lower/higher the value of the Gini coefficient, the more equally/unequally the wealth is distributed (OECD, 2022).

Table 5.15. Household Wealth Distribution Measured by the Gini Coefficient

		Self-employed households		
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth	0.61	0.61	0.64	0.64
Financial wealth	0.87	0.85	0.87	0.91
Physical wealth	0.44	0.46	0.46	0.44
Private pension wealth	0.79	0.79	0.77	0.78
Total household wealth	**0.59**	**0.59**	**0.60**	**0.60**
		Employee households		
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth	0.61	0.61	0.63	0.66
Financial wealth	0.92	0.94	0.98	0.97
Physical wealth	0.42	0.41	0.41	0.42
Private pension wealth	0.74	0.72	0.71	0.71
Total household wealth	**0.60**	**0.58**	**0.60**	**0.62**
		All private households in GB		
	2006/08	**2008/10**	**2010/12**	**2012/14**
Property wealth	0.63	0.63	0.64	0.66
Financial wealth	0.89	0.89	0.92	0.91
Physical wealth	0.46	0.45	0.44	0.45
Private pension wealth	0.77	0.76	0.73	0.73
Total household wealth	**0.63**	**0.61**	**0.61**	**0.63**

Table 5.15. shows the changes in the Gini index over time for total household wealth and its components across the populations of self-employed, employees and all GB households. The first insights emanating from Table 5.15. indicate that there was little variation in wealth inequality across the survey waves and between the analysed

population groups. However, the differences were apparent when comparing the inequality for the four wealth components, i.e. property, financial, physical and private pension wealth.

For instance, inequality in the distribution of total household wealth for the self-employed increased marginally from 0.59 in 2006/08 to 0.60 in 2012/14. In the case of employees and all GB households, the Gini index was slightly higher, and there was not much variation over time. Financial wealth was the most unequally distributed across all three population groups when considering the four wealth components. For self-employed households, the Gini index, after a small decline in 2008/10, increased to its maximum level of 0.91 in 2012/14. In contrast, employee households experienced the highest level of inequality in the distribution of financial wealth among all the population groups – their Gini index reached 0.97 in 2012/14.

Private pension wealth was the second most unequally distributed household wealth component. The inequality in its distribution was also slightly higher for the self-employed than for employees or all GB households. When considering the measure across the survey periods, the Gini index decreased from 0.79 in 2006/08 and 2008/10 to 0.77 in the following survey period and then increased slightly to 0.78 in 2012/14. These changes are, however, marginal.

Property wealth was more equally distributed than financial or private pension wealth. Moreover, there was no significant difference in the Gini index for property wealth between the self-employed, employees and all households. However, its measure increased visibly for all three population groups over time. It reached 0.64 in 2012/14 for self-employed households and 0.66 for the employees and all households. Although property wealth was more equally distributed than financial or private pension wealth, it remained markedly high for all population groups.

Physical wealth was the most equally distributed wealth component across all population groups. The inequality in its distribution was also slightly higher for the self-employed than for employee households. However, for the self-employed, after a two-year peak of 0.46, the Gini index decreased to 0.44 in 2012/14. For all households, the measure fell over the first three survey periods and then increased slightly to 0.45

in 2012/14. Still, all the changes are marginal.

5.4.2. Palma Ratio

Although the Gini coefficient is the most widely cited measure of inequality (Litchfield, 1999), there are several limitations associated with its computing and interpretation. For example, it is argued that the Gini index cannot provide information about where the actual concentration of wealth exists, i.e. in the middle or at the extremes. It is also more sensitive to changes in the middle, and therefore, it does not explicitly capture changes at the top and bottom which are the focus of much inequality research (Atkinson, 1970; Litchfield, 1999; ONS, 2022).

To address the above limitations, an additional analysis was conducted to capture the changes in the share of total household wealth and its components between the least wealthy, mid-wealthy and wealthiest households. The measure used is the Palma ratio, or Palma index, which belongs to the family of inter-decile ratios. The Palma index is calculated by dividing the richest 10% of the population's share by the poorest 40% (Cobham, et al., 2016). This indicator is based on the assumptions of Jose Gabriel Palma (Palma, 2011), who argued that inequality is mainly due to economic dynamics at the extreme ends of the resource distribution or, in other words, at the "tails" of the distribution. Unlike the Gini coefficient, the index excludes the "middle" of the population from the analysis, usually located between the 5th and 9th decile (Cobham, et al., 2016).

Based on Palma's empirical observations (Palma, 2011) of the relative stability of the resource distribution in the middle, the population of self-employed households in Great Britain was divided in the following manner. The first analytical group represented the bottom 40% of the wealth distribution, i.e. the least wealthy self-employed households located between the 1st and 4th decile. The second group included the "middle" of wealth distribution, i.e. all the self-employed situated between the 5th and 9th decile (50% of households). The third group was represented by the wealthiest self-employed households located in the 10th decile of wealth distribution. Subsequently, a similar procedure was conducted for the employees and all private households in Great Britain. Although the Palma ratio does not take into account the middle 50% of the population, the analytical commentaries considering the changes in wealth ownership were provided for all three groups. Finally, the Palma ratio was calculated and discussed for total household wealth for self-employed, employees and all households. The results of this analysis were summarised in the following table (Table 5.16.).

Table 5.16. Household Wealth Distribution Measured by Palma Ratio

	Self-employed households				Employee households				All private households in GB			
	2006/08	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**	**2006/08**	**2008/10**	**2010/12**	**2012/14**
Property wealth												
bottom 40%	6.26%	5.12%	4.43%	3.25%	4.28%	3.74%	3.29%	2.20%	2.16%	1.90%	1.77%	1.18%
middle 50%	49.64%	51.49%	49.11%	53.10%	55.23%	55.39%	53.55%	51.74%	55.62%	56.43%	54.88%	52.98%
top 10%	44.10%	43.39%	46.46%	43.65%	40.48%	40.87%	43.16%	46.07%	42.21%	41.67%	43.35%	45.84%
Financial wealth												
bottom 40%	2.27%	2.48%	2.04%	1.71%	2.37%	2.58%	1.66%	1.16%	1.59%	1.91%	1.41%	1.16%
middle 50%	40.40%	41.94%	39.46%	38.98%	39.01%	40.16%	28.58%	22.06%	37.00%	38.52%	31.58%	29.75%
top 10%	57.33%	55.58%	58.50%	59.31%	58.62%	57.26%	69.76%	76.78%	61.41%	59.57%	67.01%	69.08%
Physical wealth												
bottom 40%	14.36%	13.68%	13.83%	13.85%	14.17%	14.63%	14.68%	13.92%	12.07%	12.60%	12.83%	12.28%
middle 50%	52.84%	51.29%	50.80%	53.98%	55.78%	56.50%	56.21%	56.15%	55.88%	56.23%	55.94%	56.07%
top 10%	32.79%	35.03%	35.37%	32.17%	30.05%	28.87%	29.11%	29.93%	32.06%	31.16%	31.23%	31.65%
Private pension wealth												
bottom 40%	0.63%	0.95%	0.93%	0.60%	1.35%	1.73%	1.82%	1.50%	0.55%	0.78%	0.94%	0.77%
middle 50%	34.66%	32.96%	35.94%	37.56%	42.32%	43.92%	45.36%	46.92%	38.50%	39.51%	43.98%	44.69%
top 10%	64.71%	66.10%	63.13%	61.85%	56.33%	54.35%	52.81%	51.57%	60.95%	59.71%	55.07%	54.54%
Total household wealth												
bottom 40%	7.90%	7.62%	6.78%	5.81%	6.90%	7.15%	6.60%	5.65%	5.41%	5.57%	5.42%	4.80%
middle 50%	49.88%	48.97%	48.76%	52.31%	51.99%	52.35%	50.46%	49.01%	51.15%	51.19%	51.40%	50.75%
top 10%	42.22%	43.41%	44.45%	41.88%	41.12%	40.50%	42.94%	45.34%	43.43%	43.24%	43.19%	44.45%
Palma ratio	**5.3**	**5.7**	**6.6**	**7.2**	**6.0**	**5.7**	**6.5**	**8.0**	**8.0**	**7.8**	**8.0**	**9.3**

Although the Gini index for property wealth of self-employed households (Table 5.15.) remained the same over the last two survey periods, the results summarised in Table 5.16. indicated that the situation of the least wealthy and the wealthiest worsened. The least wealthy self-employed households decreased their property wealth ownership by almost 1.2 percentage points, while the wealthiest by 2.8 percentage points. Interestingly, the middle 50% of self-employed households increased their share in household property wealth by almost 4 percentage points between 2010/12 and 2012/14.

After a small decline in 2008/10, the Gini index (Table 5.15.) for financial wealth of the self-employed rose, indicating an increased inequality in its distribution. The ratio analysis (Table 5.16.) showed that this could have been attributed to self-employed households at the bottom of the distribution whose financial situation worsened marginally. The least wealthy decreased their financial wealth ownership by 0.77 percentage point between 2008/10 to 2012/14. In contrast, the wealthiest self-employed households increased their share in financial wealth by more than 3.7 percentage points between the same survey periods. The self-employed in the middle of financial wealth distribution decreased their wealth ownership by approximately 3 percentage points. Interestingly, the employees placed in the middle 50% of financial wealth distribution decreased their ownership share by 18 percentage points between 2008/10 to 2012/14 – despite Palma's assumption (Palma, 2011) of the relative stability in the middle of the distribution.

The inequality of physical wealth among self-employed households measured by the Gini index (Table 5.15.) remained at the same level between 2008/10 and 2010/12 and then dropped slightly in 2012/14. The ratio analysis (Table 5.16.) showed that the situation of the self-employed placed at the bottom 40% was almost unchanged between 2010/12 and 2012/14. However, the wealthiest self-employed households decreased their ownership share by 3.2 percentage points at the same time. The situation of the middle of physical wealth distribution improved between 2010/12 and 2012/14 (by approximately 3.2 percentage points).

After a small drop in 2010/12, inequality in private pension wealth among the self-employed, measured by the Gini coefficient (Table 5.15.), increased again marginally. The ratio analysis (Table 5.16.) showed that the least wealthy of self-employed households decreased their wealth ownership by approximately 0.3 percentage point between 2010/12 and 2012/14. The situation of the wealthiest households also worsened. Their private pension wealth ownership decreased by approximately 1.3 percentage point. In contrast, households placed in the middle of wealth distribution increased their share of wealth by 1.6 percentage point.

Interestingly, the rate of inequality measured by the Gini coefficient for total household wealth (Table 5.15.) remained at the same level for both 2010/12 and 2012/14. Again, the ratio analysis (Table 5.16.) showed that in 2012/14, the bottom 40% and top 10% of the self-employed decreased their share by almost 1 and 2.5 percentage points, respectively, compared to 2010/12. At the same time, the middle 50% of self-employed households increased their share in total household wealth by approximately 3.5 percentage points.

Finally, the Palma ratio was calculated for total household wealth. In 2012/14, the index for the self-employed was 7.2, which meant that the wealthiest 10% owned 7.2 times more total household wealth than the least wealthy 40% combined. Interestingly, this disproportion increased from the beginning of the survey. At the same time, the wealthiest 10% of the employees were 8 times richer than the bottom 40% combined, and the wealthiest 10% of all households – 9.3 times more prosperous than the bottom of the distribution. In the case of the employees and all households, the ratio fluctuated between the survey waves.

5.5. Wealth vs Income of Self-Employed Households

The first two waves of WAS, i.e. 2006/08 and 2008/10, contained mainly information about the wealth of individuals and private households. With the third survey period (2010/12), however, new variables were introduced, giving the possibility of considering individual/household income alongside data on individual/household wealth (ONS, 2022). Although wealth is now recognised as a valid indicator of the material living conditions of individuals and households (Stiglitz, et al., 2009), income allows wealth to be accumulated. Equally, wealth can produce new income flows either in the present or future, such as in the case of private pensions. Therefore, the possibility of considering those two concepts alongside each other provides a better indicator of the economic well-being of entrepreneurs and their families in contrast to employee households.

WAS defines household income as a flow concept which refers to the incoming flow of resources over time. In the survey, household income comprises four constituent parts: earned income from employment (including both employees and the self-employed); income from state support (including benefits, tax credits and state pensions); income from private pensions (including occupational and personal pensions) and other income (such as income from investments and rent). In contrast, household wealth is a stock concept that refers to a balance of assets at a time. Wealth can be accumulated over time, but its value can also depreciate. Income is one way of accumulating wealth (ONS, 2022).

The rest of this section is organised as follows. It starts with a short overview of summary statistics for total household income and wealth of self-employed and employee households. Then, it discusses the sources of household income for both population groups. Further, the analysis of income distribution is presented, focusing on the concentration of income between different decile groups. Subsequently, the analysis is expanded by additional considerations based on the Gini coefficient and Palma ratio.

5.5.1. Summary Statistics and Sources of Household Income

Table 5.17. illustrates summary statistics for both total household wealth and income. All private households in Great Britain and their sub-samples have been ranked in ascending order based on their total household wealth and total household income, respectively and then divided into groups.

Table 5.17. Summary Statistics for Total Household Wealth and Income (£ at Current Values)

	2010/12			2012/14		
	Self-employed households					
	1st quartile	**Median**	**3rd quartile**	**1st quartile**	**Median**	**3rd quartile**
Total household wealth	108,346	298,170	609,580	80,445	276,775	637,700
Total household income	19,800	31,700	48,900	21,400	31,800	47,300
	Employee households					
	1st quartile	**Median**	**3rd quartile**	**1st quartile**	**Median**	**3rd quartile**
Total household wealth	73,374	216,574	475,179	66,892	216,900	506,871
Total household income	23,400	33,600	47,000	23,700	33,900	47,800
	All private households in GB					
	1st quartile	**Median**	**3rd quartile**	**1st quartile**	**Median**	**3rd quartile**
Total household wealth	55,930	216,400	487,965	54,710	225,090	541,424
Total household income	15,900	25,800	40,000	16,200	26,700	41,100

The 1st quartile (25th percentile) splits the distribution such that a quarter of households have a value less than this, and three-quarters of households have a value above this. The median is the 50th percentile point and represents the middle value in the distribution. The 3rd quartile (75th percentile) indicates the point at which three-quarters of households have a value below and a quarter of households have a value above. The distributions of wealth and income are unequal, i.e. a small proportion of households owns a relatively high proportion of wealth/income. Therefore, the median was used to reflect better the experience of the analysed population groups as mean values are particularly sensitive to extreme values.

Comparing the summary statistic estimates (Table 5.17.) for total household wealth with income allows us to understand more about their relative size. The estimates for total household wealth were notably higher than income at the 1st quartile, median and 3rd quartile for each population group. However, this disproportion was the largest for self-employed households. For instance, half of the self-employed had total household wealth estimated at £276,775 or more in 2012/14. At the same time, they received a net annual income of £31,800 or more. The median total household wealth of this sub-sample was, therefore, 8.7 times larger than their median total household income. In contrast, half of the employee households had accumulated wealth of £216,900 or more and received a net annual income of £33,900 or more in 2012/14. The median total household wealth of employee households was then 6.4 times larger than their median total household income.

Table 5.17. also shows that despite the notable differences in total household wealth favouring the self-employed, the estimates for total household income at the 1st quartile, median and 3rd quartile are slightly higher for employee households. The income estimates for all private households were substantially lower because the whole sample includes households that are also economically inactive.

Table 5.18. The Structure of Household Income Sources

	Self-employed households		Employee households	
	2010/12	**2012/14**	**2010/12**	**2012/14**
From self-employment	46.11%	48.91%	2.00%	2.15%
From employment	33.19%	29.03%	87.28%	84.68%
From investments	3.81%	4.09%	2.45%	5.63%
From rent	4.69%	4.53%	2.07%	1.82%
From redundancy payments	0.00%	0.00%	0.00%	0.00%
From Government training schemes	0.00%	0.00%	0.02%	0.00%
From educational grants	0.21%	0.18%	0.30%	0.38%
From friends or relatives outside the household	0.14%	0.05%	0.09%	0.07%
From maintenance/alimony/separation allowance	0.20%	0.12%	0.20%	0.22%
From royalties	0.45%	1.07%	0.03%	0.03%
From occupational or private pensions	5.47%	6.03%	2.74%	2.46%
From occupational pensions from overseas	0.02%	0.02%	0.05%	0.02%
Other (regular) income	5.71%	5.97%	2.77%	2.54%

Despite minor differences in the estimates of total household income between self-employed and employee households, the structure of income sources for these two population groups is notably different. Table 5.18. shows that for employee households, a substantial proportion of income is generated by their employment. In contrast, the self-employed generate household income from more diversified sources.

For example, in 2012/14, self-employed households received less than half of their total household income from business activities. The second largest income source of the groups was employment (approximately 30% of total household income). A notable share of income also came from occupational or private pensions and other (regular) income sources (about 6% each). Income from investments and rent accounted for 4 and 4.5%, respectively. At the same time, employee households received 85% of their total household income from employment. Investments were their second largest income source (approximately 6%), whereas other income sources represented only a fraction of total household income (each accounting for 2.5% or less).

5.5.2. Distribution of Total Household Income and Wealth by Deciles

In 2012/14, the value of total household wealth accumulated by self-employed households in each decile was larger than their total household income (Charts 5.8 and 5.9., Tables 5.19. and 5.20.). However, the difference was the least pronounced at the 1st decile, where the values in absolute terms of total household wealth and income were almost identical. Moving up the distribution, the gap between total household wealth and income accumulated in each decile widened. For instance, self-employed households placed in the second decile accumulated 2.4 times more wealth than income, whereas households in the fifth decile had 7.7 times more wealth than income. At the 10th decile, the total value of accumulated wealth by self-employed households was £219 billion, about 19 times larger than the total household income received by self-employed households placed in the same decile.

In contrast, in 2012/14, the value of total household wealth accumulated by employee households in the first decile was about 3 times smaller than the total value of received income (£2.8 billions of wealth to £8.9 billions of income). From the second decile onward, the value of total household wealth exceeded the value of total household income; however, the gap between wealth and income did not widen further at the same rate as in the case of self-employed households. For instance, employee households placed in the second decile had 1.6 times more wealth than income, in the fifth decile – 5.7 times more wealth than income, and in the last decile, 18.3 times more wealth than income.

Chart 5.8. Distribution of Total Household Income and Wealth for Self-Employed Households by Deciles, 2012/14 (£ Billion)

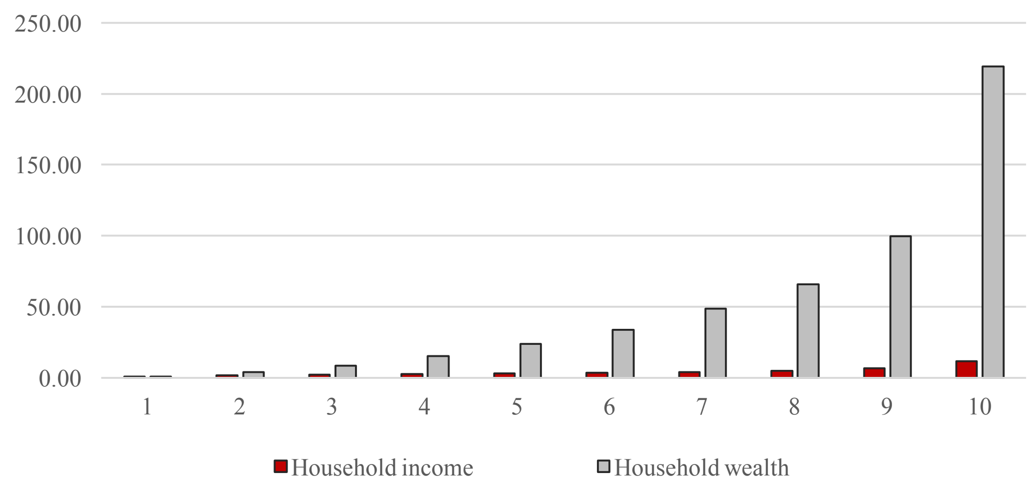


Chart 5.9. Distribution of Total Household Income and Wealth for Employee Households by Deciles, 2012/14 (£ Billion)

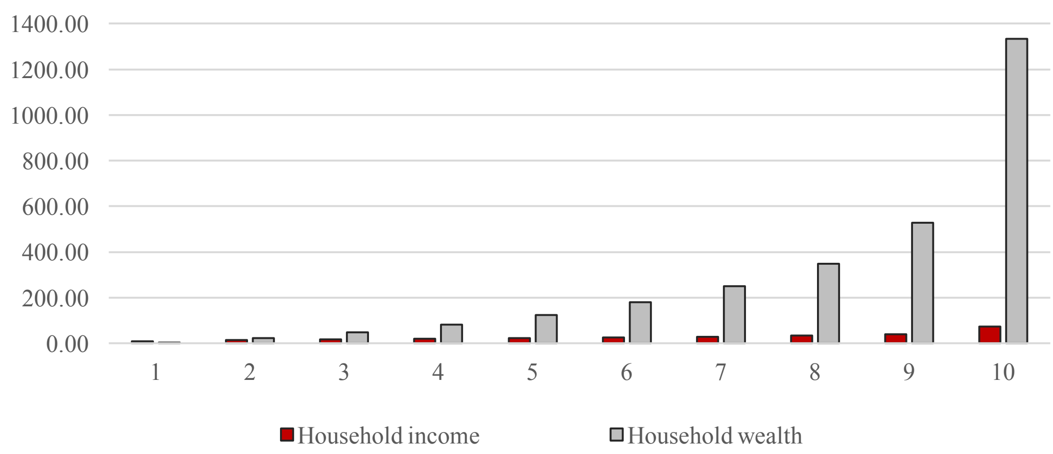


Table 5.19. Distribution of Total Household Income and Total Household Wealth by Deciles, 2010/12 – 2012/14 (£ Billion)

	Self-employed households				Employee households				All private households in GB			
	Income		Wealth		Income		Wealth		Income		Wealth	
DEC	2010/12	2012/14	2010/12	2012/14	2010/12	2012/14	2010/12	2012/14	2010/12	2012/14	2010/12	2012/14
1	1.7	1.0	1.9	1.1	15.5	8.9	5.6	2.8	17.8	18.2	4.6	5.7
2	3.0	1.7	9.5	4.1	23.5	13.0	44.0	21.2	30.0	31.7	55.3	55.1
3	3.7	2.3	20.4	8.7	29.3	16.2	93.7	46.6	38.6	41.6	137.7	142.5
4	4.7	2.6	32.5	15.1	34.5	18.9	153.1	81.2	47.3	51.8	271.8	292.7
5	5.4	3.1	47.4	23.6	39.5	21.7	228.6	123.7	57.3	62.7	434.2	472.9
6	6.5	3.6	65.0	33.6	45.0	24.7	317.8	179.3	68.1	74.7	618.2	693.6
7	7.8	4.0	85.5	48.7	51.4	28.1	437.7	251.2	80.8	88.5	857.1	980.0
8	9.1	4.9	116.4	65.8	59.3	32.8	604.3	346.9	96.9	105.6	1190.7	1394.3
9	12.1	6.5	171.9	99.7	71.9	39.9	882.9	527.3	121.0	132.5	1750.5	2107.7
10	21.3	11.5	447.5	219.1	131.3	72.7	2127.1	1333.2	219.8	230.8	4114.5	4987.7

Table 5.20. Share of Total Household Income and Total Household Wealth by Decile, 2010-12 – 2012/14

	Self-employed households				Employee households				All private households in GB			
	Income		Wealth		Income		Wealth		Income		Wealth	
DEC	2010/12	2012/14	2010/12	2012/14	2010/12	2012/14	2010/12	2012/14	2010/12	2012/14	2010/12	2012/14
1	2.2%	2.5%	0.2%	0.2%	3.1%	3.2%	0.1%	0.1%	2.3%	2.2%	0.0%	0.1%
2	4.0%	4.2%	1.0%	0.8%	4.7%	4.7%	0.9%	0.7%	3.9%	3.8%	0.6%	0.5%
3	4.9%	5.5%	2.0%	1.7%	5.9%	5.8%	1.9%	1.6%	5.0%	5.0%	1.5%	1.3%
4	6.2%	6.2%	3.3%	2.9%	6.9%	6.8%	3.1%	2.8%	6.1%	6.2%	2.9%	2.6%
5	7.2%	7.5%	4.7%	4.6%	7.9%	7.8%	4.7%	4.2%	7.4%	7.5%	4.6%	4.2%
6	8.6%	8.7%	6.5%	6.5%	9.0%	8.9%	6.5%	6.2%	8.8%	8.9%	6.6%	6.2%
7	10.4%	9.7%	8.6%	9.4%	10.2%	10.1%	8.9%	8.6%	10.4%	10.6%	9.1%	8.8%
8	12.1%	11.9%	11.7%	12.7%	11.8%	11.8%	12.3%	11.9%	12.5%	12.6%	12.6%	12.5%
9	16.0%	15.9%	17.2%	19.2%	14.3%	14.4%	18.0%	18.1%	15.6%	15.8%	18.6%	18.9%
10	28.3%	27.9%	44.8%	42.2%	26.2%	26.2%	43.5%	45.8%	28.3%	27.5%	43.6%	44.8%

In general, Tables 5.19. and 5.20. show that total household income was more equally distributed than total household wealth. However, if the sub-samples of self-employed and employee households are considered, then the concentration of income received is a bit more equally distributed for employee households. For example, in 2012/14, the wealthiest 10% of the employees received 26.2% of total net annual (regular) income, whereas the least wealthy – 3.2%. In comparison, the wealthiest 10% of self-employed households received 27.9% of total net annual (regular) income, whereas the least wealthy – 2.5%.

Households with high levels of income often have high levels of wealth. Nevertheless, there are exceptions to this rule. For instance, younger households may receive high income but have yet to accumulate comparably high levels of wealth. Conversely, some retired people may have relatively low incomes but high levels of wealth. The subject of income inequality will be explored in more detail in the subsequent section.

5.5.3. Inequality in the Distribution of Total Household Income

Table 5.21. shows the changes in the Gini coefficient over time for total household income for the analysed population groups. When contrasting them with the Gini coefficient for total household wealth (Table 5.15.), these represent, on average lower measures of inequality, indicating that the distribution of household wealth was more unequally distributed than household income for the analysed population groups. In the case of self-employed households, inequality in the distribution of total household income decreased marginally from 0.38 to 0.37 between 2010/12 and 2012/14. The Gini index also shows that the distribution of household income was more unequal between self-employed than employee households.

Subsequently, the Palma ratio (Table 5.22.) shows where the concentration of household income existed. For instance, in 2012/14, the index for self-employed households was 1.5, which means that the wealthiest 10% of self-employed households (owning 27.9% share in total household income) received 1.5 times more income than the least wealthy 40% combined (18.5% share). In contrast, the wealthiest 10% of employee households (26.2% share in total household income) received 1.3

times more income than the least wealthy 40% combined. The Palma ratio shows that the income levels of employee households did not change over time. However, in the case of self-employed households, the situation of the bottom 40% improved slightly against the middle 50 and the top 10%.

Table 5.21. Gini Coefficient for Total Household Income, 2010/12 – 2012/14

	2010/12	2012/14
Self-employed households	0.38	0.37
Employee households	0.33	0.33
All private households in GB	**0.38**	**0.37**

Table 5.22. Share of Total Household Income and Palma Ratio, 2010/12 – 2012/14

		2010/12	2012/14
Self-employed households			
	bottom 40%	17.3%	18.5%
	middle 50%	54.4%	53.6%
	top 10%	28.3%	27.9%
	Palma ratio	**1.6**	**1.5**
Employee households			
	bottom 40%	20.5%	20.6%
	middle 50%	53.3%	53.1%
	top 10%	26.2%	26.2%
	Palma ratio	**1.3**	**1.3**
All private households in GB			
	bottom 40%	17.2%	17.1%
	middle 50%	54.5%	55.4%
	top 10%	28.3%	27.5%
	Palma ratio	**1.6**	**1.6**

5.6. Synthesis of the Findings

The key findings from this analysis show that self-employed households do indeed have a differing wealth and asset accumulation pattern compared to the employee households (RQ 1). Specifically, the UK WAS analysis of the relative contribution of each of the four wealth components to household total net wealth showed that in

2012/14, employee households owned 42% of private pension wealth, 31% of property wealth, 16.1% of financial wealth, and 10.9% of physical wealth. Interestingly, the two most significant components of household total net wealth for self-employed households have the reversed share order. For example, in 2012/14, self-employed households owned 46% of property wealth, 30.3% of private pension wealth, 12% of financial and 11.7% of physical wealth.

If private pension wealth were excluded from the analysis as not being immediately accessible for most individuals, the differences in the ownership of the four wealth components to total household wealth between the two population groups would be further magnified. For example, in 2012/14, employee households would have owned 53.5% of property wealth, 27.7% of financial wealth and 18.8% of physical wealth. In contrast, self-employed households would have enjoyed 66% of property wealth but only 17.2% of financial wealth and 16.8% of physical wealth in the same survey period.

The differences between self-employed and employee households were also apparent when distributional measures were concerned. Starting from the “middle” values, the medians of total household wealth were markedly higher for the self-employed households than for employees (or all households) and this difference, although decreased over time, was evident in each survey period (Table 5.4.). For example, in 2012/14, the median total household wealth for employee households was £216,900 (at current values, not adjusted for inflation). In contrast, the median total household wealth for the self-employed was £276,775 in the same survey period.

The comparison of central tendencies for each wealth component also showed that the medians of property, financial and physical wealth were markedly higher for self-employed than for employee households (Table 5.4. and Chart 5.2.). For example, the median property wealth for the employees was £70,000 in 2012/14 (at current values, not adjusted for inflation), whereas, for the self-employed, it was £124,000. In contrast, the median of private pension wealth was significantly lower for the self-employed (£27,918 in 2012/14) compared to the employees (£57,661 in 2012/14), and this was evident across all survey periods.

The more detailed analysis of the wealth distribution focused on deciles (the Palma ratio – Table 5.16.) and inequality measures (the Gini coefficient – Table 5.15.) showed that total household wealth and its four components were slightly more equally distributed across the population of self-employed rather than employee households. There are also differences in wealth concentration across the two populations of households (Table 5.16.). For example, in 2012/14, the bottom 40% of self-employed owned 3.25% of property wealth, whereas the same distributional group of employee households – 2.2%. In contrast, the richest 10% of the self-employed owned 43.7% of property wealth, and the same group of employees – 46.1%. In the case of financial wealth, the differences were evident at the top of the distribution. For example, in 2012/14, the bottom 40% of self-employed owned 1.7% of financial wealth, whereas employee households – 1.2%. The top 10% of the self-employed owned 59.31% of financial wealth in contrast to 76.8% owned by the richest employee households.

Private pension wealth was markedly more accumulated by the self-employed households placed at the top 10% of the distribution (61.3% of wealth ownership) than by the employees in the same position (51.6%). There was, however, less private pension wealth accumulated by the self-employed in the lower deciles (0.6%) compared to employee households (1.5%). There was slightly less physical wealth accumulated by the self-employed across all decile groups except for the top 10%. The richest 10% of self-employed households owned 32.2% of physical wealth, whereas employee households – 29.9%.

Finally, the income considerations revealed that despite the notable differences in total household wealth favouring the self-employed, the estimates for total household income at the 1st quartile, median and 3rd quartile are slightly higher for employee households (Table 5.17.). The structure of income sources for these two population groups also differed significantly (Table 5.18.). While the employees generated the vast majority of their household income through employment (84.7% in 2012/14), the self-employed had a more diverse structure of income sources that were not limited to their business activities. For example, the income generated from self-employment accounted for 48.9% of total household income for this group, whereas from employment – 29%.

Interestingly, there were also variations in the income generated from the productive assets between the two household groups. For instance, in 2012/14, employee households received 5.6% of their total household income from investment and 1.8% from rent. In contrast, the investment income of the self-employed accounted for 4.1% of total household income, and the income generated through rent – 4.5%. Finally, the inequality measures (Tables 5.21. and 5.22.) showed that income was slightly more equally distributed for the employees than for self-employed households, but the differences were insignificant.

5.7. Entrepreneurial Household and Their Economic Organisation: Household Wealth

The results presented in this chapter are consistent with the view that entrepreneurs are wealthier than individuals in paid employment (Quadrini, 2000; Bradford, 2003; Cagetti & De Nardi, 2006; Mwaura & Carter, 2015), as the analysis demonstrates that entrepreneurial households own significantly more wealth than other households. While the elucidated disparities in wealth accumulation patterns address the primary objective of this chapter (RQ 1), further exploration into the subject of entrepreneurs' wealth is warranted. Scholars argue that entrepreneurship is an important determinant in understanding wealth concentration, as entrepreneurs tend to be among the richest households and exhibit higher saving rates (Quadrini, 1999; Gentry & Hubbard, 2000; De Nardi, et al., 2007; Buera, 2008). De Nardi (2015) highlights that although entrepreneurs represent only about 10% of the population, they command approximately 40% of total wealth. Quadrini (1999) further suggests that entrepreneurs demonstrate greater upward mobility in wealth rankings. Therefore, understanding the underlying motives driving saving behaviours among entrepreneurs and their households is pivotal for comprehending the ongoing discourse surrounding wealth disparities across populations, as well as the implications of government tax and transfer policies (De Nardi, 2015).

Scholars are actively engaged in unravelling the savings mechanisms contributing to wealth inequality. De Nardi (2015) argues, however, that there is still much to explore and evaluate, as the current findings are inconclusive. The author further explains that the canonical Bewley model has served for years as a widely-used framework for examining wealth inequality. Within this model, precautionary savings play a central role, with individuals saving to safeguard against unforeseen fluctuations in earnings. De Nardi (2015) points out, however, that this form of saving suggests households cease saving once their wealth surpasses a certain threshold relative to their earnings, implying a negative saving rate among the wealthy. Yet, empirical data reveals that affluent individuals continue to save at notable rates. As such, the original version of the Bewley model does not account for this ongoing saving behaviour among the rich, which is crucial for explaining the high concentration of wealth in the hands of a small fraction of households, including entrepreneurial ones (De Nardi, 2015).

To address this anomaly, scholars have sought to identify additional factors that could explain wealth concentration and higher levels of savings at the top of the wealth distribution. Beyond entrepreneurship mentioned earlier (Quadrini, 1999; Gentry & Hubbard, 2000; De Nardi, et al., 2007; Buera, 2008), other factors have been identified. These include variations in patience levels and human capital, the intergenerational transmission of bequests, heightened earnings volatility among top earners, and different household portfolio choices (Cagetti & De Nardi, 2006; De Nardi, 2015). Less common explanations suggest that public policies play a role, as households often save less than is optimal, and government interventions can impact savings adequacy through private pension schemes or tax reforms. Additionally, unique macroeconomic conditions, such as financial crises, and global conflicts, can periodically affect savings levels (Cagetti & De Nardi, 2006; De Nardi, 2015). More recently, the concept of "saving by holding" has emerged, which posits that households consume very little of any capital gains they experience (Fagereng, et al., 2019). Regarding the high concentration of wealth among entrepreneurs, a popular explanation is that they are often borrowing constrained and need to manage higher income risks (Heaton & Lucas, 2000; Cagetti & De Nardi, 2006; De Nardi, et al., 2007; Mwaura & Carter, 2015). Consequently, even wealthy entrepreneurs tend to save to grow their firms, allowing them to borrow more and achieve higher returns on capital. Some scholars also attribute this behaviour to aspects of human capital, suggesting that certain behavioural traits—such as sensation-seeking, overconfidence, or lower risk aversion—are highly correlated with entrepreneurial entry (De Nardi, 2015). In summary, as De Nardi (2015) points out, the determinants of wealth concentration are inconclusive and warrant further exploration.

Regarding the findings of this chapter, the design of WAS does not allow for the evaluation of the factors influencing wealth accumulation mentioned above. Additionally, the time frame of this study does not encompass macroeconomic conditions, which likely have compounding effects on wealth accumulation patterns and would help interpret the findings. Despite these limitations, the WAS analysis presented in this chapter enhances our understanding of higher wealth concentration among entrepreneurial households by supporting the relatively recent but still less comprehended explanation in the entrepreneurship literature of "saving by holding" as a determinant of wealth concentration (Fagereng, et al., 2019). This theory suggests that the relationship between saving rates and wealth crucially depends on whether savings include capital gains. Challenging traditional models of household wealth accumulation, Fagereng and others (2019) argue that saving rates net of capital gains are approximately constant across the wealth distribution. However, when capital gains are included, saving rates rise significantly with wealth. This is primarily because wealthier households typically hold assets such as stocks and housing that experience persistent capital gains. In the empirical part of the study, the authors find that "across asset classes, households treat capital gains differently from other forms of income and consume very little of these even if they are persistent" (Fagereng, et al., 2019, p. 5). This phenomenon accounted for up to 80 percent of the increase in aggregate wealth. While focusing on Norwegian housing data, the authors also documented that these patterns are not exclusive to housing and that households treat capital gains on financial assets similarly to those on housing (Fagereng, et al., 2019).

In evaluating the "saving by holding" argument (Fagereng, et al., 2019) and the findings of this chapter, it is important to note that most studies on household wealth focus on total net worth. However, the WAS analysis presented in this chapter extends academic debates by providing a detailed breakdown of wealth differences, highlighting where entrepreneurial households excel in wealth accumulation compared to those in paid employment. Specifically, it identifies the types of wealth –

physical, financial, property, or private pensions – that are accumulated in excess by entrepreneurs and those where non-entrepreneurs accumulate more. The findings summarised earlier showed that the variability in wealth accumulation between self-employed and employee households was particularly evident in the case of property wealth. Housing dominated the household portfolios of the self-employed across much of the wealth distribution. Through distributional analysis, this chapter traced the "experience" of wealth ownership across the entire population of entrepreneurial and employee households. It demonstrated that the self-employed not only owned a higher percentage of property wealth relative to household total net wealth, but also that their distributional measures were markedly higher compared to employee households, even at the lower deciles of wealth distribution where property wealth often has a negative value due to mortgage financing. This comparison is particularly important as it shows that entrepreneurial households may have substantially different material living conditions than their counterparts at the same level of wealth distribution (Stiglitz, et al., 2009).

In light of these findings, considering the "saving by holding" theory (Fagereng, et al., 2019), the prominence of housing assets in the portfolios of entrepreneurial households appears to reinforce the argument that capital gains savings are concentrated among this group. This concentration is likely to result in entrepreneurs enjoying wealth far exceeding that of most employees over time. While more evidence is needed, this argument is further supported by other data. For example, UK house prices have persistently appreciated over time (OECD, 2024). Over the past few decades, house prices in most G7 countries have risen significantly faster than the prices of consumer goods, with the most pronounced increases occurring in the UK (Miles & Monro, 2020). By the end of 2018, average real house prices in the UK (adjusted for inflation) were more than three and a half times higher than they were at the end of 1968 (Miles & Monro, 2020). Despite this, the impact of property capital gains on savings rates and upward mobility in wealth rankings among the UK's richest households, including entrepreneurial ones, remains poorly understood and lacks robust empirical support. This gap presents a promising area for future research, as it could provide valuable insights into wealth concentration across different occupational groups (Mwaura & Carter, 2015). This is particularly important given older studies that also suggest entrepreneurs may treat capital gains differently. For example, Scase and Goffee's (1980) study on the private lives of small business owners found that "as a result of their business activities, they are investors rather than consumers. Indeed, even high consumption in the form of the ownership of large houses is often justified by reference to the investment opportunities they represent" (Scase & Goffee, 1980, p. 104).

Finally, the income findings of this chapter also provide further insights that support the "saving by holding" theory. While the primary focus of the WAS analysis was to examine different wealth accumulation patterns between self-employed and employee households, the inclusion of an additional income variable in the third wave of WAS allowed for a detailed breakdown of all household income sources among these groups. The findings indicate that while employee households generated the vast majority of their income through employment, self-employed households derived income from multiple sources. These results align with previous studies showing that entrepreneurs' economic activities extend beyond owning a single firm to encompass various income sources (Baines, et al., 2003; Carter, et al., 2004; De Massis, et al., 2021). However, the total household income from investments and rents did not differ substantially between self-employed and employee households, indicating that although entrepreneurs invest more, they do not consume the capital gains. There is limited empirical evidence providing detailed insights into how these income generation strategies function from the perspective of entrepreneurs and their household members (Alsos, et al., 2014). The WAS survey does not specify which household members contribute which types of income, nor does it clarify whether these contributions are part of a long-term or short-term strategy, or what factors influence these decisions. Moreover, Smith and Wallerstein's (1992) differentiation of all possible household income sources (i.e., wages, market sales, rent, transfer, and subsistence) indicates that the income "packages" reported in WAS may not fully capture the complexity of the provisioning strategies of entrepreneurial households. This gap necessitates further, more nuanced investigation, which will be the focus of the next two empirical chapters.

5.8. Conclusion

This chapter aimed to address the first research objective of the study; whether there are different patterns of wealth accumulation between entrepreneurial households and employee households. This allows some insights into whether there is a distinct economic organisation of domestic life of entrepreneurial households, especially compared to employee households. The next chapter moves on to explore the remaining research questions which were undertaken using a qualitative approach to understand more fully how entrepreneurial households earn their livelihoods and the type of activities and provisioning strategies undertaken within these households.

CHAPTER SIX

AN INQUIRY INTO LIFE STORIES AND HOUSEHOLD HISTORIES: THE CASE STUDY REPORTS

6.1. Introduction

Following the secondary analysis of the UK Wealth & Assets Survey that showed marked differences in the incomes and wealth of entrepreneurial households compared with other types of households, this chapter introduces the qualitative dimension of the study comprising case studies of five entrepreneurial households. The case study approach is particularly valuable when "the boundaries between phenomenon and context are not clearly evident" (Yin, 2009, p. 18). To address the second research question (RQ 2), how entrepreneurial households earn their livelihoods to maintain the economic well-being of their households, it is crucial to understand the economic functioning of the household as an entity. As discussed within the literature review section of this study, the household concept denotes "an economic entity or, more precisely, a social entity with important economic functions" (Hendon, 2007, p. 143) as its core objective is to provide for people's needs (Baines, et al., 2002). The household is also a set of institutional arrangements, formal and informal, that guide the behaviour of its members (Ellickson, 2008). Hence, the cases introduced below are household case studies rather than studies of individual entrepreneurs. This allows detailed insight not only into how entrepreneurial households earn their livelihoods but also the household decision-making behind this.

Following this introduction, the chapter consists of five empirical reports (Yin, 2009). The objective is to introduce the case studies selected for the research and to enhance and contextualise subsequent cross-case analysis. Each report represents a distinct 'case' of inquiry based on the lived experiences and reconstructed life history of entrepreneurial households. The case reports follow a chronological structure and aim to unfold the interface between household and work overtime, with a particular focus on the concept of transition and trajectories and their varying degrees of synchronisation.

As explained in Chapter 4, the narrative biographical approach (Rosenthal, 1993; Rosenthal, 2004; Rosenthal, 2006) facilitated the process of reconstructing life histories based on the stories collected during the data collection stage, supported by other sources of evidence (Yin, 2009). It provides a temporal and historical perspective in the analysis, drawing upon the life course model and recognising that entrepreneurs are not isolated entities but are connected to others throughout their lifespans and career trajectories (Aldrich & Cliff, 2003; Aldrich, et al., 2021). The application of a wider time frame allows for the analysis of entrepreneurial action that "starts not just with the immediate past, but also from understanding someone's entire life course" and the cumulative impact of life experiences (Aldrich, et al., 2021, p. 15). This approach is oriented towards understanding the process of change by identifying turning points, critical events, transitions, and stages. As a result, it aims to explain such changes, identify their causes, and discern their meaning in order to understand the dynamics of change.

6.2. Case Study 1: The Oil Producers

6.2.1. The Case Study Overview

Helen and Greg's family home is located in the rural areas of the Scottish East Coast. The couple got married 19 years ago and had two children, a son (16 years) and a daughter (8 years). When they were first interviewed, Helen and Greg owned and ran two complementary businesses. The first was a tenanted farm that was passed on to Greg with the tenancy rights by his parents. The farm was not big in terms of acreage and had a history of various non-farm diversification ventures. When Greg took over the farm, it specialised in traditional mixed arable farming. The second business was a private limited company launched only a few years earlier as a partnership between Helen and Greg. This firm was run from the farm premises and specialised in the production of a cold-pressed cooking oil, for which the main ingredient was sourced directly from Greg's farm. Recently, Helen has started thinking about launching the third venture herself – a social enterprise that, through the engagement of other food producers, would be focused on generating money for charitable organisations.

6.2.2. The Case Study Report

Helen and Greg met in their early twenties. Helen, who worked as a researcher, visited Greg's parents' farm to learn more about the additional off-farm venture they had started. The couple fell in love and got married in the late 1990s, moving into a small cottage next to the Greg's parents' farmhouse. Greg came from a family of tenant farmers who had resided and farmed the same land since the mid-19th century, passing on agricultural tenancy rights to the succeeding generations. Developing a strong interest in cultivating the land from his early childhood, Greg was also keen to carry on his family's farming tradition. A couple of years later, when his parents decided to retire and moved to a new house in the nearby village, Greg acquired the tenancy rights and became the sole tenant of the farm. The couple moved into the main farmhouse left by Greg's parents, and the same year, they welcomed their first baby.

For more than a decade of their marriage, Helen had nothing to do with the farm operations and management as she had her own career. Although she considered herself reasonably academic, she did not go to university after school. Instead, Helen worked at various places throughout her twenties. She was a researcher, a director, an aerobics instructor and a physiotherapist. She also worked in a genetics lab, police headquarter and as a merchandiser selling water filters. Helen compared her "non-linear" career path with the various works carried on by her father – a serial entrepreneur who even emigrated once for work to a different country. Helen believed she was strongly influenced by his experiences, and on many occasions, she considered starting a business herself but always lacked a good business idea. However, what seems to be equally crucial in Helen's employment history is something she admitted later in the interview – she needed to work to support the farm financially.

Relatively soon after taking over the farm, Greg started experiencing difficulties in maintaining its financial liquidity. The high tenancy costs, limited size of the acres, growing prices of agricultural machinery, and falling commodity prices squeezed the farm income to a level that made it insufficient for further cultivation of the land. The financial situation got worse around the arrival of the couple's second child and the subsequent career break of Helen. During that period, Greg started considering various off-farm diversification ventures to offset the highly volatile farm income which was the family's only livelihood source at that time. Although initially considering log making or wood chipping, he noticed growing consumer interest in a type of cold-pressed vegetable cooking oil that had the lowest saturated fat content of any culinary oil and less than half the saturated fat found in olive oil.

When Greg shared the idea of cooking oil production with his wife, she quickly did her own research on the potential product and started encouraging Greg to proceed with it. Greg, however, was still rather reluctant. Although he did not mind producing the oil, he did not feel confident in selling it. Then, Helen, still being on her maternity leave, decided to step in to help her husband with getting the new, promising business off the ground. She was expecting it to be a small side-line and was hoping after a year or two to return to her previous job. Greg started producing the oil on the farm supporting himself with three farm employees, who also helped in the oil business. Helen became the face of their oil producing company taking responsibility for PR, marketing, sales and most of the exhibitions and trade shows.

Helen and Greg started the new business debt-free using only their personal savings and money earned from the farm. The main ingredient needed for oil production, the seed, was already grown by Greg on the farm. After producing a few bottles, the couple decided not to sell the seed that year and made it into oil. They sent the seed to a farm in North England where it was pressed and filtered. Then it was transferred back in large containers to be hand-bottled and labelled on the farm. A family friend designed a logo and labels, and with the first boxes of oil in the back of her car, Helen started visiting local farm shops and delicatessens. On the first day, after visiting 27 different places, she managed to sell only one box. However, she was persistent, or as she later admitted – desperate, and their oil was eventually noticed by a chef of a high-profile restaurant chain who instantly ordered more of their oil. Within the next 10 months of operation, Helen and Greg won two major food excellence awards, and from that moment, the base of their clients started growing organically.

The sudden and rather unexpected interest in their cooking oil not only made the couple enthusiastic but also encouraged them to think seriously about further business growth. Improvements were especially required in the production process. Therefore, Helen and Greg started reinvesting all profits, and within a year and a half after the business start-up, they had installed their own pressing and filtering machinery inside one of the farm sheds. The shed was further expanded to include a professional bottling and labelling room. The couple also expanded their product range by adding a variety of infused oils, which resulted in a new food excellence award in the following year.

Reflecting on that period, Helen admitted that despite the overall success with the business start-up, she felt she had not really put herself into the process much. By then, her younger child was still in a pre-school age and required a lot of attention and care. However, the year their daughter started formal education and went to school was a breakthrough. Helen, as the face of the business and responsible for marketing and sales, had much more time. That year, the oil business turned over more than Greg's farm, and it was only its third year of trading. This made Greg start thinking, for the first time ever, about the possibility of leaving the farming altogether and fully devoting himself to the oil business.

The couple also hoped that their children would be keen to join them in the farm or oil-producing business at some point in the future, but only if they were passionate about it. If their children did not want to continue with farming, Greg would have wished to terminate the agricultural tenancy agreement between his family and the landlord. The tenancy was secured, and the family was entitled to compensation for any physical improvements and changes increasing the value of the holding at the end of the contract. Considering that Greg's family had farmed the land for more than 160 years without any interruption in the tenancy agreement, the family felt financially secure, admitting that the value of the compensation should allow them to buy a new house if necessary.

Table 6.1. The Household Life Course and Economic Activities: The Oil Producers

	Household life course	Household economic activities			
		Employment/ Self-employment	The Farm	The oil business	The social enterprise
1997	Helen and Greg got married and moved into a cottage house	Helen working in various jobs (including self-employed positions)	Greg helping his parents with the farm		
1998					
1999					
2000	Greg's parents' retirement, Helen and Greg moved into the farmhouse, birth of the first child	Helen's maternity leave	Greg's take-over of the farm as a sole tenant		
2001					
2002		Helen's return from maternity leave			
2003					
2004					
2005					
2006					
2007					
2008	Birth of the second child	Helen's second maternity leave and career break	Growing problems with maintaining the financial liquidity		
2009			Considering off-farm diversification		
2010		Helen stopped the career break and joins Greg		The business start-up	
2011			Greg used all the crops to produce the oil	Two major food excellence awards	
2012				Further business investments from retained profits	
2013	The second child started formal education				
2014				Turnover exceeding the farm's income	
2015				Considering international expansion	
2016					Business start-up

6.3. Case Study 2: The Storage Providers

6.3.1. The Case Study Overview

Both Ann and Robert come from families of Scottish farmers. Their family home was located in a rural area of East Scotland, on a small farm that Robert took over after his father's retirement. When they were first interviewed, the couple had been married for almost two decades and had three children, aged 19, 16, and 13. Their eldest daughter had left the family home to start her university degree but was still financially dependent on Ann and Robert. Robert's father lived in a one-bedroom house next to the couple's family home. At the time they were first interviewed, Ann and Robert owned and ran three farm businesses and one off-farm venture and were both self-employed.

The first farm business taken over by Robert specialised in the production of potatoes and high-quality crops such as wheat and barley. However, in the early 2000s, to offset the fluctuations in farm income, Robert began to diversify the business by renting out self-storage facilities built on the farm premises. In addition to farming, Robert also worked as a supply-based agricultural contractor, providing various land-based services to other farmers mainly during the harvest season.

The second farm was a sheep farm which belonged to Ann. She started growing her flock in the late 1990s, mainly on a part-time basis while taking care of her children at the same time. A decade later, Ann's parents, who were slowly approaching their retirement age, proposed that she form a business partnership with them and take over their agricultural farm located nearby (the third farm business). Apart from growing her flock and running her parents' farm, Ann was self-employed as a business adviser in a local business support organisation and did some freelance agricultural writing.

6.3.2. The Case Study Report

Robert's farm had been in his family since the early 1950s. Located in a rural area of East Scotland, it was initially bought by Robert's grandmother and then inherited by his uncle. In the 1970s, a new motorway was built nearby, which required a compulsory purchase of the land belonging to Robert's family. His uncle took the compensation for the land loss and sold the rest of the farm to Robert's father. Ann, then a young girl, lived on the West Coast of Scotland in a family of tenant farmers. In the 1970s, her father managed to buy the tenant farm and land that he cultivated. Later, he sold it to buy a new one only a mile away from Robert's parents' farm. Ann's family moved there in the late 1980s when she was 12 years old.

Although Robert and Ann lived very close, the couple did not meet until the early 1990s. When Ann's family moved into Robert's neighbourhood, he was already 19 years old. Robert had finished school and gone to college to gain higher education qualifications in agriculture. He spent each summer working on various farms and, after college, moved down to South East England to help cut down trees after the Great Storm in the late 1980s. After finishing his work in England, Robert returned home in the early 1990s, mainly to face family problems. When he was back home, his parents were already separated and then divorced, eventually splitting the farm between each other.

At that stage, Robert and his younger brother became more engaged in running both farms. Robert soon discovered that the farms were deteriorating, and some significant improvements were urgently required. The farm buildings had been neglected for years, and the farm machinery and equipment needed to be replaced too. The farm income was not high and predictable enough to cover the magnitude of investments required. Therefore, Robert decided to start working as an agricultural contractor to accumulate savings for further improvements on the farm. He took a loan, bought a tractor and started providing different types of land-based services to other farmers while working on the family farms at the same time.

Around that time, Robert met Ann. The couple got married in the late 1990s after Ann had completed her higher education studies in agriculture. The same year, Ann gave birth to their first child, and the family moved into an old farmhouse offered by Robert's father. Soon after their marriage, Robert's father decided to retire and passed on the farm to Robert, who started devoting all his time to land cultivation and agricultural contracting. At that stage, the farm and contracting were the two major sources of income for Robert and Ann's household as Ann, a young mother, had limited options for income-earning work.

Devoted to her caring responsibilities toward a new-born child, Ann, a professional shepherd, did not want to work on other farms. Ann's father could not afford to employ her on his farm and was not keen to start growing the flock of sheep. Forced by a lack of other options, Ann decided to start working for herself. She bought 50 ewes using personal savings and slowly grew the flock on Robert's farm, later also renting out the land from their neighbours. She worked on her new business part-time, combining it with household work and growing childcare responsibilities as she soon became a mother for the second and third time.

Robert struggled with fluctuating commodity prices and unpredictable income on his farm. Although the farm was small in acreage, the scale of the upfront investments required to modernize it made the farm income completely unsustainable. When commodity prices hit rock bottom around 2000, Ann and Robert were forced to look for other sources of income. Although Ann did B&B (bed and breakfast) for a while, the new business idea appeared unexpectedly. One of Robert's old school friends approached him looking for storage space for his own business. Robert offered him a shed located on the farm premises, full of outdated farm machinery. Ann and Robert cleared the space and rented it out. That was the couple's first customer, who stayed with them for the next ten years.

Ann and Robert started exploring the option of turning their storage service into a business. The location of the farm near the main motorway worked to their advantage. They decided to apply for a grant to renovate three sheds that needed new roofs and windows. Soon, they managed to build the first brand new self-storage units financed by further grant funding. With the expanding interest of customers, the number of storage units grew organically, reaching almost fifty in only a couple of years of operation. The grant funding covered 40% of the investment costs, and the rest was borrowed from a bank. All of the units were built on the farm premises, next to the farmhouse. The more sustainable income from the storage units not only maintained the household livelihood but also offset the losses on Robert's farm over time.

In addition to assisting Robert on his farm and with the storage business, taking care of the children and household, and growing her sheep flock, Ann completed a postgraduate course in agricultural management. When the youngest child began school, she found a job as a manager in a business support organization where she worked for several years. Around the same period, Ann's father offered her the opportunity to go into a business partnership with him and Ann's mother to eventually pass the farm on to her, as they both started slowly approaching their retirement age. When Ann finished her employment, she started a new job as a self-employed business advisor, working part-time, two days per week. Her flock also grew to 800 ewes and required more time commitment.

As the demand for their storage services increased, Robert decided to limit his contracting to harvest time only. He also scaled back the number of crops he grew because the commodity prices and prevailing market conditions were discouraging. However, he wanted the farm to remain active due to inheritance tax. The couple's attention was on further expansion of the storage business. New storage facilities were also located on Ann's parents' farm, and the couple had already applied for new planning permission. As they had already exploited all grant funding opportunities, this part of the investment was funded by a bank loan. The couple did not employ any permanent staff and ran all their businesses with the help of family members, including both fathers and their son, who started a Modern Apprenticeship on Ann's farm.

Ann and Robert have not thought about retirement yet and hoped that they would be able to work beyond retirement age. They have not considered selling any of their farms as they felt connected to the land and hoped that the storage business would secure them financially for the future. They kept all their options open when considering passing on the farms as an inheritance to their children. For now, only the middle child was keen to continue farming, but Robert and Ann believed that it would not be particularly fair to leave everything to one child only. Therefore, they invested in rental properties that would financially secure the other two children if they decided not to stay on the farm.

Table 6.2. The Household Life Course and Economic Activities: The Storage Providers

	Household life course	Household economic activities			
		Employment/ Self-employment	The Farm I + storage + B&B	The Farm II + storage	The sheep farm
1995		Robert started contracting	Robert started farming		
1996					
1997	Ann and Robert got married, the birth of the first child				Business start-up, part-time, 50 ewes
1998					
1999					
2000	The birth of a second child		Financial difficulties		
2001			Off-farm diversification, storage units		
2002					
2003	The birth of a third child				
2004	Ann started a postgraduate course		Further expansion of storage units		
2005					
2006					
2007	Ann completed a postgraduate course	Ann started working as a manager	Further expansion of storage units		
2008					
2009				The partnership between Ann and her parents	
2010					
2011					
2012					Run on a full-time basis, 800 ewes
2013		Ann finished her work as a manager and started working as a self-employed business advisor			
2014	The eldest child went to the university				
2015					
2016		Robert reduced contracting to harvest time		Son joined as an apprentice	

6.4. Case Study 3: The Deli Meat Producers

6.4.1. The Case Study Overview

In 2000, Maria and John moved to the Scottish Highlands from mainland Europe. The couple had six children aged 11 to 23 and lived in a country house surrounded by a matured woodland garden, which provided complete seclusion and desired privacy for the entire family. From this place, Maria and John ran a small business which offered a range of deli meats produced from the meat of wild animals sourced directly from the Scottish Highlands. The business was launched almost 16 years ago as a sideline to John's full-time job as a country estate manager, but eventually became the primary source of income for the household. Having access to high-quality ingredients, Maria and John developed a range of truly unique and premium products, becoming Scotland's leading delicatessen meat producer.

6.4.2. The Case Study Report

Maria and John met and got married in the early 1990s in their home country. Maria came from a family with strong entrepreneurial traditions. Her father still runs a car dealership with two of her brothers, and she has two sisters who also have their own businesses. Although Maria had always enjoyed making and selling things, she did not pursue an entrepreneurial career path and instead obtained teaching qualifications in early education. Within the first few years of their marriage, Maria and John welcomed three children into the family. Maria devoted all her time to childcare and household duties while John started working on various farms for a company that provided active management and running services to agricultural estates. He also worked as an interim farm manager before moving to land management and project development. In the late 1990s, John opened his first business in addition to his full-time employment: a fish farm specializing in vitro fertilization and an incubator of Koi carps and catfish.

John's vivid interest in animals and farming evolved in his childhood. He grew up near a large city but moved with his family to the countryside when he was eight years old. It was then that he became fascinated by nature, agriculture, and homemade food. Later on, he studied environmental technology and biology but eventually switched to veterinary studies. As a student, John was diagnosed with a chronic illness of his central nervous system, which caused profound and disabling fatigue affecting his physical and mental functioning. Although there was no cure for his condition, he could manage it by resting a lot. Despite his illness, John perceived it as “liberating” and began planning to set up his own business (a fish farm). This would allow him to manage his health condition better by working on his own schedule.

When their family started to grow, Maria and John bought an old farmhouse and moved into it. They started restoring the building when John received an unexpected proposal. He met a landlord who had just purchased an estate in the Scottish Highlands. The landlord was looking for a manager to look after the estate, and after chatting with John, he offered him a job in Scotland. John agreed instantly as the couple always wanted to live and work in a rural, unspoilt part of the world, and the proposal seemed to match perfectly with the couple’s values and lifestyle. John terminated his contract with the agricultural estates and sold his newly established but steadily growing business. The family packed up and moved to Scotland with their three children.

In Scotland, the family moved into the keeper’s cottage offered to them by the landlord under a service occupancy. When John started working as an estate manager, part of his duties included managing the growing population of wild animals that had no natural predators. In the early 2000s, the meat of these animals was significantly under-priced and, therefore, perceived by the shooters and hunters almost as a waste product. Finding himself with a constant supply of fresh meat, John built a wood smoker in the garden and started experimenting during his spare time with meat curing. The concept of food preservation was not entirely new to him. He grew up in a family where the home preservation of food played an important role in the family tradition and was practiced for its cultural value and desirable impact on the food’s nutritional properties, texture, and taste.

John worked all day on the estate and spent evenings and weekends researching different treatment processes for meat preservation. Soon, he learned how to preserve the nutritional properties, taste, texture, and colour of meat while keeping it edible and safe to consume. John developed the first recipes and, after receiving positive feedback from his family and friends, he began to perceive meat curing as a potential business opportunity. John obtained a food license and started selling both fresh and dry meat part-time. A year later, with a family loan and a subsidy from a small business support organization, John leased an empty, old butcher shop in a nearby village owned by his friend. He moved all production there and continued the curing process on a larger scale. Soon, he also hired his first employee who helped in the production process while John was away looking after the estate or when the symptoms of his health condition were returning.

At that time, Maria was busy running the household and taking care of children as the couple welcomed another three babies into the family. She was not involved in John's business, but she supported him in the background and even managed to develop her own business on the side. When John started experimenting with meat curing, leather was a natural waste product. However, Maria was not keen to dispose of it. She sent the leftover leather to a local tannery that offered a natural, vegetable tanning process. The first batch of leather came back when the couple's fourth child was born. Maria made him the first pair of leather booties. Then, she made a couple of pairs for her friends, and soon, she started producing them in batches and selling them to local shops. Maria continued her production for several years until the tannery was closed. She could not find another tannery that offered the same natural processes for leather tanning. Therefore, she decided to close her small business.

In the late 2000s, John worked as an estate manager while running the deli meat business on a part-time basis. By that time, he had stopped selling fresh meat to focus purely on cured meat products. Consequently, he reduced the volume and started supplying a niche, high-end market. Up until the recession caused by the 2007/08 Global Financial Crisis, John's sales were steady. Unfortunately, as he moved to a high-end artisan market, the economy tumbled, and sales dropped suddenly. John and Maria experienced a couple of difficult years after the economic crash. As they admitted, the process of business recovery was very slow.

Despite the financial struggles, by 2010 John had decided to resign from his full-time job as an estate manager to focus on further expansion of the deli meat business. As his job contract was about to expire, the family started looking for a new property. Initially, they planned to rent another house but struggled to find a property that could accommodate their entire family. Eventually, they bought an old country house outside the village that had just appeared on the market. To finance the purchase of the new property in Scotland, Maria and John sold the house they still owned in their homeland.

In 2010, Maria officially joined John's business and became his business partner. By that time, she could devote more time to help her husband as the youngest child went to school and the eldest was just about to leave the family home to start university. The same year, the business won the first prestigious award for fine speciality food. John believed it was a defining moment from which the business took off and started growing more sharply.

At work, Maria and John had a clear division of responsibilities. He took care of food production and product development. She was responsible for sales and marketing and helped John manage business finances. She travelled across the country, sometimes with the assistance of their oldest children, going to food fairs and carrying out tastings. She also started promoting their business via social media channels to reach a wider group of clients. The couple hired one permanent employee who helped John, especially when he did not feel well due to his health condition.

Apart from running the deli meat business, John used to do some additional part-time jobs such as deer shooting or hiking. When his health condition did not interfere, he also did a lot of renovation work at home as the couple could not afford to hire professional help. With more children leaving home for university, Maria started offering homestays and vacation rentals on the online marketplace for lodging. The couple planned to move their business, especially the production side, to a new location and considered building a new smoking unit in their own garden.

Maria and John were focused on slow but stable business growth. Although the deli meat business aligned perfectly with their lifestyle and personal values, the couple's aim was to make the business attractive to potential buyers or investors. They had no private retirement savings and perceived the deli meat business, with all the accumulated capital within it, as a form of a private pension scheme. Although they would have been happy to see their children join them in the business, they did not expect that.

Table 6.3. The Household Life Course and Economic Activities: The Deli Meat Producers

	Household life course	Household economic activities		
		Employment/ Self-employment	The deli meat production	The fish farm
1993	Maria and John got married			
1994		John started working for agricultural estates		
1995	The birth of the first child			
1996				
1997	The birth of a second child			
1998				The business start-up
1999	The birth of a third child	John stopped working for agricultural estates		
2000	The family moved to Scotland	John started working full-time as an estate manager, contracting part-time		The farm is sold
2001				
2002	The birth of a fourth child	Maria started the production of leather baby booties	John received a food license, the business start-up, run part-time	
2003			Rental of first business premises, one part-time employee	
2004	The birth of a fifth child			
2005				
2006				
2007	The birth of a six child			
2008			John stopped selling fresh meat and focuses on cured meat products	
2009	The youngest child started school		The business hit by the recession	
2010	Maria and John bought a house in Scotland and started renovating it	John stopped working as an estate manager/ Maria stopped producing leather booties	The first award for the best quality meat products, Maria joined the business	
2011				
2012	The eldest children started university			
2013			The slow recovery from the economic crisis	
2014				
2015			50% turnover increase, still one employee	
2016		Maria – vacation rentals on the online marketplace for lodging		

6.5. Case Study 4: The Restaurateurs

6.5.1. The Case Study Overview

In 2005, Nina and Fred moved with five of their children from mainland Europe to Scotland. At the time they were met, the couple was living in the suburbs of one of Scotland's largest cities with two of their youngest children in a rental property. Two of their eldest children had started their own families, and the third-eldest had moved away and become financially independent. Initially, Nina and Fred worked in low-skilled, low-paid manual jobs. However, in 2010, they decided to lease a former business premises from a charity organization that supported their migrant community. They opened a casual dining restaurant that served the traditional cuisine of their home country. Over the years, they built a prosperous business that became one of the best-known restaurants in the area.

6.5.2. The Case Study Report

Nina had been educated to become a manual typesetter. However, due to technological advancements and the popularisation of computers and the internet, Nina’s profession soon vanished after completing her training. Struggling to find employment, Nina eventually found a job as a cashier in a network of grocery stores. When the couple met, Fred, who was 13 years her senior, already had a well-established career. He had graduated from a culinary school and had worked for many years in various restaurants across the country. After becoming a fully qualified chef, he also provided training for students.

Nina and Fred got married in the mid-1990s. Both had a child from a previous relationship, and after their wedding, they welcomed three more children into the family. While Fred continued his career working mainly out of town, Nina took maternity leave to look after their children. After almost ten years of being a homemaker, Nina decided to return to her previous job, but her new workplace was located in a different city. Balancing household work and a new job with considerable commuting time caused her a lot of trouble and stress. She started looking for a job closer to home and a more flexible working pattern. Struggling again, they both decided to start a business in their hometown - a shop selling vintage clothes. Despite their commitment, the shop did not prosper and was closed after only a year and a half.

Around that time, the situation in the labour market worsened significantly, and the national level of unemployment reached a record high. When their home country became a member state of the European Union, many people, including Nina and Fred, decided to seek better job opportunities in different member states, mainly in the UK. In 2005, Nina and Fred decided to move with their children abroad, choosing Scotland as their new home.

In Scotland, Fred found a job as a butcher in a local butcher's shop and had worked there for nearly five years. Nina also found a low-skilled job at the local food market, where she mainly worked night shifts. Being entitled to social security transfers, Nina eventually stayed home to look after their children and attended an English language course for foreigners at the local college. In 2008, the couple rented a four-bedroom apartment from a housing association. The housing association provides affordable housing and often works in partnership with the council and others to house people in need.

In 2010, Nina and Fred's son-in-law learned that a local charity supporting a migrant community from their country was searching for a new lessee to operate a restaurant located on the charity's business premises. While Fred had worked in various restaurants for years, he had never run a restaurant himself. Though initially hesitant, Fred was encouraged by his boss to give it a try, with the promise that he could always return if something went wrong. Nina and Fred submitted the application together and successfully went through the interview with the management board.

Nina and Fred recall their beginnings as very tough. They had to start almost from scratch, as the previous lessee left the place in ruins. There were no professional kitchen appliances, utensils, cutlery, table and glassware, linen, or furniture. The decor was outdated and did not suggest that the place had ever been a restaurant. Moreover, the restaurant's reputation was questionable. Nina and Fred started small, bringing their own dining and cutlery sets and tablecloths from home. They also purchased a microwave oven and grills, but limited themselves to the ones designed for domestic use, as professional kitchen appliances used in restaurants were too expensive.

The first two years required Nina and Fred to constantly reinvest all their profits. Social security transfers helped the family survive that period. They both worked tirelessly; Fred as a chef in the kitchen, and Nina as a kitchen assistant and waitress serving guests. Despite the challenges, progress was noticeable. The couple asked their friends and local artists to hang their artwork in the restaurant to make the place more welcoming. Later, they built a restaurant counter to divide the space for guests and started equipping the kitchen with professional appliances.

Years of work experience as a chef gave Fred a lot of skills required to efficiently manage the restaurant kitchen. More problematic, however, was the paperwork or financial side of running a business, such as bookkeeping, but here help came from the management of the charity. Their accountant showed the couple how to maintain records of their sales week by week. He also controlled and verified their accounting books. At that time, they did not have a cash register and issued only paper bills (receipts). Therefore, they had to collect them, describe, count, stick notes, and put them into file binders to keep the books in order. When they bought their first cash register, the entire bookkeeping process became easier, and when the first tax filing was due, Nina and Fred hired an accounting company to do it for them.

The couple also received a lot of help from Fred's previous boss. After years of operating in the Scottish food sector, he knew people and connected Fred with suppliers who could offer high-quality meat at affordable prices. For Fred and Nina, this was an important factor as the lease contract with the charity required low meal prices for customers. In exchange, the charity offered them considerably lower leasing costs. The contract also prohibited them from selling alcohol or drinks in the restaurant (unless made by themselves) as the charity had its own bar in the building. The income from the bar and the lease contract with Fred and Nina helped the charity cover the cost of its operations. However, for Nina and Fred, the restrictions on selling alcohol limited their ability to make a profit margin on drinks.

Not only friends and members of the charity but also their closest family helped Nina and Fred a lot in the business. Their daughters soon started working with them to earn some extra money. First, the oldest daughter became a waitress and then gradually the younger girls joined her too. They already knew the language, so guest service became smoother. At that time, Nina and Fred were not able to offer them any money, but the girls worked anyway, only for the tips. As Nina recalled, they worked for tips for quite a long time.

After the first few difficult and challenging years in operation, the restaurant began to gain notice from food critics, who started visiting the place on a regular basis. Their positive reviews, which appeared in various local magazines and media channels, brought in new customers. Until then, the restaurant was mainly visited by the migrant community, including post-war immigrants and their families or those who came to Scotland to seek better opportunities in the labour market. Soon, Nina and Fred started receiving invitations and offers to provide catering for various social functions. For Fred, the biggest achievement was the ranking of their restaurant among the best in the country for offering traditionally-made beef dishes by one of the national magazines. With more customers visiting the restaurant, Nina and Fred could finally hire new employees. The first was a kitchen assistant who helped Fred with cooking. Nina worked with their daughters serving guests, but as the girls slowly began to leave the nest to start their own families, seek different work experiences, or attend university, the couple hired an additional waitress.

Nina and Fred considered various growth options but soon realised that the charity, although instrumental in helping them start their business and providing support in the early days, was becoming an obstacle to their further development. The restrictions on selling alcohol and drinks were not the only issue, as the charity also limited the extent to which the restaurant could be refurbished. The restaurant and the charity were located in a popular area of the city but were a bit hidden away with no signs to direct potential new customers. The restaurant was situated in the basement of the charity building with no direct access from the street, and there was no lift, making it inaccessible to disabled customers. The décor has improved since Nina and Fred took over the place, but they still viewed it as rather old-fashioned and would like to see it become more vibrant and welcoming. The furniture, such as tables and chairs, belonged to the charity and were somewhat outdated. Despite the couple's requests, the charity management denied their requests for furniture replacement and further refurbishment of the restaurant. Nina and Fred admitted that if they had more savings, they would consider moving their business to a different location.

After several discussions, Nina and Fred felt that the management of the charity no longer saw them as partners, leading to rising tensions. As a result, they decided to start something small on their own and went to a bank for a business loan for the first time. Given the restaurant's success, they had no trouble obtaining a loan. At the time of our first meeting, Nina and Fred were only a few days away from opening their new business - a small grocery store that would offer homemade food. The loan was used to rent new premises and buy the necessary equipment. They hoped that over time, this new venture would provide an additional source of income and help them relocate their restaurant.

Unfortunately, the second business was only open for a very short period. Nina and Fred admitted that the timing was not right, as they had a lot of functions to serve during that period and were not able to run two places on their own. However, they also mentioned that the situation with the charity had improved. After threatening to resign from the lease and another round of tough negotiations, the management finally consented to Nina and Fred's suggestions and prepared a plan for the renovation of the building. Therefore, Nina and Fred decided to close the newly opened business and rent its premises to someone else. They wanted to focus on further developing the main restaurant to make it more recognisable on the Scottish market. Their children have no interest in taking over the business, as they want to pursue independent careers.

Table 6.4. The Household Life Course and Economic Activities: The Restaurateurs

	Household life course	Household economic activities			
		Employment/ Self-employment	The restaurant	Takeaway	The shop with vintage clothes
1995	Nina and Fred got married	Nina worked as a cashier, Fred – as a chef			
1996		Nina on maternity leave			
1997					
1998					
1999					
2000	The birth of the last child				
2001					
2002					
2003		Nina returned to work			The business start-up
2004					The business closure
2005	The family moved to Scotland	Nina and Fred working low-skilled/low-paid manual jobs			
2006					
2007	Nina attending the local college to learn English				
2008					
2009					
2010			The restaurant start-up, and the slow growth		
2011					
2012					
2013	The third eldest daughter leaving home		Food critics' recognition		
2014					
2015			Rising tensions between the couple and the charity management board	The business start-up and almost immediate closure	
2016					

6.6. Case Study 5: The Builders

6.6.1. The Case Study Overview

Irene and Thomas lived in a small town in West Scotland with two teenage children. The couple came from mainland Europe. In 2005, Thomas had moved to Scotland first for work invited by a friend. Irene had joined him two years later with the children. When they were met, the couple ran two independent businesses. Thomas's company, which had operated for almost 11 years, provided a wide range of building services from minor household repairs, through interior decorating to construction of domestic buildings. For the first couple of years of being in Scotland, Irene did not work outside the household. She was not formally employed in Thomas' business, but she helped him with the daily running of it. Recently, Irene also opened her own small business, and she became self-employed as a nail technician.

6.6.2. The Case Study Report

Irene and Thomas got married almost 20 years ago, and soon after that, the couple welcomed their first child. To provide for his growing family, Thomas, who was trained as a turner and lathe operator, decided to look for a job abroad and initially moved to Germany to work in construction. Irene stayed in their home country to take care of their child, and for the next 4 years, the couple could only see each other when Thomas came back for a break between building projects.

Thomas had no experience in running a business, but Irene's family had a strong entrepreneurial background. Her father and uncle had a manufacturing company that specialised in producing plastic parts and components for other businesses. While Thomas was working abroad, Irene assisted her father with production and administrative tasks. Alongside her work and child care responsibilities, Irene pursued a degree in Marketing at university.

In 2000, Thomas returned from Germany permanently, and the couple moved into their newly built home. Thomas noticed a high demand for experienced builders and traders in their home country, and when his friends started asking him for help with household repairs, refurbishment, and interior decoration, he decided to open his own company. The couple did not think a lot about it. They had enough savings from Thomas's work abroad and decided to proceed with the idea. The business started growing rapidly. Their family also grew bigger as the couple welcomed their second child soon after.

The business had operated well for a few years. However, with time, the market changed quite dramatically, and a rapidly growing number of small companies with a similar profile forced Thomas to compete on price, reducing his profit margin almost to zero. The critical moment came when a few customers became insolvent and pushed Thomas's business into serious financial problems. Eventually, in 2005, Thomas closed the business and decided once again to look for a job abroad. This time, Thomas moved to Scotland, invited by one of his friends who had already lived and worked there in a similar profession.

Initially, the couple planned that Thomas would work in Scotland for no longer than 2 years while Irene would stay in their home country taking care of their children. After 2 years, however, Thomas was doing well enough that Irene, despite their initial agreement and being afraid of prolonged separation from her husband, decided to join him with their children, and they moved together to Scotland.

Before Irene arrived with the children, Thomas took out a mortgage and bought a three-bedroom apartment in a small town near the Scottish West Coast. After the family settled down, Thomas focused on work while Irene took care of the children and household duties. She also decided to attend college to learn the English language. After living in Scotland for the first five years, the couple attempted to return home. However, the transition proved too challenging for their children, who were already accustomed to the Scottish educational system. Therefore, the couple decided to stay in Scotland until their retirement age.

When Thomas moved to Scotland to work in the construction industry, he did not have any intention of opening his own business again. He registered himself as self-employed because it was a preferred form in the UK construction market. Thomas started working together with his friend in a team of other sub-contractors on a specific project run by a larger construction company. All sub-contractors, including Thomas and his friend, lived at that time in small lodges nearby the construction site.

When the project finished, all sub-contractors went their own way looking for new projects they could join. However, Thomas and his friend got another contract from their previous contractor, who was very satisfied with the quality of their work. That was the moment when the men formulated an informal business agreement. Although they were treated as two separate, self-employed entities by the UK tax authority, they worked on each project together. The men left the lodges and rented a flat to have more space and privacy when their wives and children visited them in Scotland.

Initially, Thomas and his friend worked for other companies, but over time, they gained their own individual clients and their business started to grow rapidly. Their competitive prices, high-quality work, and faster completion times resulted in an increasing number of recommendations and opened doors to more demanding clients from affluent spheres. Soon, both men were so busy that their workdays lasted 14 hours, including weekends.

The expansion of the business continued, and both men worked together until Thomas's friend decided to return to his home country, afraid of prolonged separation from his wife and children. From that moment, Thomas worked alone, supporting himself when necessary with other sub-contractors. Although never formally employed in the business, Irene also started helping her husband, focusing on the management of business finances.

After years of considerable prosperity and stable growth, a major turning point occurred when the UK construction industry was hit by the recession, which was the result of the global financial crisis of 2007/08. In a very short period of time, Thomas lost his major clients and struggled to find new contracts. The business started to experience financial difficulties. Recalling this time, Thomas admitted that there were months when he struggled to find the money to pay his employees (sub-contractors) and that sometimes they earned more than he did. When the couple struggled to make ends meet, Irene, who had not worked until that moment, decided to look for a job to support the household budget with a more stable income. She found a part-time, manual job in a local laundry.

Thomas managed to remain in the business thanks to credit cards, which helped him stabilise and maintain the business's financial liquidity. He admitted, however, that the recovery process was very slow, and the situation only visibly improved after almost three years. The couple recently managed to repay the credit card debt that arose from that time. After the recession, the business started to grow again, but the income still fluctuates. Thomas changed the employment structure, and there is currently only one full-time employee instead of the 16 sub-contractors who were working for him before the recession. As Thomas started receiving bigger orders, including construction projects, he had to re-register his business as a private limited company for tax purposes.

In 2013, Irene opened her own business and started working as a nail technician. When her daughter went to college, Irene had more time and began looking for additional activities to occupy herself. Being unsatisfied with the offerings of local beauty and spa salons, Irene undertook relevant courses, obtained qualifications, and now runs her small business from home. She acknowledges that this is not the type of business that can grow significantly, but she has a stable group of loyal customers, and for the moment, she is happy with that.

Furthermore, Irene perceives her self-employment as an additional activity only. She does not have a long-term employment history in the UK and treats her business as a way to expand her skills and experience.

It is more likely, however, that the couple will focus on further expansion of Thomas's building company. Irene is considering joining the business officially and taking up a management position. The couple also plans to invest further in new premises and wants to buy a house with a backyard where Thomas can store all his tools.

Table 6.5. The Household Life Course and Economic Activities: The Builders

	Household life course	Household economic activities		
		Employment/ Self-employment	The building / construction company	The beauty services
1996	Irene and Thomas got married, the birth of the first child Thomas moved for work abroad (Germany)	Thomas worked in Germany for the construction company		
1997				
1998				
1999				
2000	Thomas returned from Germany	Thomas stopped working abroad	The business start-up (in home country)	
2001				
2002	The birth of the second child			
2003			The market became more competitive	
2004			Financial difficulties	
2005	Thomas moved to Scotland alone	Thomas started working as sub-contractor in Scotland	The business closure (in home country)	
2006			Informal business partnership with his friend	
2007	Irene and children moved to Scotland to join Thomas, the property purchase		Rapid growth	
2008			Thomas' friend moved to home country	
2009			The business hit by the recession	
2010			Financial difficulties	
2011				
2012		Irene started working in a local laundry	Slow recovery	
2013	The eldest child went to college			The business start-up
2014			Fluctuating growth	Slow, organic growth
2015		Irene stopped working in a laundry due to health condition	Switching to LTD	No intention to grow it further
2016			Fluctuating growth	

6.7. Entrepreneurial Households and Their Economic Organisation: Household Income

To better understand the economic organisation of entrepreneurial households and gain a processual perspective on how their economic well-being is constructed over time, the qualitative part of this study began by unpacking the relationship between these households and the formal economy. This approach addressed the study's second research question: How do entrepreneurial households earn their livelihoods? by exploring the diverse ways in which entrepreneurial households generate income and how these methods evolve and change over the life course of their members.

The applied narrative biographical approach (Rosenthal, 1993; Rosenthal, 2004; Rosenthal, 2006) was instrumental in capturing various household income-generating behaviours. It is worth noting that although narrative biographical research is not new in the field of entrepreneurship, its application remains underutilised (Steyaert & Bouwen, 1997; Dawson & Hjorth, 2012). This is despite its strong potential to provide context-specific understanding of investigated phenomena, which are often complex and multifaceted social constructs performed by different actors in multiple contexts (Dawson & Hjorth, 2012) – an approach strongly advocated in entrepreneurship research to advance the field (Welter, et al., 2019).

As such, apart from the theoretical contributions to entrepreneurship and household research discussed in subsequent sections, this chapter also offers greater methodological insights and diversity for understanding the realities of living in entrepreneurial households by giving voice to the lived experiences of the subjects. The use of a narrative biographical approach was particularly beneficial in this study, as reconstructing the life histories of entrepreneurial households and the families within them made it clear that entrepreneurs are not isolated entities but are connected to others throughout their life spans and career trajectories (Aldrich & Cliff, 2003; Aldrich, et al., 2021). Moreover, applying a household life span framework to each case study enabled the analysis of entrepreneurial action to consider not only recent events but also to understand the entire life course of individuals and the cumulative impact of their experiences (Aldrich, et al., 2021).

The analysis began with the reconstruction of life histories based on the stories collected during the interview process, following the guidance of Rosenthal (1993, 2004, 2006). This approach provided a detailed picture of the participants' life courses and their economic activities. The reconstructed histories were then summarised in table format, with each key transition placed between two axes of events, termed 'income events' and 'demographic events' for the purposes of this study (see Tables 6.1, 6.2, 6.3, 6.4, and 6.5). Income events represented household livelihood sources and traced the duration and movement of individuals across time between different income-generating activities (Aldrich, et al., 2021). Demographic events reflected critical turning points in the life course, associated with new roles and relationships for household members. These included the formation of a cohabiting union, childbirth, a child entering different stages of education, dissolution of a partnership, death, or a child leaving home.

This approach emphasised the centrality of the household, shifting the research focus to the broader spectrum of the unit's income-earning activities, particularly beyond the operating business, and to household members as economic actors collectively involved in the process (De Massis, et al., 2021). It also helped to avoid overlooking the critical interdependencies between these potentially complex processes. By understanding the transitions between 'income events' and 'demographic events,' the analysis shed light on the conditions under which household members chose to make a living by forming a business, joining an existing business, or contributing to the household budget through other economic activities (Aldrich, et al., 2021).

The following tables (Tables 6.6 and 6.7) summarise the portfolios of income-generating activities reported by the participants throughout the life course of their households.

Table 6.6. The Portfolio of Income-Generating Activities: Part 1

THE HOUSEHOLDS	The primary productive activity after starting a family	The ownership of a business (or an additional business to the primary activity)	Self-employment (or additional self-employment to the primary activity)	Employment (or additional employment to the primary activity)	Social security transfers	Return on non-business investment
The rapeseed oil producers	Business (a tenant farm inherited by husband)	The rapeseed oil production (husband and wife) The social enterprise (wife)	A range of self-employment positions (wife)	A range of employment positions (wife) A salary received from the farm (wife)	-	-
The self-storage providers	Business (a farm partnership between wife, husband and his brother)	The self-storage business (husband and wife) The sheep business (wife) The additional farm partnership (wife and her parents) B&B place (husband and wife)	Contracting (husband) A business advisor (wife)	Apprenticeship on farm (son) Daughter's employment on the farm	-	Rental property

Table 6.7. The Portfolio of Income-Generating Activities: Part 2

THE HOUSEHOLDS	The primary productive activity after moving to the UK	The ownership of a business (or an additional business to the primary activity)	Self-employment (or additional self-employment to the primary activity)	Employment (or additional employment to the primary activity)	Social security transfers	Return on non-business investment
The restaurateurs	Employment (husband)	The restaurant (husband and wife) The take-away (husband and wife)	-	A manual worker (wife)	Received (wife)	-
The charcuterie producers	Employment (husband)	The charcuterie production (husband and wife)	Contracting (husband) A hand-made production of baby booties (wife)	-	Received (wife)	-
The builders	Self-employment (husband)	A building company (husband)	A nail technician (wife) The manual worker (wife)	-	-	-

The analysis subsequently concentrated on identifying common patterns within the participants' life histories, with a particular focus on the central theme of household income sources. Although the interview protocols were designed to explore the relationship between participants' businesses and their private lives, participants predominantly framed their narratives around their 'dominant' business ventures. These narratives detailed the establishment of these businesses, the challenges encountered during their development, and the strategies employed to overcome them. This emphasis significantly influenced the researcher's naming of each case study, resulting in labels such as the rapeseed oil producers, the self-storage providers, the restaurateurs, the charcuterie producers, and the builders. Consequently, the initial stages of analysis were narrowly focused on the 'dominant' business activity, even when that business contributed little or nothing to the household's financial wealth (e.g., the rapeseed oil producers). However, as the reconstruction of household life histories progressed, it became evident that these business ventures were only one component of a more intricate set of economic activities undertaken by the entrepreneurial households.

The way in which participating households crafted their economic life stories around the 'dominant' business venture, while downplaying other income-generating activities, warrants close examination, as it offers methodological insights for entrepreneurship scholars interested in applying biographical narrative research themselves (Rosenthal, 1993; Miller, 2000). The subjectivity in framing life stories, rather than being problematic, is a well-recognised phenomenon in narrative inquiry. As Miller (2000) explains, "the life story is an active construction of the respondent's view of their life. There is no single 'best' or 'correct' construction. The content of a life story that a respondent will give in an interview will be dependent upon how they see their life at that particular moment and how they choose to depict that life view to the person carrying out the interview" (Miller, 2000, p. 139). He further argues that the information shared in a life story is 'true,' not as an objective reality, but as a reflection of the respondent's chosen narrative at that specific moment, representing their genuine perception of their life at that time. Respondents may tailor their accounts to align with what they perceive as the interviewer's interests, omitting certain details or even providing false information (Miller, 2000). Given these factors, narrative inquirers are encouraged to recognise the inherent fluidity of life story interviews and to reflect on the dynamics that shape the unique context of each interview (Miller, 2000). Additionally, they are cautioned against being overly swayed by narratives that seem too polished and are advised to seek out the underlying 'background noise' – the other, initially less prominent stories – and the potential double meanings that can lie beneath even the most apparently simple case (Bruner, 2003).

Given the research question and the broader aims and objectives of this study, it was crucial to extend the analysis beyond the business that was often highlighted in participants' narratives as the primary household enterprise. This expansion was necessary to capture a more comprehensive understanding of how entrepreneurial households sustain their livelihoods over time. In doing so, this study aligns with the recommendations of De Massis et al. (2021), who advocate for increased research attention on a wider array of organisations beyond a single family-owned firm. This perspective is often overlooked in mainstream family business research, where the focus predominantly remains on the family business or, at most, the family controlling the operational business (De Massis, et al., 2021). As previously noted, the findings of this study also support the arguments made by De Massis et al. (2021), indicating that entrepreneurial families frequently own multiple businesses and patrimonial assets, which together contribute to the financial and socioemotional wealth of the family unit. Although this study concentrated on households rather than families, which may extend beyond the household unit, the findings underscore the significant variability and complexity of households' economic activities throughout their lifecycle. Household business ventures typically represented only one component of this broader economic landscape. Across all case studies, regardless of industry or household ethnicity, it was evident that household members engaged in diverse types of economic activity, including business ownership, additional self-employment, and formal labour market employment.

Notably, two of the cases involved farm-owning households. Pluriactivity among farm households is not surprising; the participation of members of farming families in various income-earning activities, often not related to the original farm, is well known and documented in many studies (Kinsella, et al., 2000; Rønning & Kolvereid, 2006;

Alsos, et al., 2014). However, recognising that this strategy is also employed by non-farm households is of critical importance. In entrepreneurship research, the predominant focus on the business itself has often obscured the fact that, for many households, business ownership constitutes only one component of their overall income sources (Baines, et al., 2002; Baines, et al., 2003). Through the reconstruction of household histories, it became evident that in the remaining cases as well, the process of household wealth creation extended beyond the ownership of a single, or purportedly dominant, business. This included other forms of income generation, revealing that the relationships between the participating households and the formal economy were far more complex than initially anticipated during the early stages of analysis.

Scholarly interest in the diverse economic activities and assets accumulated by entrepreneurs over time has regained traction only recently (Aldrich, et al., 2021; De Massis, et al., 2021), but earlier empirical evidence aligns with the findings presented in this chapter. For instance, a small body of socio-economic studies focused on the survival and growth of English micro-businesses revealed that households ostensibly dependent on these ventures were, in fact, income-pooling units (Baines, et al., 2003; Wheelock, et al., 2003). This research demonstrated that the sustenance of individuals within business-owning households depended on a complex array of activities, with the business constituting just one piece of a larger 'jigsaw' of income sources (Baines, et al., 2002). Additionally, a study investigating the income sources of independent entrepreneurs (Carter & Ram, 2003; Carter, et al., 2004) found that these income streams are rarely confined to the ownership of a single business and are typically generated through multiple entrepreneurial ventures and other economic activities.

A key contribution of this chapter lies in its insights into the complex economic landscape of household activities and the role of a business venture within them. While the foundation of household economic behaviour is centred on meeting members' needs (Wilk, 1989, 2019), the findings here, alongside earlier empirical evidence, reveal the intricate ways in which entrepreneurial households sustain themselves amidst shifting economic, socio-cultural, and political contexts. All cases in this study highlighted the significance of change and adaptation in household economic practices

(Aldrich, et al., 2021). Furthermore, these findings underscore how the entrepreneur is deeply embedded within their social circle, relying on the social unit's institutional frameworks. Similarly, the household business is interwoven with and reliant on the broader economic activities of the household (Baines, et al., 2002). Rather than existing as an isolated entity, the household business is integrated within the existing economic relationships between the household and the economy at large. This connection does not replace other economic ties between the household and the wider economy but rather operates in tandem with them (Baines, et al., 2002). This integration challenges the usual focus on the operating business alone (De Massis, et al., 2021), instead emphasising the broader economic connections that support entrepreneurs and their households.

These observations, derived from analysing the life histories of case study households, deepen our understanding of how entrepreneurial households organise their domestic economic lives. By highlighting the varied economic activities that sustain these households, this chapter also contributes to a more nuanced conceptualisation of economic well-being within entrepreneurial households (Carter, 2011), a theme that will be further developed in subsequent chapters. The findings underscore the importance of viewing the household's economic functioning as a blend of diverse economic engagements. While this chapter centres on the household's interaction with the formal economy, it also establishes a foundation for exploring another essential dimension of household economic behaviour: the dual role of households as both producers and consumers. This distinctive aspect of entrepreneurial households will be the focus of the next chapter, which delves into household provisioning through work and labour.

6.8 Conclusion

The second research question focused on how entrepreneurial households earn their livelihood. The five case studies reported in this chapter show that provisioning within entrepreneurial households is dependent on a complex set of activities of which the business is only one part. The circulation of provisioning between the labour market, business ownership and self-employment of multiple participants within the households is essential for the economic preservation of all the households. Indeed, these case studies suggest that a household which founds a business is not creating a separate economic entity but rather integrating a new system of business-related relationships into family life. This flexibility necessary to be able to do so is a function of the ways in which these households are embedded in household, family and other networks.

CHAPTER SEVEN

HOW ENTREPRENEURIAL HOUSEHOLDS WORK: THE ECONOMIC ORGANISATION OF PRODUCTION AND CONSUMPTION

7.1 Introduction

This chapter focuses on the third research question (RQ 3), how provisioning is undertaken within entrepreneurial households through work and labour. In the household context, provisioning has been defined as a "complex process where production, distribution, appropriation and consumption relations all have to be taken into account and where history defines particular available paths for obtaining goods and services" (Narotzky, 2022, p. 56). The provisioning perspective is used in this study as it links the organisation of both the production and the consumption sides of economic life within the household, ensuring that necessities such as housing, clothing, food, healthcare and education and additional consumed goods and services are available to individuals within the household unit. A focus on provisioning, therefore, enables insights into the economic organisation of the household.

Within entrepreneurial households, provisioning takes a rather different form from that undertaken in employee households, as the income provided by the business to the household is typically uncertain and erratic (Carter, 2011). While the household provisioning perspective is seldom used in the entrepreneurship research domain – indeed, there are very few studies of entrepreneurial households at all (Gentry & Hubbard, 2000; Alsos, et al., 2014; Alsos, et al., 2014; Carter, et al., 2017; Jayawarna, et al., 2021) – this perspective may provide insights that can address core questions of how the economic organisation of production and consumption is managed within the entrepreneurial household. Data is drawn from the five case study households introduced in Chapter 6. This chapter begins by providing a description of the concepts of work within entrepreneurial households. It then proceeds to explore the three types of work commonly undertaken in such households: income-earning work, domestic work, and voluntary work. Additionally, it examines the sources of household labour, which are derived from the domains of the domestic, social, and formal economies.

This chapter concludes with an integrated discussion of production and consumption capabilities within entrepreneurial households, synthesising findings from previous chapters to deepen our understanding of how these households function economically to sustain themselves. By highlighting the position of entrepreneurial households within broader social networks and their diverse livelihood capabilities, this final analysis reveals how they navigate economic uncertainties and build resilience. The synthesis also emphasises the interplay between individual contributions and collective household strategies, underscoring the unique economic organisation of entrepreneurial households and providing a foundation for future research.

7.2 Work and Labour in Entrepreneurial Households

As provisioning is a social process, this part of the analysis focuses on the entrepreneurial household and its wider social context. It is clear from the case study descriptions and histories that entrepreneurial households often combine business ownership with other self-employment and employment in the formal economy (Chapter 6). Prior studies have suggested that the scope of an entrepreneur's work expands beyond the ownership of a single business (Carter, et al., 2004; De Massis, et al., 2021), although the extent of this and its contribution in securing the economy and status of a household remains unknown (Carter, 2011). For entrepreneurial households, therefore, the concept of work is rather different from employee households as they are able to engage in a range of individual and household level strategies for income-earning. Hence, this chapter examines the concept of work from the perspective of an entrepreneurial household, who performs it and what value it adds to the household's economic well-being. In this context, work is understood not only as 'a form a society organises itself into' to meet social and material needs, or 'something' people carry out to survive (Thompson, 1989). It is also a framework within which those who own and control resources endow them with (economic) value and seek the appreciation of the surplus (Thompson, 1989; Drucker, 2014). The way the household shapes and conditions these processes, and how these affect the material well-being of the household, is considered in this chapter.

Although not always addressed directly, the concept of work is central to much of the entrepreneurship discourse. An entrepreneurial action (McMullen & Shepherd, 2006), or in simpler terms, what entrepreneurs do for a living, is what makes them distinctive from other occupational groups (Ramoglou, et al., 2020). Despite its centrality, the work of entrepreneurs and their families who are deeply embedded in the everyday micro practices of the enterprise has received little scholarly attention (Welter, et al., 2017; Dodd, et al., 2021). Drawing on the case household histories from Chapter 6, this chapter examines the organisational processes of work and labour across the sample of entrepreneurial households participating in the study. Specifically, it explores the different types of work performed by entrepreneurial families over time and considers how they make use of available labour to fulfil their professional commitments and household tasks. A well-functioning household unit combines the work performed to earn income with unpaid, caring work for its members and work done domestically, such as cleaning or cooking, to fulfil the daily tasks. The survival of a household depends on domestic, caring and income-earning roles. Hence, the economic organisation of the entrepreneurial household considers both the production as well as the consumption of income, goods and services.

Within the case households, work encompassed income-earning work, domestic work undertaken within the household for the benefit of the household, as well as voluntary work, typically performed outside the household for the benefit of the wider community. The 'performers' of work for the benefit of the household were sourced from three distinct spheres. Firstly, the domestic economy sphere which included all household members was the major source of labour in the household provisioning system. Here, it is clear that households utilise all the resources available to them, including the labour of adults and children within the household. Secondly, the social economy sphere encompassed the support provided by friends or neighbours through the voluntary work carried out for the benefit of household provisioning system. The social economy sphere illustrates the reciprocity and mutual support that exists between entrepreneurial households and the wider community, whereby friends and neighbours are deployed to help out within the business, and this is often reciprocated by household members supporting friends and neighbours in their business ventures or households. Thirdly, although less prevalent, labour was also sourced from the formal economy sphere, involving individuals external to the household system. In these instances, work undertaken by ‘external’ labour in the form of paid employment aimed to support the business operations of the household provisioning system.

The following tables (Table 7.1 to 7.5) display the various types of work undertaken by each household participating in the study. The tables are organised based on two axes: the type of work (income-generating, domestic, and voluntary) and the sphere from which labour is sourced (domestic, social, and formal economy). The analysis incorporates work carried out throughout the individuals’ life course, as depicted in the case histories presented in Chapter 6.

Table 7.1. Case Study 1: The Oil Producers: The Provisioning Through Work and Labour Supply

	Income-earning work					
	Business					
	The farm	The oil business	Self-employment	Employment	**Domestic work**	**Voluntary work**
Domestic economy	Greg (a sole tenant specialising in mixed arable farming, allows for horse livery on the farm, also responsible for the administrative work on the farm)	Greg (a business partner, responsible for product development and production process) Helen (a business partner, responsible for PR, marketing and sales) Children (occasionally helping with labelling and packing)	Helen (prior to starting the oil business)	Helen (prior to starting the oil business)	Helen (responsible for most of the caring and domestic tasks) Greg (supporting her)	Helen (starting a non-profit venture to raise money for the local charities)
Social economy	An old family friend (helping on the farm)	A family friend (designing a logo and labels) Business mentors (providing business advice to Helen, from her social network)	—	—	—	—
Formal economy	The same family friend turned a full-time employee Two part-time employees, one of them lives in the cottages on the farm	The same employee working also in the oil business	—	—	—	—

Table 7.2. Case Study 2: The Storage Providers: The Provisioning Through Work and Labour Supply

	Income-earning work				Domestic work	Voluntary work
	Business			Self-employment		
	The Farm I + storage + B&B	The Farm II + storage	The sheep business			
Domestic economy	Robert (a business partner, responsible for farming and the storage) Ann (a business partner, helping with the bookkeeping, also run B&B located on the farm for a while) The eldest son (helping with farming when needed)	Ann (a business partner, Robert helps her with farming and storage) Ann's parents (business partners, but retired from work) The eldest son (an apprentice, now, also covering his grand-father since his health problems)	Ann (a business owner, does most of the work herself) Daughter (employed but working mainly during the lambing season)	Ann (a business adviser, working part-time) Robert (contracting occasionally doing various farm works)	Ann (looking after children when they were small, responsible for most of the caring and domestic tasks) Greg (supporting Ann in household tasks, renovating their family home, looking after Ann since her diagnosis)	Ann (helped redecorating her daughter's apartment, tries going out with a disabled friend) Ann and Robert (renovated Robert's father house, providing space and taking care of the storage containers of the community groups)
Social economy	Robert's father (helping part-time on the farm) Robert's father and uncle (helped building the storage containers)	Ann's father (used to help part-time on the farm until his health problems)	—	—	—	—
Formal economy	Contracting workers (to help with farming, only in high season, and if needed, also once, to build the storage containers) An accountant	—	—	—	—	—

Table 7.3. Case Study 3: The Deli Meat Producers: The Provisioning Through Work and Labour Supply

	Income-earning work			Domestic work	Voluntary work
	Business				
	Meat production	Self-employment	Employment		
Domestic economy	John (a business partner, responsible for product development and the production process, working irregularly since his health issues) Maria (a business partner, joined after her maternity leave, responsible for PR, marketing and sales, now also covering John in some of his business roles since the diagnosis) Children (older children running the trade shows themselves, occasionally also helping with labelling and packing)	John (still contracting on a part-time basis) Maria (a hand-made production of leather baby booties, closed after a couple of years, also started offering homestays for vacation rentals on the online marketplace for lodging)	John (working as an estate manager for the first 10 years after moving to the UK)	Maria (looking after all six of her children when they were small, still responsible for most of the caring and domestic tasks, now, also caring for her husband when he is unwell) John (supporting Maria in household tasks, renovating himself their family home and garden, building the garage with office space above)	—
Social economy	A co-worker of John from his day job (in first years of operation, helping with the production for the minimal pay)	—	—	—	—
Formal economy	A full-time employee (production process)	—	—	—	—

Table 7.4. Case Study 4: The Restaurateurs: The Provisioning Through Work and Labour Supply

	Income-earning work			Domestic work	Voluntary work
	Business		Employment		
	Restaurant	Takeaway			
Domestic economy	Fred (a business owner and a chef, also responsible for selection and provisioning of the restaurant food supplies) Nina (a business owner, but having multiple roles – e.g. a restaurant manager, an event organiser, a kitchen assistant, a waitress, a bookkeeper) Daughters (working part-time as waitresses, initially only for tips)	Fred (a business owner, responsible for the production of food) Nina (a business owner, responsible for sale)	Fred (working as a butcher for a couple of years after moving to the UK) Nina (manual worker) Daughter (previously helping in the restaurant, now, having a full-time office job)	Nina (looking after children when they were small, responsible for most of the caring and domestic tasks, also cooking) Fred (helping Nina, but he does not cook at home)	Nina (looking after grandchildren) Nina and Fred (providing contacts to their network of clients, looking after Fred's mother)
Social economy	Fred's former boss (arranged meetings with food suppliers the restaurants have usually no access to) Nina's father (sourced tableware and other equipment) An accountant from the community centre (taught them the basics of bookkeeping)	Nina's father (renovating the new business premises)	—	—	—
Formal economy	A kitchen assistant (on a part-time basis) A waitress (on a part-time basis) An accountant	—	—	—	—

Table 7.5. Case Study 5: The Restaurateurs: The Provisioning Through Work and Labour Supply

	Income-earning work		Domestic work	Voluntary work
	Business Building and construction company	Self-employment		
Domestic economy	Thomas (an owner-builder) Irene (not formally employed, but managing the company finances and administrative tasks)	Thomas (contracting full-time as a joiner after moving to the UK, still contracting on a part-time basis) Irene (contracting on a part-time basis as a manual worker in a local laundry) Irene (self-employed as a nail technician)	Irene (looking after children when they were small, responsible for most of the caring and domestic tasks) Thomas (supporting Irene in household tasks, but he does not cook, renovated himself the entire family apartment) Children (helping with cleaning and cooking over the weekends)	Irene (babysitting her sister's son once per week) Thomas (fixing the roof leakage in the communal area of the building where they live)
Social economy	Irene's sister (providing storage for Thomas' building equipment)	A Thomas's friend (contracting and working for various building and construction projects together as a team)	—	—
Formal economy	A full-time employee (building work) Contracting joiners and builders (only when needed)	—	—	—

7.3 Income-earning Work

The summary tables (Tables 7.1. – 7.5.) show that from the three work categories (income-earning work, domestic work, voluntary work) performed by the entrepreneurial households, the quantity and range of income-earning activities varied the most across the cases. Perhaps more importantly, income-generating work was not limited to business ownership alone. Over the life cycle of each household unit, the portfolio of income-earning work included full-time and part-time waged employment, self-employment, jobs undertaken on casual or ad-hoc basis, and work in the household business, which, on some occasions, also evolved to the ownership of multiple businesses, e.g., in the cases of both farm-based households (Case Study 1: The oil producers, Case Study 2: The storage providers). Income-earning work was not conducted at the same time, but its composition expanded or evolved over time in various directions, for example, from running a single farm to owning multiple off-farm businesses in the case of farm households (Case Study 1: The oil producers, Case Study 2: The storage providers), or from employment to business ownership in a host country in the case of families from a migrant background (Case Study 3: The deli meat producers, Case Study 4: The restaurateurs, Case Study 5: The builders).

Studies which have focused on the phenomenon of the multiplicity of income sources in small business owning households typically view it as a survival strategy aiming to preserve the business and household economic integrity (Carter & Ram, 2003; Carter, et al., 2004; Alsos, et al., 2014). The use of multiple income sources as a survival strategy was also evident among the case households, where the circulation of provisioning between the labour market, business, and household was essential for the economic preservation of the family-business system. In all the cases, there were examples which demonstrated the advantage of having more than once source of income, especially in times of economic adversity (Case Study 5: The builders). However, the incorporation of new income-earning work into the existing range of household economic activities was rarely justified as a purely risk diversification mechanism. Instead, household members referred to things happening by chance, or being triggered by new opportunities, or a new set of resources available to the household, or to a specific personal need.

A prominent finding from the case studies is that a household which founds a business is not only creating a separate economic entity, rather it is integrating a new system of business-related relationships into family life (Baines, et al., 2002; Baines, et al., 2003; De Massis, et al., 2021). Arguably, this attitude and behaviour is reflected in a definition of being entrepreneurial which can be understood as not only owning a business, but also being good at spotting new opportunities to make money. Following Gartner (1988) and Ramoglou et al. (2020), this shifts attention from who entrepreneurial households are, to what entrepreneurial households do. The integration of a new system of business-related relationships into family life is exemplified by the use of family labour. It is well understood that family members are a significant source of labour (paid and unpaid) (Alsos, et al., 2014). Among the case study households in this study, the household and the business were economically and functionally interconnected by the need to prioritise the utilisation of limited human and material resources, although there are wide variations in the ways in which such interconnection was realised in daily life and the extent to which it was welcomed or resisted.

A preference for the use of often unpaid internal (household) labour over external (sourced on the market) paid labour is apparent in the case study histories (Chapter 6), highlighting the important contribution that members of the household make in preserving its economic integrity. Arguably, family labour seems to be the key to understanding the survival and livelihood maintenance strategies adopted by entrepreneurial households. In the case study households, income-earning work (business, self-employment and employment) and work for the family unit are closely interrelated and overlapping. Neither the business nor the household could survive if these tasks are not performed.

A key benefit of family labour is its flexibility, which is a function of how it is embedded in household, family and other networks (Wheelock, 1992). Flexibility benefits the entire household economic unit in so far as the workforce (household members, extended family and friends) could be easily expanded or reduced as market conditions dictates. In the case study households, there were three instances of full-time employment sourced on the market on a permanent basis to help in the business work (Case Study 1: The oil producers, Case Study 3: The deli meat producers, Case

Study 5: The builders). The remainder of the workforce was fulfilled by household members, typically the husband-wife team and their children, the extended family (usually the couple's parents), but also family friends, or by part-time, ad hoc casual labour, self-employed individuals or subcontracted labour sourced on the market. Female household labour was particularly flexible as women could vary their domestic work tasks as and when the business required their work. The deployment of family labour appears to be key to understanding household livelihood maintenance strategies.

7.4. The Economic Contribution of the Businesses to the Household

Exploring how entrepreneurial households provide for their families raises the immediate question about the degree to which a household business sustains and underpins the household's livelihood. Prior research has identified a gap in our understanding of entrepreneurial earnings, suggesting that despite the considerable maturity of the subject entrepreneurship research has little explanatory value about the actual standard of living of entrepreneurs, small business owners and their families. In their 2003 study, Baines and others argued that "there is an implicit assumption in the UK small-business policy literature that the income-earning capacity of a business will provide a sufficient household income for its owners" (Baines, et al., 2003, p. 17). These findings, in line with the findings of Carter (2004), signposted the need for further exploration of a business's contribution to household livelihood. Within this study, the focus is not on the enumeration of actual earnings or the scale of household wealth, rather the focus is on understanding the contribution of a business to household livelihood through an understanding of the economic organisation of entrepreneurial households and the variety of work undertaken within the households.

Livelihood refers to the way someone earns their income, or the money people need to pay for the daily necessities such us food, housing, clothing, etc. indicating participation in an economic activity that creates a flow of financial resources for personal consumption. It is evident from the case study households that business ownership and self-employment was one among many potential sources of household income. However, unlike wage employment which constituted a net gain to the households, a reliance on income earned through the business was dependent upon surplus money being generated. The degree of business income consumed or saved at the household level provides an interesting perspective into the subject of entrepreneurial earnings where much of the discussion has concentrated upon the comparison between the earnings of entrepreneurs versus wage employees (see Chapter 5).

The case studies included here support the view of Baines et al. (2003) that a small business provides a rather limited income-earning capacity for household members. When considering the business time frame, it was not surprising to hear that the start-up stage of business development not only did not provide any sources of income but very often required significant contribution of resources already owned by a household. The following quotes from the Case Studies illustrate this point [F = female; M = male respondents; I = interviewer]:

> [M]: Our storage makes more than the farm now. It didn't in the beginning when farming was our main income. Farming was the main income together with the contracting. *(The storage providers)*
>
> [M]: It's getting better now but it was tight two years ago. You can just get along, you can just do your shopping, buy your food but there was a period where… I've got plenty of clothes now, but I'm lucky I've got clothes because I couldn't buy any new ones. Then you've got plenty and you wear until they've gone. Then six or eight months' time you see it going up again and you can spend a bit more. It was definitely a bit tight for a period. *(The deli meat producers)*
>
> [F]: (…) We could not afford many things. We didn't go on holidays; the kids didn't go on school trips. Later, [*son's name*] went to France with his class, and [*daughter's name*] to Alton Towers. It was much better after that, but before... After those 2 years, we didn't go on holidays, we lived modestly and didn't have a good car. [M]: We didn't have holidays. [F]: We practically worked all the time, we took everything no matter it paid off or not. *(The restaurateurs)*
>
> [F]: I would say the same. We've always been quite money conscious and for years not really made much money in the farm. It's been, you know, the odd year you make some money and then you lose money and so it all kind of evens out. *(The oil producers)*

Perhaps more surprising is that beyond the start-up stage, this situation did not change very much. When asked about the current financial situation of a household or how it had changed over time, it was clear that even a well-established, profitable and growing venture does not provide any significant benefit to the household's standard of living. Rather, profits were re-invested in the enterprise, while the household only drew what was required to satisfy basic needs.

> [F]: Yeah, but we've never taken any money from [the oil business] yet. So, any money we've made in [the oil business], we've never taken a salary from it. We've just put the profit back in. *(The oil producers)*
>
> [F]: So, we don't really take a salary from [*the oil business*] yet. We could do a small salary, but we've left that in the business. *(The oil producers)*
>
> [F]: (…) At the minute, we don't really see the benefit of [*the oil business*] in our household that much. A little bit, you know... *(The oil producers)*
>
> [F]: (…) We only take out just what it costs. There's never any left over to say I'm going to take a holiday. [M]: We only take out what we need. We don't have extravagant lifestyles. *(The storage providers)*
>
> [M]: I would say it was better than last year. We're generating a bit more money. [F]: Yes. [M]: A bit more income. Although we've probably...we've probably spent more actually as well. *(The storage providers)*
>
> [F]: It depends on our needs *[about the amount of personal drawings from the business]* [M]: Because, yes, if we have bigger needs… [F]: In the business… [M]: …in the business, then, we have to give something up. And we are a growing business; the whole profit can't be taken. *(The restaurateurs)*
>
> [F]: (…) It's only in the last year that we've started paying ourselves a salary regularly. *(The deli meat producers)*
>
> [F]: Yeah, it's a little bit better [*about the financial situation of the household*]. We still try not to take too much out of the business because we know we need to invest in the next year, so we just take out what we need, you know... We had enough money, so we paid ourselves out a bit but quite basic. *(The deli meat producers)*

While prior studies have referred to the importance of savings to offset future earnings 'shocks' (Blanchflower & Oswald, 1995), the evidence from these case studies showed that few were able to generate sufficient surplus from the business to build up savings for the future. Where some surplus had been generated to provide savings, this was typically invested in household repairs. Within Case Study 4: The Builders, the financial struggle of business ownership was such that not only did they have no savings, they also had to use household resources (personal credit cards) to pay an employee's wages.

> [F]: We can't afford to save yet. [M]: We can't regularly put aside some money yet. *(The restaurateurs)*

> [F]: No, I don't think so. I don't think we save more. I think we just don't really save much. (…) Yeah, and also our costs are quite high. So, our costs are almost the same as our income. So, it's like there is not much surplus. *(The oil producers)*

> [M]: Yes, sometimes we didn’t have enough to pay his [*employee’s*] wages… to pay what we should. He had an hourly rate all the month and sometimes I wasn’t able to earn as much to pay him but he worked the number of hours, so I needed to pay by hour. And I didn’t even earn this much for the entire month. So, we used our credit cards to… We just wanted… We thought it’s just a month or two and the company… the crash was just a temporary thing. (*The builders*)

Descriptions of the limited income that the households were able to draw from the business were often accompanied by descriptions of household frugality where expenditure was minimised or deferred, and consumption kept to the bare minimum. The use of their own labour and resourcefulness was also stressed.

> [F]: (…) We’ve always been quite frugal and, sort of, money conscious, so we don’t really, you know, go on holiday and things like that much. We don’t really spend much on, sort of, doing things and stuff. *(The oil producers)*

> [F]: We don’t do a lot of extravagant things. Our house is what we’ve spend most on. (*The storage providers*)

> [F]: Yeah. I think we always have been [*money conscious*]. We’re not big spenders, you know…I know we’ve got a big house, but we did everything ourselves. My husband built the cupboard from old things. Probably if you get a builder coming in it will cost a fortune. But for us, concrete, you know, it hardly costs anything so we’re not big spenders that way, you know. So, it’s just time and making it all ourselves. (*The deli meat producers*)

> [F]: (…) We only take out just what it costs. There’s never any left over to say I’m going to take a holiday. [M]: We only take out what we need. We don’t have extravagant lifestyles. *(The storage providers)*

> [M]: I don’t like spending any more than I have earn... or can earn. [F]: You’re quite... you’re quite... quite careful I would have said. *(The storage providers)*

Where expenditure was made, the case study households prioritised their needs, for example, investing in household repairs and improvements, rather than ‘luxuries’ such as holidays.

> [M]: (…) So we’re not frugal because we want to be frugal. We don’t want to be frugal. We get by, we’re happy, we don’t need more. If there’s more coming in, it goes, I spend it. I’m not a saver, I save a bit then I let it go. I spend it on doing the house up. [F]: Not wasting it. It’s maybe buying windows, that kind of thing but investing. It’s more investing, you probably see that. *(The deli meat producers)*

> [M]: Last weekend, or two weeks ago, we have some rooms upstairs and a roof started leaking. Saturday, Sunday – people sitting in the garden, sunbathing, and I must repair the roof… What I mean is that we are trying to save some money. I'm not engaging any company to do that. I mean, I could inform the insurer, the insurer would surely want a claim from us. So, it's still the same, they wanted a 300-pound claim, while the repair costs me 100 pounds. So, it doesn't make any sense for me to pay them 300 pounds, loose this insurance as they will automatically increase my insurance payment. So, I'm doing that myself. I have very little time to rest, running my own business. [F]: Our roof is leaking, and because it's ours, we have to fix it ourselves, buy the materials. If my husband had a different business, we would also need to engage somebody. A good thing for us is that he is able to do that himself. So, we can save some money. (*The builders*)

> [I]: How is your household managing financially now? [F]: Yes. I hoped to be going on holiday on Saturday and I'm not going on holiday on Saturday. [Laughter] We've got solar panels now. [M]: I went and bought solar panels and put them on the shed. Thirty thousand pounds. Solar panels. [F]: In six years' time when they are paid off… [M]: We'll go on holiday. *(The storage providers)*

> [F]: The biggest thing is that we always... you would always put the business first rather than buy a car or go a holiday or... we didn't seem to go much... [M]: Yes. [F]: We went away last year but we didn't spend much and... [M]: Yes, well, maybe now that we've got the business we might be able to buy better cars now because we are generating a bit more money whereas in the past we haven't, we've... I mean, just like everybody else in the earlies we've had our fair share of driving bangers, old cars and old machinery. We still have some old machinery but... [F]: So, I suppose it's just... yes, because you always want them to be a bit there like if you don't paid or... so whilst you're doing quite well you just want to... *(The storage providers)*

Expenditure on food for the household was also a concern. Although some of the case households had experienced periods of where income even affected their ability to eat sufficiently, to the point where they considered giving up the business and returning to their country of origin, careful household budgeting and management meant that most were able to eat reasonably well.

> [F]: (…) And in the past we could usually afford it but then the time came when we had to look for some food left in the freezer to prepare a meal for them, for school, for lunch or whatever. There were some moments when we'd had enough, and my husband even wanted… he said we should sell all that and go back… because in [*name of the country*] we had a house without any mortgage. So, we should just sell everything we had and go back... simply. *(The builders)*

> [F]: And you know what? Generally, when we do shopping, we don't have to look for 'buy one get one free' or something like that. Rather, we buy what we want, what we feel like buying, that's right, we don't have to pay attention to that like we did, let's say, 10 years ago. [M]: But we don't splurge, either. [F]: We don't really splash out. I mean, we can afford better Christmas presents for our son or grandchildren. [M]: So, it is better, for sure. *(The restaurateurs)*

> [M]: We buy what's necessary, so we don't spend excessively. So, food we don't spend on not good food, we like proper ingredients. So that's essential. For the rest, clothing whenever we need something you look at it and then you see if you've got enough. We spend very little I think. We're not big spenders. Sometimes we want to go out on holiday or out for the weekend and then we just see if there's money left in the account but we're not planning in advance for doing that. For bigger holidays every so often we plan in advance because it's expensive. [F]:

> We only have a holiday every couple of years. [M]: We don't do it every year. It's only every three or four years that we book a holiday, only that. *(The deli meat producers)*

Holidays were considered a luxury that could be postponed until the business and the household was at a more prosperous level. Where holidays were taken, these were usually low-cost and relatively local affairs, suggesting that the legacy of frugality persists even where the household is experiencing more prosperous times.

> [F]: The year before was actually our first proper holiday we'd taken for over 10 years, you know, since we started the business. *(The deli meat producers)*

> [F]: Well, that holiday last year would have been good if the cottage had been better because we just chose a really cheap cottage. So, despite feeling financially better off we still went for the cheapest cottage and it was a bit basic. *(The storage providers)*

Several case study households talked about changes in business income over time. Case Study 5: The Builders had experienced a downturn in fortunes and explained the impact this had on their household expenditure and living standards, and the noticeable effects on their children who also experienced financial constraints.

> [F]: We are back to normal, so those last 3 years, well, so there was a period of time when we enjoyed a slightly better standard of living, but then during those 3 years, we had to adjust to a worse, much worse standard, and even despite the fact our kids do not impose much pressure on us, they don't stamp their feet, because they want something... They understand that some days they are not going to get something or, for example, they get some pocket money and they know they should save it, because we might not have money some other day. But you could still feel it. At the time being, after those three years and after this Autumn, I think we are slowly approaching the standard we used to have, when on Sunday, we could go to a restaurant, we could go skiing or even fly to [*the name of home country*] or, just like recently, be able to invite six people for the weekend without a problem. I don't have to worry that a guest is coming over and I won't be able to buy anything or how to arrange it that I can still put something on a table, but without spending anything. Even though you always try to save something, you tend to miscalculate. ...
> We spend more on our everyday life now, whilst our earnings… on average, obviously one year is better, the other is worse. [M]: We try to watch our spending. [F]: …but on average, our spending hasn't changed much, but we can still afford less at the moment. *(The builders)*

These quotations from the case study interviews illustrate the constraints and stresses on the household when the financial contribution of the business is limited. A common strategy among entrepreneurial households is to start an additional business or to engage in other income-earning activities to help make ends meet. Having a portfolio of income sources proved to be an important livelihood strategy contributing to household economic survival but was typically fragmented across time and undertaken to provide a flow of financial resources at the level allowing the coverage of basic household needs rather than the substantial flow of the resources that could build greater wealth and more luxurious lifestyles.

An equally common strategy is the variance in levels of consumption to match the perceived available level of disposable household income. The research participants pointed to two determinants affecting their consumption decisions. Firstly, awareness of the risky economic environment they faced on a daily basis led them to minimize their expenditure. There were some indications among the case households that 'watching their spending' became an engrained habit triggered by negative and stressful past experiences associated with the risky nature of being in business. In their early study of small business owners, Scase and Goffee (1980) dedicated a small section to consumption and similarly suggested that "it is often difficult for many business owners to change their behaviour; as a result of their business activities they are investors rather than consumers" (Scase & Goffee, 1980, p. 104). Secondly, the consumption profile of these households is characterised by minimizing personal consumption in preference for investment at the household level. Indeed, if any bigger spending was reported at the household level by the participants, it was usually associated with housing and dwelling improvements and explained by the necessity to improve or repair the residential property. In some cases, repair work was carried by the owners themselves (Case Study 3: The deli meat producers, Case Study 5: The builders) as hiring an external contractor was beyond the household budget. This meant that renovation work stretched across much longer period adding discomfort to daily life. Where more advanced improvements were carried out, these were justified by reference to the investment opportunities they represented.

Despite their rather humble living standards, the research participants seemed to be 'satisfied' or 'content' with the current financial standing of their households. Their ambitions for the future were expressed as achieving economic security, a position of less financial fear and less uncertainty rather than a better standard of living. As businesses matured and, to some degree, prospered, the risks associated with business ownership did not disappear but were managed. While the household business did not contribute significantly to sustaining the household livelihood, as the business matured a form of stability developed that reduced the financial uncertainty.

While household consumption and living standards have been considered here at the collective level of a household and expressed by adults, it is important to remember that these families also have children. The final aspect that emerged from the stories and became an important part in the assessment of a household living standard was the position of children living with their parents and, therefore, financially dependent upon the business contribution towards the maintenance of household livelihood. These stories showed that the degree to which a child might be affected by the parent's business varied from household to household. The nature of child's experience also varied. For the children of the storage providers (Case Study 2), the restaurateurs (Case Study 4) and the deli meat producers (Case Study 3), the household business offered an opportunity to earn their own, first money, even start a job as an apprentice. The household business also contributed towards the economic socialisation of children, allowing them to explore how money is made and develop their own entrepreneurial skills; however, it also made the children aware of the financial insecurity of their household.

> [F]: But because we actually work from home that does have an impact on their lives and I think that even, like, in the holidays, you know, I have meetings on so I can't do as much with them in the holidays. So yesterday I was away at a thing that I was at for a few hours, so I felt a bit guilty that I wasn't doing stuff with them in the holidays, because I was doing work stuff. But they have so many holidays throughout the year that I couldn't be just never working when they're on holiday. So, I think they do feel it, but I think they also understand that it's what we have to do to make a living. *(The oil producers)*

> [F]: I think that, yes, it does affect them a wee bit. They maybe get fed up hearing about the oil stuff and things like that. But on the other hand, a lot of people who work don't see their children nearly as much as we do, so because we work from home they see us at breakfast and dinner every day. They see us all weekend, we're around, you know. And we tend to, you know, stop doing work stuff by the time they're both in from school about 5-ish, back of 5:00 or something, or 6:00, we're not really doing work stuff. And if we are going to do work stuff it'll then be about eight or nine o'clock or something, so there's that couple of hours window where they're around and we're having dinner and stuff. I mean, I would say it's rare these days for families to sit and have dinner together every night. (…) Yeah. And it's rare that we wouldn't have dinner together every night. So, there's only the odd time if, you know, [*son's name*] got something on or something, or I'm away somewhere that we wouldn't have dinner together. And as [*husband's name*] said, if he was a normal dad doing a job, you know, the kids might not see you in the morning because you'd be away to work early and you'd be back late at night, and if your work involved travel at all then, the kids probably see him a lot more than they would, you know, a lot of other fathers. So, I think that we are actually round them quite a lot. The downside for them is that some of that time we're talking about work stuff, but

> actually they probably spend a lot more time with us than a lot of other parents do. *(The oil producers)*

> [M]: They sometimes ask if we can afford it. [F]: Perhaps not literally afford it, but… [M]: If we can buy it. [F]: …for example, 'my shoes are worn out' or something like that, doesn't matter what. So, I say, 'Listen, daddy has not finished a certain aspect of the current project yet, so we will have some cash, but in a week's time, okay?' So, I think you need to try to talk to children and explain the situation. *(The builders)*

It is clear from these case studies of entrepreneurial households that living standards are relatively constrained. This was evident at that initial stage of business start-up which usually requires up-front capital. At this stage, not only does the business not generate any income, but it usually required money from the household, that is, from different income-earning activities, household savings, or goods/assets. However, household frugality and constrained circumstances were also evident among the more mature enterprises, and this was explained as being due to a range of external factors: industry specific changes, market conditions, the need for further investment to survive or grow, repayment of debt, ill-health and other personal issues. Each industry may have its own set of challenges (constraints and opportunities) and industry specific factors which impacted on the level of personal drawings were apparent among the two farm households who stressed the volatility in returns from farming, small margins, dependence of government or other institutional grants, the high costs associated with business entry, land ownership and farm tenancy agreements and liquidity issues. However, similar concerns were expressed by other households, for example, the builders (Case Study 5: The builders) experienced significant cash flow problems which impacted household expenditure, because they are typically paid after the job is done, even though the actual time may be undertaken over a significant time frame.

7.5. Domestic Work

Before discussing the domestic work – sometimes referred to as household production – undertaken within the case study households, it is pertinent to contextualise the case study households in terms of the household lifecycle which delineates pre-defined phases. A typical model of the family life cycle of a traditional, opposite-sex household is provided by Apps & Rees (2009) who argue that following the decision to have children, the household life cycle evolves in a way which seems to be determined by them, as are household decisions about work, leisure, consumption and savings.

> "Before they have children, both household members have high labour supplies, high saving and plenty of leisure. The presence of pre-school children dramatically changes the pattern of labour supply, leading to large falls in female labour supply, saving and leisure. As the children grow up these changes are gradually reversed, with the state, through the public education system, taking over a large part of the burden of child minding and education, allowing increase in the labour supply of the female as second earner. Consumption of market goods steadily increases and borrowing falls, with high saving levels again being achieved in the phase immediately after the children have left home." (Apps & Rees, 2009, p. 139)

The implications of these findings are profound as they indicate that the presence of small children can significantly alter the household's material wellbeing, reducing the level of household disposable income for consumption and savings. Recognising the life cycle phase of participants helps to contextualise data analysis and interpretation of findings in relation to the household material living conditions and economic wellbeing. Following the approach of Apps & Rees (2009), Table 7.6. summarises the presence and age of children for each entrepreneurial household participating in the study, determining life cycle phase reached at the end of the data collection stage.

Table 7.6. The Household Life Cycle Defined on the Presence and Age of Children*

Life cycle phase	The presence and age of children*	The participating households	No of dependent children
1	No children present, and female partner aged 40 or under	—	—
2	At least one child under 5 and no older children present, or a child under 2 but no child over 9	—	—
3	At least one child aged 5 to 9, and may have a younger child aged 3 to 4 or an older child	The oil producers	2
4	Children predominately in the 12 to 14-year age group	The deli meat preservers The storage providers	6 3
5	Older dependent children still living at home	The restaurateurs The builders	2 2
6	No children present, at least one partner is aged 55 or under, or the male partner is under 60 and not retired	—	—
7	No children present, the male partner is aged under 65, or is between 55 and 60 and partially or fully retired	—	—
8	No children present, both partners are retired	—	—

**Source: Adapted from Apps & Rees (2009)*

As Table 7.6 shows, all the research participants were in phases 3 to 5 in the family life cycle model, with children at home and in formal education, at least for some time. The youngest child reported in the sample was 7 years old (Case Study 1: The oil producers). However, for the majority, the children living at home were teenagers. In two instances, the eldest dependents still living at home were just over 20 years old (Case Study 4: The restaurateurs, Case Study 5: The builders). In Case Study 4: The restaurateurs, the oldest householders in the sample, three of their children had already left the family home, but two teenage children still lived with their parents.

Hence, all the participating households had moved beyond phase 2 of the 'family life cycle' model. As Apps & Rees (2009) explained, the presence of pre-school children impacts the most on household economic well-being. As the research participants had moved beyond this phase of the 'family life cycle', some improvements in material well-being could be anticipated, at least when compared to previous phases as female labour supply is freed up. Moreover, as the case study households moved through the 'family life cycle' it was expected that thoughts had also turned to preparation for retirement and retirement savings.

The work of the research participants, as is the case of most family household units especially if they have children (Apps & Rees, 2009), extended beyond the income-earning activities and included unpaid, caring and domestic tasks performed by and for the members of the same household. Domestic work, or household production, was well documented by Margaret Reid (1934) in the first half of the last century. However, its application in theoretical considerations and further economic modelling, starting from Becker's model (1965) onwards, has arguably never addressed the subject of housework in its full complexity, especially in the context of multi-person and double-earning households (Apps & Rees, 2009). It is unsurprising that even more contemporary housework studies are ambiguous about what domestic work (or household production) actually is, and usually operationalise it through a list of pre-established, self-evident activities such as meal preparation, cleaning, shopping, gardening or childcare (Eichler & Albanese, 2007). However, the household case studies showed that the work done at home is of a much wider scope than the conventional list of repetitive physical tasks. Moreover, with ever increasing market substitutes, and thus easier market valuation of domestic work, its importance for the household's material wellbeing cannot be ignored, especially as some elements of household production are already regarded by economists as non-cash household income (Smeeding & Weinberg, 2001).

The invisibility of domestic work, even to a person who performs it, has been discussed extensively by Eichler & Albanese (2007). Domestic work often only becomes visible when it is not completed e.g. when dishes are not done, or the dinner is not cooked. When asked about domestic work, the entrepreneurial household case studies listed not only the physical tasks such as preparing meals, laundry, cleaning and shopping, but also a range of mental activities necessary to complete the above tasks, as well as the subtler, emotional dimensions of housework. For instance, the acknowledged mental work included budgeting of household finances (Case Study 5: The builders), dividing chores between household members (Case Study 5: The builders), planning family trips and organising the afterschool activities for children (Case Study 3: The deli meat producers). The scope of mental work (and housework in general) is probably much wider than acknowledged during the interviews. Even the seemingly obvious and simple task of cooking a dinner is based on a myriad of mental activities, which are crucial to providing a meal, but largely invisible. In fact, with the exception of few physical tasks, the vast majority of housework was not addressed directly by the participants, but extracted from bigger stories, often about different subjects.

> [M]: My wife looks after our home economics though, as she finished some studies and has a better knowledge of what to do with money, I try not to butt in such matters as the home budget, etc. There are certain things I want to have, but normally the division of funds, what we spend on, when and how much.... [Irene]: We usually talk about how much he needs for materials, what is in the pipeline, what he needs to buy, how much should I leave him and how much should I leave to the employee. (*The builders*)

> Irene]: Yes, I am in charge of household administration and finances, so even if I wasn't working I would not call myself a housewife, but a house manager, really [Laughter] It sounds better! (*The builders*)

> [Maria]: For instance, a very nice thing happened just last week. I got approached by the sleeper, [*railway company's name*]. You know the sleeper train goes from here down to London. And they actually asked me to do a tasting on the train and they said I'll give you two first class tickets to go down to London return. So, I thought, it's the holidays coming up. So, I've spoken to them and I said, I'd quite like to take my children. I don't need first class, just give me second class and they can share. So, now we're going at Easter time. We're all going down to London, you know, just for a day. We go in the sleeper and the boys have never been in London, so they're very excited. (*The deli meat producers)*

Examples of emotional work appeared in the context of family caring responsibilities and included providing emotional support to children (Case Study 1: The oil producers, Case Study 3: The deli meat producers), managing family conflicts and dealing with family or financial crises (Case Study 2: The storage providers, Case Study 5: The builders). What also became apparent during the analysis is that caring was not limited to childcare but included also care of adults (sick or disabled), including adult children, and even some elements of self-care. This illuminates both the time spent on and the dynamic nature of domestic work which changes as the family household moves through different life cycle stages.

> [F]: And I feel as if there's a bit of juggling just now, because [*son's name*] had his GCSEs last year. He's got his Highers [*the national school-leaving certificate exams*] this year and I feel as if I'll need to dedicate more time to supporting him with his studying and his exams and things. *(The oil producers)*

> [F]: So, I would say we had a few issues at the beginning that my dad was like 'what's happening?' What's... you know, he didn't understand what I was doing but I've learnt much more to feed him little bits of information... and let him find out my ideas in little ways or tell [*son's name*] to tell grandpa that I'm thinking about this and it's... and I suppose he's had time to adjust as well because it was his... it was his business... For so many years... and suddenly this girl was... was taking everything... and doing this in a different way and why (…) So, I think I've... I think we've both learnt a lot about that because there was a couple of times that, yes, he got quite angry and annoyed and that really upsets me because I hate to get like in trouble or I had to upset someone else. (*The storage providers*)

> [F]: When he started the business. I wasn't really involved at that time, I was having children, I had young babies so I was at home. In the background, I was supporting him [*husband*] but it was really his thing starting this business. (*The meat producers*)

> [F]: I think it's mainly because the children are grown-up. I think that's the big thing. I used to spend all the time running them about. [M]: Yes. Well, we still do, yes. [F]: So... and... well, it's really just [*name of the youngest child*] that needs run about now so that's a big change. [F]: Yes, so the running about has got less. [F]: Yes, definitely… because obviously, living in the country every time they need to go out they need a driver. [M]: Yes. Well, it's three miles to [*name of the closest town*] so every time it's a six-mile trip and... [F]: Yes, I used to be sometimes three times in [*name of the closest town*] in one evening. So, that's much better. So, yes, I probably just work about much the same. (*The storage providers*)

> [F]: We get up at around 7, have some coffee and wake up our kids for school. [*Daughter's name*], I mean, most of all, because she needs to take a shower, [*son's name*] half an hour later. And then we take the children to school. (*The restaurateurs*)

The narrative biographical approach added the time perspective into the analysis and showed that domestic work itself was not stable and constant across the family life cycle. The family stories revealed that not only the nature of housework changed over time, e.g. caring for small children versus caring for adult children, but also the division of labour between household members, which is in line with the findings of Bianchi et al. (2012) and Oakley (2019). In all five cases, the first noticeable change was marked by the arrival of children. The share of domestic work then became more 'traditional' with women reducing, postponing or leaving the income-earning work to look after infants and their family home. Once the youngest child entered the formal education system, the division of labour gradually changed to a more egalitarian one with women returning to income-earning work and men increasing their participation in housework. For women, this change meant now balancing both the domestic work with income-earning activities. For men, the housework was more of a supportive nature rather than equal share. However, the traditionally 'male' tasks associated with repairing, building or landscaping were all done only by men. Eventually, the share of household tasks was also expanded to other members, including children. Over time, children evolve from being the creators of housework to the ones who also perform some of it.

As children grew, the adults within the household had more free time to spend on hobbies and interests, although some defined housework and gardening chores as also being accomplished within their free time.

> [F]: When I have free time, which isn't very often, I would say what I tend to do is see friends. I don't see them nearly as much as I used to, but see friends, read a book, go and see a movie. It's pretty, sort of, ordinary things. (…) And [*husband's name*] really just... he'll watch telly, or go to watch [*son's name*] play sports. [*Son's name*] plays cricket and rugby, so [*husband's name*] quite likes going to watch him. *(The oil producers)*

> [F]: So, that's...so we're going to a quiz night tonight and we're going to a cabaret night tomorrow night. (*The storage providers)*

> [M]: I play football one night a week. I am not very good but I enjoy to knock about the ball but I'm rubbish but everybody else... the good thing is that everybody else I play with most of them are just rubbish as well. (*The storage providers)*

> [F]: Gardening, I love gardening. Gardening, cooking, probably catching up with housework, you know, cleaning. That's probably my free time. I think because we are where we are, you know, we're so happy we don't need to go anywhere. We like to go on the walks around, or picnics and that kind of... you know. Yeah, quite happy just to potter around here. (*The deli meat producers*)

The topic of housework is rarely addressed in entrepreneurship domain, although some theoretical and empirical studies have explored the conflict arising from the overlap of family and work-related roles (Jennings & McDougald, 2007). This overlap is usually addressed by examining division of labour, hierarchy, control and management. For the case study participants, especially the female partners, the blending of income-earning and domestic work was possible mainly because of the flexibility in working hours offered by self-employment or business ownership (Wheelock, 1992). All cases developed a similar strategy of blending work with most of the income-earning work happening when children were at school. The following extracts are from the narratives of the female householder in Case Study 1: The oil producers whose experience provides a representative example of the evolution of couples into traditional patterns of income-earning and domestic work. She shows how the blending of these two types of work occurred, how it evolved from the moment when she was at home with her youngest child, and how she and her husband shared domestic work.

> [F]: It's funny, I feel as though I could have done a lot more. Because the first couple of years my daughter. Probably when [*husband's name*] first talked about it, I just had her, and she was about one or something. So, by the time we got started she was about two and a half. So, I felt the first couple of years we didn't really do much. I got the bottles right, but I feel I didn't put that much effort into it. And it's only been the last year or so that I feel that I've really pushed myself with it. And I've had time because she's been in school. She's in [*second grade*] now. So, she's been at school. So, I've had more time to dedicate more time to it, and do it really full time. (*The oil producers*)

> [F]: Probably I spend, so yesterday and today, I've been here doing emails and stuff. So, I probably work solidly from about half past eight. My daughter gets a bus about ten past eight in the morning. Then, I'll sort of tidy up. Probably from about half past eight until she comes in about three, I'm pretty solid doing [*the oil business*] stuff. Then, when she comes in, we might go to get shopping or might be doing her homework with her. So probably have a break for a bit. But I might then still nip in and out, do emails and things, check emails and stuff. So, I maybe do another hour or two between three and about six or seven. Then, when she's down in bed at night, I quite often do another hour or two in the evening. If I'm not here just doing emails and things, I'm quite often at events, or shows, or away. *(The oil producers)*

> [F]: I'm always saying to other friends about it, especially if they're in business themselves that it's such a juggle, because you're constantly feeling you're not giving enough time to the kids. Not giving enough time to the business. Not giving enough time to friends and family, extended family. That you're not giving enough time to yourself. That you're not…, that they're… oh gosh, you could do with doing this in the house. You should really do that, clear out that cupboard. So, it feels like you're stretched but there is never enough time to do all the things you want to do. *(The oil producers)*

> [F]: And what I was saying about the school bus, that's works out brilliantly. Because if I had to go and pick her up from school every day and bring her back, by the time you wait in the playground, it would be a forty-five-minute round trip. And I have to do that twice a day. An hour and a half of my time every day. Just to take her to school and pick her up. The fact she gets dropped off on a bus. Plus, quite often if I'm away doing something, [*husband's name*] wouldn't want to have to leave what he's doing to pick her up from school and bring her back. The fact she gets delivered on a bus, it means that she can just hop off the bus and go and find him in the factory. So, it's great, because it really is very time efficient for us. Because she gets dropped off the bus. It means I don't need to worry, when I'm away at things I know that he's always here and she'll go and find him when she comes back. And I remind him she'll be off the bus and things. *(The oil producers)*

> [F]: Yeah, I mean he [*about Greg*] will help and sort of do the dishwasher and things like that. When he was around more, he used to cook and do lots more help. But now, he's just so stretched time wise between running a farm and doing the oil that I've tended to take over and do all the household stuff as I'm around in here more. And he's just got so much on with doing the oil and the farm. So, he will occasionally help out, but mostly it's me who does all the household stuff. *(The oil producers)*

> [F]: I think he [*about Greg*] does more [*the oil business*] work... well, no. Let's say farm and [*the oil business*] combined, he works more than me I would say. He works more hours than me, but then I do all the family stuff. I do all the food shopping and cooking and running the kids around mostly. He does the odd thing with them, but I would say I do the bulk of that. So, he does more work hours, he has less free time to himself, but I suppose I don't have any more free time to myself than him, but it's just that I don't do as much work because I'm doing family stuff. *(The oil producers)*

Across all five entrepreneurial household case studies, the female partners articulated changes in work patterns following the arrival of children into the relationship. From their previous lives where they had worked full time, their lives focused only on childcare and the home. Once children started school their time was freed up for further income-earning activities which enriched the household.

> [F]: I had a store with second hand clothes. My husband helped me, and in the meantime, he had another job, they were laying optical fibres. But usually he worked out of town. Before we had children, I had worked in a network of grocery stores, and left the job while I was on my maternity leave for 10 years. The kids were born one by one, and I was entitled to maternity benefit, so I took advantage of it… I was paid and stayed at home. We had a lot of kids so I there was a lot of work to do with them and at home. (*The restaurateurs*)

> [F]: When my children were little, up to a certain age, you could say, they had mummy available 24/7. Later on, gradually, I returned to work, we did have a business in [*home country*], too, second-hand shop with clothes actually, but we gradually tried to make them used to the fact that mummy wasn't available 24/7. (*The restaurateurs*)

> [F]When he started the business. I wasn't really involved at that time, I was having children, I had young babies so I was at home. In the background, I was supporting him, but it was really his thing starting this business. (*The deli meat producers*)

> [F]: For these 5 years, I practically didn't work here as we were quite ok, in financial terms, so I didn't have to work on a regular basis. Just from time to time I used to clean some houses and nothing more… so most of the time I didn't work. (*The builders*)

> [F]: Oh, so we're much, much better off financially because I work a lot more than when the children were little as well. (*The storage providers*)

As children grew up and went to school, the female partners typically blended domestic work with income-earning work, though the challenge of balancing the demands of a business with the needs of their children dominated their daily lives.

> [F]: So, they're at school from nine o'clock, so, I go in the office and work till they get back from school which is about half past three. I will still pick up phone calls but I don't have to be there. That's always been really important for us. (*The deli meat producers*)

> [f]: I think at the beginning it felt more, like, there would be a feeling of panic if you were not doing enough business stuff, and if you weren't doing it in the evenings and stuff. And, I think now having a little bit of success and growing the business a bit you feel a bit more that you can give family life the attention that it needs and not worry about the business failing or something because of it. So, I think that it feels easier now, and there are more demands from the business than ever, but it's just that ability to be able to say no to business stuff in favour of family life. I feel that I've got stronger in doing that. *(The oil producers)*

> [F]: During the week it tends to vary. When I have clients, then I deal with them, when I have to go to work in the laundry, I go there as well. I take [*son's name*] to school, drop him off and go to work at 9 am. Then I take him back home and go to the laundry at 1 pm. Most of my clients prefer afternoons or evenings. I know most of them anyway, so I try to be flexible and they can come in even at 6 pm. They can't go anywhere else at this time and their work pattern does not allow them, so... Most of my clients are like this. And during the day, regardless if I have to go to the laundry or not, I usually go to the bank, make some payments or process wages, contact our accountant, do the paperwork, prepare dinner, tidy up, see a lawyer, things like that. That's how it looks like. When my husband comes back from work, he usually still does something at home. For example, recently he was working on our roof, because it was leaking. (*The builders*)

The interviews also focused on the extent to which the male partners participated in domestic work. While in some household's domestic work was shared more equally than in others, all the case households managed to create an environment where work of some sort was accomplished more or less equitably between the adult householders.

> [M]: No. No, not share. I try to help my wife from time to time. But I do majority of work here. [F]: Yes, my husband does work more here, I do work more at home. [M]: I do so much cooking here, that at home, I can't even look at the pots. (*The restaurateurs*)

> [F]: All home tasks we share. So, I do washing, ironing, tidy up, clean mess, clean floor, whatever needs to be done, if I'm in the kitchen I cook. [I]: How do you reach an agreement? [M]: It's a balance. [F]: Yes, it is because I probably travel most for the business. If we have to go somewhere then it's probably me doing it. So, then he takes over at home. He does forget things sometimes. Last night, one of the boys didn't go to his accordion lesson when he should have but… [John]: You have to be flexible but we like that. [F]: You have different priorities. You can't be too fussy, if you think you've tidied the kitchen and then I think it's not quite finished yet but then there are other things that I'm not at and he thinks I am. [M]: I like doing all the washing and getting it dried it's something that has to be done. It is satisfaction, when it's dry and I fold it up, it's nice it's done. I feel really useful when I do that. [F]: Probably in the house we do whatever needs doing but in the business we've got more lines about what I do and what he does. (*The deli meat producers*)

> [F]: So, he [*about M*] probably works the same amount as me. Because I'm more out for the kids. So, he probably works the same amount as me in the oil. And then the odd day he does farm stuff. And weekends he often catches up on farm things that he has to do. *(The oil producers)*

As children grew into teenagers and young adults, they were also expected to undertake some domestic work duties, although the process of integrating adult children into household production lasted several years.

> [F]: Yes, our daughter doesn't go to college on Tuesday and Wednesday, so she is free. [M]: Also from home… [Laughter] [F]: No, she is helping a bit… [M]: Obviously, as you would expect from children. [F]: She helps me hang out the washing, helps me do the ironing. [M]: Sometimes, when I am at a construction site, she also helps a little bit. [F]: Yes, I used to work on Tuesday and Wednesday in the afternoon, so she, as I said, our son finishes school early, so she would help with the dinner or something. They are big enough now, so they can help. On a Saturday, we usually do the tidying up. They also have their own duties, so to avoid being called unfair, on Saturday, one of them would do this and that, but next week they swap and their duties change. However, we always treat Sunday as holiday and me and the rest of the family are not interested if anyone calls him or not. (*The builders*)

There is an implicit assumption that the division of work in an entrepreneurial household happens almost exclusively between the couple. The implication being that that only wives and husbands, and occasionally children, perform the domestic tasks of a household. With only one minor exception, the study found no acknowledgment of the possibility of outsourcing domestic work or that someone other than a husband or wife might perform some of the housework. In Case Study 2: The storage providers, the female respondents mentioned her parents providing childcare, but admitted that it was only marginal as they all had to work.

> [F]: Sometimes you're not there and sometimes I'm not there but we don't have any childcare. We've never had any childcare. [I]: But you have had your family around? [Mt]: They've done a lot. [F] Yeah, they have done a lot but they worked as well when they were little so we've mainly done it ourselves. (*The storage providers*)

> [F]: I spent 11 years with the children, you know... bringing them up and basically, you know, just on our own. We didn't have to put them in nursery or what have you so that to me was... you couldn't have done that if you were in a job. So, if I have to work harder now or if I have to work until I was 70 I don't mind because what I did... I was there when they were little, definitely. … So… yes... and then self-employment lets you do that because obviously in a... as an employee you would have to retire at a certain age maybe. (*The storage providers*)

7.6. Voluntary Work

Several of the entrepreneurial households participating in this study were also involved in unpaid and voluntary (house)work outside the household unit, a phenomenon also noted by Wheelock (1992) in her analysis of small business family work strategies.

While not occupying to the same degree as work performed to earn income or work done domestically, the instances of voluntary and unpaid tasks carried out for others, either as domestic work or volunteering in an altruistic sense of the term, support a more recent discussion led by sociologists such as Eichler & Albanese (2007). Pointing to the implicit assumption that unpaid housework is only performed within one's own home, and usually only by husbands and wives, Eichler & Albanese (2007) suggest incorporating into analysis the inter-household, inter-institutional and community dimensions of domestic production.

Looking closely at the reported instances, voluntary and unpaid work outside household boundaries was performed by both men and women. However, when these activities were of a domestic or caring character, the work was mostly done by women, and the beneficiaries were close relatives, neighbours, friends, and the wider community. One specific form of voluntary work entailed caring including childcare offered to other households (Case Study 4: The restaurateurs, Case Study 5: The builders), and caring for elderly parents living alone (Case Study 4: The restaurateurs) and disabled friends (Case Study 2: The storage providers). Other types of voluntary work included domestic repairs and essential renovations (Case Study 2: The storage providers, Case Study 5: The builders), typically undertaken by male householders. Finally, the case households were involved in supporting local communities, for example, helping migrant community members to access health care in their native language (Case Study 4: The restaurateurs); providing space and taking care of the storage containers for local community groups (Case Study 2: The storage providers); and raising money for local charities (Case Study 1: The oil producers). Within each household, voluntary work made use of resources available in the business or household that were used to benefit or support people outside of the household. These resources included assets available in the entrepreneurial household, such as storage facilities or building materials given to the wider community free of charge, or personal labour given in their free time. The following quotations provide examples of the types of voluntary work undertaken by the case study households.

> [F]: The grandchildren visit us here, as we are here all the time, my daughter picks up my granddaughter from nursery nearby, so they sometimes drop by to eat dinner here. *(The restaurateurs)*

> [F]: We know the names of many of our guests, we know what they do. It may seem strange, but sometimes there comes a guest, for instance, a woman with broken arm, and she needs an orthopaedist. Of course, there are Scottish doctors, but it is hard for us [*nationality*] to use specialist language. And I can tell that woman that a [*nationality*] orthopaedist frequently visits us, and that I can arrange a meeting for them, or ask the doctor for his phone number. *(The restaurateurs)*

> [F]: I have a friend who's got [*the health condition*] and I would like to be able to take her out for coffee or see her sometimes because at the weekend she wants to spend time with her boys and her husband. She doesn't want to go out at the weekends. She would like to go out for lunch on a Wednesday or something and I'm never... I managed once to take her out last year. Because she's very good company. She's just... I'd like to do a wee bit more of that but you can't do everything. *(The storage providers)*

> [M]: We've got 48 containers. Yes, not all let though. Well, we don't have… well… and we have… three community groups have three of them so we only have 45 really. (…) They've bought their containers but we let them keep the containers here. [Ann]: I always think about it in terms of tenants. *(The storage providers)*

> [F]: I just thought of it and I thought, well, if I don't do it no one else is going to do it and I just thought it was a really good idea. And I think, oh, I haven't really got the time to do this, but I think, well, if I don't do it no one else is going to and I could see how it could really work to generate money for charities and things. *(The oil producers)*

> [F]: I suppose I think, well, maybe two or three evenings a week I'll sit and watch TV in the evening and quite often I can't be bothered really watching TV, but I can't really be bothered reading a book. So, I think even if it's just a couple of hours two or three times a week that I'm doing [*the name of the initiative*] stuff then I'll... and I'm motivated to do it, so it's, like, okay, I won't have as much time to myself for six months to help get it off the ground. But I think, you know, it's worth doing, so I'll make the time for it. *(The oil producers)*

> [F]: My husband did not take any payment for this work, they only gave us for the materials. *(The builders)*

The subject of voluntary work performed by entrepreneurial households emerged through interview conversations and was not a focus for the interviews. As the case study households are not a representative sample, it is difficult to generalise about whether voluntary work contributions are higher or lower in these entrepreneurial households than in other households. However, relying only on the few examples provided by the participants themselves, it would be an oversight not to include these activities in a broader discussion of the work undertaken by entrepreneurial households. Clearly, these additional activities are not without effect on the amount and type of work that is already performed by household members themselves. While there is a strong undercurrent of public-spirited altruism in their actions, it is also the case that entrepreneurial households benefitted when their voluntaristic work was reciprocated. In one specific case, a kindness offered to a case study household by a near relative triggered reciprocal processes and mutual exchange of unpaid labour across households (Case Study 5: The builders).

> [F]: We were lucky this winter. My sister has a house here, with quite a large garden, and they are still repairing it as they have just bought it, so the garden has still not been arranged the way they like it. And we were lucky because we could keep the scaffoldings at their place. They agreed and suggested we could do so, so right now there is no problem. I take care of her child, to return the favour… they keep our scaffoldings and we can manage that way. [M]: [*nationality*] are inventive. [*Laughter*] [F]: Yes, this has saved us so far.

Hence, the cross-household exchange of voluntary work and unpaid labour not only exists but may be materially valuable in financial terms, especially if the services they offered each other had to be sourced independently on the market.

7.7. Entrepreneurial Households and Their Economic Organisation: Production and Consumption

The overarching goal of this thesis was to deepen our understanding of the economic organisation of entrepreneurs' domestic lives, providing insight into how they sustain the economic well-being of their households (Carter, 2011; Aldrich, et al., 2021). To achieve this, the research employed a qualitative-dominant mixed methods approach (Johnson, et al., 2007), integrating quantitative data to complement the primarily qualitative investigation. The inclusion of a quantitative element, i.e. the secondary survey analysis, served to support and enrich the core qualitative inquiry – a comparative multi-case study structured around the daily lives of small-business owning households. This complex research framework necessitated a multi-layered analysis, with each stage of the research process building on the preceding one, following the principle of the hermeneutic circle (Gummesson, 1991). This section synthesises the findings from the three empirical chapters, including this one, to progressively refine and deepen our understanding of how entrepreneurs function economically to sustain their households.

The first empirical chapter (Chapter 5) began the examination of household economic organisation by focusing on the concept of household wealth, providing insights into how entrepreneurial households accumulate assets and save, especially in comparison to non-entrepreneurial households. Drawing on data from the Wealth and Assets Survey (WAS), the analysis concentrated on the size, composition, and distribution of wealth owned by entrepreneurial (self-employed) households compared to employee households, with additional consideration given to income and its sources. The findings in this chapter aligned with the prevailing view that entrepreneurs tend to be wealthier than those in paid employment (Quadrini, 2000; Bradford, 2003; Cagetti & De Nardi, 2006; Mwaura & Carter, 2015), as the analysis demonstrated that entrepreneurial households possess significantly greater wealth than other households.

As discussed in Chapter 5, there are several explanations in the literature for the higher savings rates observed among entrepreneurs (Quadrini, 1999; Gentry & Hubbard, 2000; De Nardi, et al., 2007; Buera, 2008). This analysis, however, extended previous studies by identifying specific areas where wealth concentration differed between entrepreneurial and employee households. It provided a detailed breakdown of asset holdings, examining categories such as housing, pensions, financial, and physical assets. The analysis revealed significantly higher property ownership values among entrepreneurial households, supporting a more recent explanation for higher savings rates across different socio-economic groups, known as ‘saving by holding’ (Fagereng, et al., 2019). This theory suggests that the relationship between saving rates and wealth depends on the inclusion of capital gains, and that wealthier households tend to hold assets such as stocks and housing while consuming very little of the capital gains they generate (Fagereng, et al., 2019). In the context of this study, it implies that wealth concentration among entrepreneurial households, whose portfolios are characterised by a dominance of housing assets, can be explained by the persistent capital gains and compounding effects associated with these assets. However, further research is still needed.

While the primary focus of Chapter 5 was to examine different wealth accumulation patterns between self-employed and employee households, the survey analysis also provided some preliminary insights into income sources among these groups. The findings indicated that while employee households generated the vast majority of their income through employment, self-employed households derived income from multiple sources, with self-employment contributing less than half of the overall household budget. Recognising that the WAS analysis might not fully capture the complexity of income generation strategies within entrepreneurial households, especially over time, Chapter 6 and Chapter 7 delved deeper into this subject, providing qualitative insights into how entrepreneurial households earn their livelihoods and offering further perspectives on household economic organisation.

As such, Chapter 6 focused on the subject of income of entrepreneurs by exploring how their households earn income in the formal economy, broadening the research focus to the full spectrum of income-earning activities, particularly beyond the operation of the primary business, and to household members as economic actors involved in these processes. A comparative multi-case study was conducted, and the first stage of analysis focused on investigating each case individually using a narrative biographical approach (Rosenthal, 1993; Rosenthal, 2004; Rosenthal, 2006) to reconstruct household life histories. This approach allowed for an exploration of the interface between household life courses and the income-earning activities of all household members over time.

The findings from the reconstructed life histories confirmed the results of the previous chapter; namely, that primary business ventures were just one component of a more intricate set of economic activities undertaken by household members. These findings supported earlier studies that argue entrepreneurs' economic activities extend beyond owning a single firm to encompass multiple income sources (Baines, et al., 2003; Carter, et al., 2004; De Massis, et al., 2021). However, this chapter advanced previous research by demonstrating how the household business is often intertwined with and dependent on other economic activities and household members, with adaptation and change being prominent throughout the process. Rather than functioning as an isolated entity that replaces other economic connections, the household business frequently integrates into existing relationships between the household and the broader economy (Baines, et al., 2002). This challenges the common approach of studying entrepreneurial income by focusing solely on the operating business, overlooking the wider economic connections that contribute to household well-being (Sorgner, et al., 2017; Halvarsson, et al., 2018; De Massis, et al., 2021). Notably, the reconstructed life histories provided examples of household provisioning that draw not only on market resources but also on state resources (e.g., social security transfers) and domestic resources, all within the complex institutional environment of the household, as explored in greater depth in the final empirical chapter (Chapter 7).

In summary, Chapter 5 focused on asset accumulation patterns, while Chapter 6 examined the income-generating activities of entrepreneurs and their households. It is important to recognise that these two areas, when combined, provide valuable insights into the consumption capabilities of these household units. In conventional economic terms, consumption is considered a good that provides positive utility, with accumulated wealth and income serving as proxies for household well-being (Oughton & Wheelock, 2003; Oughton & Wheelock, 2006). In contrast, involvement in production can be viewed as a disutility, a sacrifice of well-being, since its primary function is to generate household income (Oughton & Wheelock, 2006). However, as will be demonstrated in the following section of the discussion, the household provisioning system, which encompasses all activities that meet the needs and wants of its members, integrates both consumption as well as production elements (Thompson, 1989; Applebaum, 1992; Smith & Wallerstein, 1992; Wheelock, 1992; Oughton & Wheelock, 2006). As such, Oughton and Wheelock (2006) advocate for a broader theoretical perspective on household capabilities, which provide the means to achieve well-being by viewing household production and consumption holistically, as complementary rather than opposing forces. They argue “that consumption capabilities may be important in demonstrating fitness to participate in production activities, and that production activities in small business households may provide consumption benefits, for example for those who see themselves as entrepreneurs” (Oughton & Wheelock, 2006, p. 98).

While the wealth and income of entrepreneurs have traditionally been regarded as resources that can be converted into the livelihood capabilities of their households (Carter, 2011), the everyday work of entrepreneurs and their families deeply embedded in the micro-practices of the enterprise, has been largely overlooked in academic research (Welter, et al., 2017; Dodd, et al., 2021). This omission has resulted in the broader theoretical discussion failing to acknowledge work as an equally important element of household functioning, which provides the productive resources necessary to sustain household livelihood (Carter, 2011). To address this gap, Chapter 7 expanded the examination of household economic organisation and functioning from the focus on asset accumulation patterns (Chapter 5) and income-generating activities (Chapter 6) as proxies for well-being, to the broader concept of work within entrepreneurial households, which is essential for sustaining household livelihood (Oughton & Wheelock, 2006). To achieve this, a cross-case comparison of entrepreneurial households was conducted, investigating household provisioning strategies from a wider perspective of work (what entrepreneurial households do) and labour (who performs which tasks).

The findings presented in Chapter 7 demonstrated that production capabilities within entrepreneurial households were both extensive and diverse across the case studies. As previously mentioned, in conventional economic terms, household production performs the instrumental function of bringing in a household income (Oughton & Wheelock, 2003; Oughton & Wheelock, 2006). However, the analysis revealed that production activities within entrepreneurial households encompassed a wide range of tasks, including unpaid work, which provided intrinsic value in its own right and contributed significantly to household livelihood and well-being. Thus, the work performed by members of entrepreneurial households was broadly categorised into two types. First, there was instrumental work, undertaken for the income it generated. As detailed in Chapter 6, this income-earning work ranged from full-time and part-time waged employment, self-employment, and casual or ad-hoc jobs to work within the household business. Some households even expanded their activities to include the ownership of multiple businesses over time. Second, there was unpaid work of intrinsic value, performed for its own sake or for self-consumption, and therefore without direct financial reward. This included domestic work within the household that benefited its members, i.e., work performed for use rather than monetary gain, as well as voluntary work typically undertaken outside the household for the benefit of the broader community.

While instrumental work already demonstrated substantial diversity in the income-generation strategies of entrepreneurial households, it is important to note that intrinsic work also showed significant variation in both quantity and type. This diversity was arguably made possible by the flexibility that comes with running a household business, which allows for dynamic adjustments to work, labour, and resources in a way that maintains both business operations and household functioning, offering a clear advantage over other occupational groups (Wheelock, 1992; Alsos, et al., 2014). Although the market and income remained important for household provisioning, the findings clearly indicated that they were not the sole forms of economic relations. As such, production capabilities in entrepreneurial households held both intrinsic and instrumental value, aligning with the arguments of Oughton and Wheelock (2006), who suggest that work is appreciated not only for the income it generates but also for the satisfaction, fulfilment, and household reproduction capabilities it provides.

The execution of these diverse forms of work was carried out by labour drawn from three distinct spheres: the domestic economy (household members), the social economy (friends, extended family, and neighbours), and the formal economy (market-sourced labour). While each played a critical role in sustaining household production capabilities, a cross-case comparison revealed a clear preference for relying on domestic labour over external market labour, as it was readily available and generally incurred no additional costs, regardless of the type of work performed. These findings align with the earlier work of Wheelock (1992), who highlighted the importance of domestic labour in entrepreneurial families, arguing that "labour is generally seen as the major resource at the disposal of the small business" (Wheelock, 1992, p. 154). Wheelock further noted that "members of a family do not just have one work role" and are often able to perform multiple types of work simultaneously (Wheelock, 1992, p. 154). In the cases examined, full-time external employment was rare; instead, the majority of the workforce consisted of household members – typically a husband-wife team, their children, and occasionally extended family, family friends, or part-time, ad hoc, or subcontracted external labour. Female household labour, in particular, displayed remarkable adaptability, as women often adjusted their domestic tasks to accommodate business needs and vice versa. This underscored the essential role of household members in maintaining the economic stability of entrepreneurial households. Family labour emerged as a cornerstone of the survival and livelihood strategies adopted by these households, with income-generating work and work performed for the family unit deeply intertwined (Alsos, et al., 2014; Molina, 2020).

The observed flexibility in the work strategies and the use of household workforce, which could be easily expanded or contracted depending on the market conditions or household and personal needs, emerged in this chapter as important characteristics of the economic functioning of entrepreneurial households. However, these insights are also crucial in underpinning the approach to decision making in the distribution of household resources, including production and consumption. As there was instrumental and intrinsic value associated with household work, the reasoning behind the decision making with respect to these processes was also of dual nature, i.e. formal, guided by the principle of economic gain, and substantive, based on normative reasons (Oughton & Wheelock, 2003; Oughton & Wheelock, 2006).

In the cases examined, multiple forces shaped individuals' decision-making related to household consumption, labour, and business life. These influences stemmed not only from market dynamics, financial insecurity, and economic risks associated with business ventures, but also from complex social relationships, cultural norms, and values that framed the context of household provisioning. Together, these factors constrained, mediated, and guided individual behaviour, as economic actions were deeply embedded within the household's livelihood economy and the broader environment shaped by social, economic, and normative institutions (Oughton & Wheelock, 2003). The concept of "purposive choice" was particularly useful in explaining this observed approach to decision-making regarding production and consumption. It framed the choices of entrepreneurs and their household members as responses to structural constraints, shaped by both economic factors and socially constructed preferences and norms, rather than purely rational or irrational behaviour (Folbre, 1994).

The reconstructed life histories also revealed that individuals within households held varying degrees of decision-making power over economic matters. This disparity in power impacted both the relative and absolute well-being of individuals and the household as a whole, highlighting the significance of individual agency and group membership in understanding the economic functioning of entrepreneurial households. The intrinsic value of living and working together emerged as a core component of household life, with collective and individual roles contributing to the overall well-being of household members.

In conclusion, building on the findings of this study, this thesis has argued that entrepreneurial households organise the economic aspects of their domestic lives in ways that are distinct from those of other occupational groups. Examining these complex processes provided valuable insights into household provisioning and the pursuit of well-being, which can be considered fundamental economic challenges (Oughton & Wheelock, 2006; Stiglitz, et al., 2009; Carter, 2011; Aldrich, et al., 2021). This thesis employed a mixed-methods approach, using both quantitative and qualitative data, to develop a holistic understanding of how economic well-being is constructed within entrepreneurial households. The study examined both the consumption (wealth and income) and production capabilities (work and labour) of these households, offering additional insights into how these resources were distributed among household members.

Empirical evidence demonstrated that, in comparison to other occupational groups, entrepreneurial households tend to accumulate more assets, particularly in the form of housing, and diversify their income sources, often relying on multiple revenue streams beyond just business income. This is further reflected in their extensive and varied production capabilities, which hold both intrinsic and instrumental value. The flexibility inherent in running a household business appears to provide a competitive advantage, allowing entrepreneurial households to engage in diverse forms of work and labour that contribute significantly to household well-being. These forms of work are often fulfilled by drawing on domestic labour sources rather than external ones, reflecting a clear preference for household-based resources. Finally, the economic functioning of entrepreneurial households is shaped by decision-making processes that draw on both formal rationality (such as economic gain or financial risk calculations) and substantive rationality (considerations of social and cultural values).

A key contribution of this chapter to the understanding of the economic organisation of entrepreneurial households is its illumination of the dual economic nature of work within these households, encompassing both instrumental and intrinsic nature. Unlike traditional economic models that emphasise income generation as the primary function of household production (the focus of Chapter 6), these findings reveal a complex ecosystem of both paid and unpaid labour that sustains household well-being. By highlighting the diversity of work strategies, spanning income-earning, domestic, and voluntary activities, and the adaptability of household members, particularly in balancing business and domestic tasks, this chapter advances our understanding of entrepreneurial resilience and resourcefulness (Wheelock, 1992; Alsos, et al., 2014). This resilience is particularly evident but often under-examined among ‘everyday’ entrepreneurs (Kibria, 1994; Gras & Nason, 2015; Welter, et al., 2017).

Another important contribution of this chapter is its insights into the processes that enable entrepreneurial households to maintain economic stability. The flexibility afforded by household-run businesses allows for dynamic adjustments in labour allocation, enabling households to respond fluidly to shifting economic and personal needs – an advantage not typically available to other occupational groups (Wheelock, 1992; Alsos, et al., 2014). Furthermore, this chapter reveals how decision-making processes within these households are shaped by both economic motivations and normative values (Folbre, 1994), illustrating the embeddedness of entrepreneurial actions within broader social and cultural contexts. This challenges traditional economic assumptions about purely rational decision-making (Becker, 1974; Becker, 1981) and offers a more nuanced perspective on the everyday economic practices within entrepreneurial households.

This analysis concludes the empirical chapters, providing a foundation for the final discussion in the concluding chapter, where these insights will be integrated.

7.8. Conclusion

This chapter has delved into the nature of work and labour within entrepreneurial households, with a particular focus on income-earning work, domestic work, and voluntary work. It has also examined the specific sources of labour derived from the domestic, social, and formal economies. The experiences of the case households start to illuminate some of the less well understood dimensions of entrepreneurial households, including the nature of work, access to resources and their allocation, gendered task allocation between spouses, and the distribution of work and leisure. The cases highlight the power of the narrative biographical approach and its storied form, which allowed insights into the full range of economic activities and income-earning work these households performed over time, and showed how family work strategies adapt over time in response to family life cycle stages, changes in the economy, and stage of business development. Within the entrepreneurial household, work is characterised by greater flexibility in terms of skills exercised and with little demarcation between types of work. The ability to flex household labour is an important management strategy helping an entrepreneurial household to maintain its livelihood.

CHAPTER EIGHT

CONCLUSION

8.1. Introduction

The overarching aim of this thesis was to explore the economic organisation of the domestic lives of entrepreneurs as a foundation for understanding how entrepreneurs make a living and sustain the economic well-being of their households (Carter, 2011; Aldrich, et al., 2021). In so doing, the study aimed to contribute to a greater appreciation of the daily experiences of 'everyday' entrepreneurs and their households (Welter, et al., 2017). These aims were addressed through the following research questions:

> **RQ 1: Do entrepreneurial households have different patterns of income generation and wealth accumulation compared to other (non-entrepreneurial) households?**
>
> **RQ 2: How do entrepreneurial households earn their livelihoods?**
>
> **RQ 3: How do entrepreneurial households provision themselves through work and labour?**

To address these questions, the study adopted a mixed methods design, incorporating quantitative data into the primarily qualitative research project (Johnson, et al., 2007). Stage one entailed a secondary analysis of the UK Wealth and Assets Survey (WAS) which examined the size, composition, and distribution of income and wealth across the population of self-employed, employees, and all private British households. This analysis aimed to assess whether entrepreneurial households have different patterns of income generation and wealth accumulation compared to employee households (RQ 1), and if so, to justify the subsequent qualitative stage of the inquiry.

Stage two employed a comparative multi-case approach to gain a contextual understanding of the economic functioning of ‘everyday’ entrepreneurs and their households (Welter, et al., 2017). The study delved into detail on how entrepreneurial households earn their livelihoods (RQ 2) by exploring the interface between the household life course and various income-earning activities over time. Building upon these insights, the study subsequently focused on a cross-case comparison of household provisioning from a broader and more holistic perspective of work and labour within entrepreneurial households (RQ 3).

The remainder of this chapter provides a summary of the findings from each stage of the inquiry, followed by a discussion of the study’s contributions, directions for future research, and benefits. The chapter concludes with an outline of the study’s limitations and final reflections.

8.2. Summary of the Findings

8.2.1. Stage one: Secondary Analysis of WAS

The key findings from the secondary analysis of WAS demonstrated that the UK self-employed households exhibit a different pattern of wealth and asset accumulation compared to the UK employee households (RQ 1). Specifically, the analysis of the relative contribution of each of the four wealth components to household total net wealth showed that in 2012/14, employee households owned 42% of private pension wealth, 31% of property wealth, 16.1% of financial wealth, and 10.9% of physical wealth. Interestingly, for self-employed households, the two most significant components of total net wealth had a reversed share order. For instance, in 2012/14, self-employed households owned 46% of property wealth, 30.3% of private pension wealth, 12% of financial and 11.7% of physical wealth.

If private pension wealth is excluded from the analysis, as it is not immediately accessible for most individuals, the differences in ownership of the four wealth components to total household wealth between the two population groups would be even more pronounced. For example, in 2012/14, employee households would have owned 53.5% of property wealth, 27.7% of financial wealth and 18.8% of physical wealth. In contrast, self-employed households would have enjoyed 66% of property wealth but only 17.2% of financial wealth and 16.8% of physical wealth in the same survey period.

Differences between self-employed and employee households were also apparent when distributional measures were concerned. Starting from the ‘middle’ values, the medians of total household wealth were markedly higher for the self-employed households than for employees (or all GB households) and this difference, although decreased over time, was evident in each survey period (Table 5.4.). For example, in 2012/14, the median total household wealth for employee households was £216,900 (at current values, not adjusted for inflation). In contrast, the median total household wealth for the self-employed was £276,775 in the same survey period.

The comparison of central tendencies for each wealth component also showed that the medians of property, financial and physical wealth were markedly higher for self-employed than for employee households (Table 5.4. and Chart 5.2.). For example, the median property wealth for the employees was £70,000 in 2012/14 (at current values, not adjusted for inflation), whereas, for the self-employed, it was £124,000. In contrast, the median of private pension wealth was significantly lower for the self-employed (£27,918 in 2012/14) compared to the employees (£57,661 in 2012/14), and this was evident across all survey periods.

The more detailed analysis of the wealth distribution focused on deciles (the Palma ratio – Table 5.16.) and inequality measures (the Gini coefficient – Table 5.15.) showed that total household wealth and its four components were slightly more equally distributed across the population of self-employed rather than employee households. There are also differences in wealth concentration across the two populations of households (Table 5.16.). For example, in 2012/14, the bottom 40% of self-employed owned 3.25% of property wealth, whereas the same distributional group of employee households – 2.2%. In contrast, the richest 10% of the self-employed owned 43.7% of property wealth, and the same group of employees – 46.1%. In the case of financial wealth, the differences were evident at the top of the distribution. For example, in 2012/14, the bottom 40% of self-employed owned 1.7% of financial wealth, whereas employee households – 1.2%. The top 10% of the self-employed owned 59.31% of financial wealth in contrast to 76.8% owned by the richest employee households.

Private pension wealth was markedly more accumulated by the self-employed households placed at the top 10% of the distribution (61.3% of wealth ownership) than by the employees in the same position (51.6%). There was, however, less private pension wealth accumulated by the self-employed in the lower deciles (0.6%) compared to employee households (1.5%). There was slightly less physical wealth accumulated by the self-employed across all decile groups except for the top 10%. The richest 10% of self-employed households owned 32.2% of physical wealth, whereas employee households – 29.9%.

Lastly, the income considerations revealed that despite the notable differences in total household wealth favouring the self-employed, the estimates for total household income at the 1st quartile, median and 3rd quartile are slightly higher for employee households (Table 5.17.). The structure of income sources for these two population groups also differed significantly (Table 5.18.). While the employee households generated the vast majority of their income through employment (84.7% in 2012/14), the self-employed had a more diverse structure of income sources that was not limited to their business activities. For example, the income generated from self-employment accounted for 48.9% of total household income for this group, whereas 29% was derived from employment.

Interestingly, there were also variations in the income generated from the productive assets between the two household groups. For instance, in 2012/14, employee households received 5.6% of their total household income from investment and 1.8% from rent. In contrast, the investment income of the self-employed accounted for 4.1% of total household income, and 4.5% of the income generated through rent. Finally, the inequality measures (Tables 5.21. and 5.22.) showed that income was slightly more equally distributed for the employees than for self-employed households, but the differences were insignificant.

8.2.2. Stage Two: Case Studies of Entrepreneurial Households

In the second stage of the research process, a comparative multi-case approach provided an overview of the economic organisation of entrepreneurial households participating in the study. The analysis began by investigating each case individually, with the descriptive findings presented in Chapter 6. The narrative biographical approach (Rosenthal, 1993; Rosenthal, 2004; Rosenthal, 2006) was used to reconstruct life histories based on the stories collected during the data collection stage. Each case report followed a chronology of the household life course and aimed to explore the interaction between the household and income-earning work over time (RQ 2), focusing on transitions and the trajectories of these institutions and their varying degrees of synchronisation.

The reconstructed life histories revealed two axes of events: income events and demographic events. Income events traced the duration and movement of individuals across different income-generating activities, illustrating the complexity of income sources and the critical turning points in household livelihoods. Demographic events represented key life course transitions and provided insights into the circumstances under which household members chose to engage in business ownership, join an existing business, or contribute to the household budget through alternative economic activities.

Each case study highlighted the complex economic relations of the entrepreneurial households participating in the study, which extended beyond the ownership of a single firm. As the foundation of household economic behaviour lies in providing for the needs of its members, entrepreneurs and their household members engaged in various types of economic activities to sustain themselves in a changing economic, socio-cultural, and political environment. Over time, they engaged in a wide range of income-generating activities, including full-time and part-time waged employment, self-employment, casual or ad-hoc jobs, and work both within and outside the household business, to supplement the limited contribution of the household business to the household budget. Some households even expanded their income-generating activities to include ownership of multiple businesses.

The narrative biographical approach (Rosenthal, 1993; Rosenthal, 2004; Rosenthal, 2006) was effective in capturing this process. By reconstructing the life histories of entrepreneurial households, it became evident that entrepreneurs are connected to others throughout their lifespans and career trajectories. The application of a broader time frame allowed for analysing entrepreneurial actions in the context of individuals' entire life courses and the cumulative impact of their experiences. Change and adaptation were prominent themes in this process, as the households constantly adjusted their economic organisation and behaviour over time.

The individual case studies also highlighted the relationship between entrepreneurial households and their businesses. The household businesses were not treated as separate and unique entities by their owners but rather as integrated into the existing economic connections between the households and the formal economy. These findings emphasised that provisioning within entrepreneurial households, and thus sustaining their economic well-being, is a complex process involving multiple activities beyond the business itself.

In the subsequent stage, a cross-case comparison was conducted (Chapter 7) to further investigate household economic organisation and functioning. This stage shifted the focus from asset accumulation patterns (Chapter 5) and income-generating activities (Chapter 6) as proxies for well-being to the broader concept of work and labour as an equally prominent element of household provisioning (RQ 3). As highlighted in the individual case studies, the concept of work in entrepreneurial households goes beyond the ownership of a single business and includes various strategies for income earning and contribution to household budget at both the individual and household levels. As such, the cross-case comparison started with a detailed investigation of the different types of work performed by entrepreneurial households over time, examining how entrepreneurial households shaped and conditioned these work processes and how they affected the material well-being of household members. The analysis also looked at how entrepreneurial households utilised available labour to fulfil their professional commitments and household tasks.

The findings showed that the concept of work in entrepreneurial households was not only seen as a means to meet social and material needs but also as a framework through which resources were endowed with economic value. Work within entrepreneurial households held both intrinsic and instrumental value and encompassed income-earning work, domestic work undertaken within the household for the benefit of the household, and voluntary work typically performed outside the household for the benefit of the wider community. These types of work were performed by labour sourced across three spheres: the domestic economy sphere (the household members), the social economy sphere (friends, extended family, neighbours), and the formal economy sphere (the market-sourced labour). The cross-case comparison emphasised the preference for utilising unpaid internal (household) labour over external (market-sourced) paid labour, highlighting the vital contribution of household members in preserving the household economic integrity. Family labour was essential to the survival and livelihood strategies of entrepreneurial households, as income-generating work and family-related duties were closely intertwined.

This connection was also evident when examining the various forces that influenced decision-making around household consumption, labour, and business activities. These influences arose not only from market dynamics, financial insecurity, and economic risks tied to business ventures, but also from complex social relationships, cultural norms, and values that shaped household provisioning. In the case studies presented, the economic functioning of entrepreneurial households was guided by decision-making processes that balanced formal rationality (such as economic gain or risk assessment) with substantive rationality (considerations of social and cultural values).

In conclusion, the case study findings emphasise that earning livelihoods within entrepreneurial households is a complex process involving multiple activities beyond the business itself. The circulation of provisioning between the labour market, business ownership, and the immediate social circle of household members is vital for the economic preservation of these households. Establishing a business in an entrepreneurial household entails integrating a new system of economic relationships into family life. The flexibility necessary to achieve this integration is facilitated by the household's embeddedness in various networks, including household, family, and other social connections.

8.3. Research Contribution and Directions for Future Research

This section provides a final discussion that synthesises the key insights and contributions of the study, emphasising the broader implications of the findings. It also explores potential directions for future research and reflects on the overall impact and benefits of the study within the field.

A key contribution of this study lies in its illumination of the complex dynamics through which entrepreneurs and their households function economically and achieve well-being, challenging the traditional conceptualisation and measurement of economic well-being (Carter, 2011). Moving beyond the conventional focus on individual entrepreneurs and financial outcomes, this research advocates for a more integrated perspective that extends beyond narrow monetary measures (Stiglitz, et al., 2009; Carter, 2011). It emphasises the need to consider the household as a unit where economic activities are shaped by the contributions of each member, encompassing not only financial inputs but also skills, abilities, and potential that collectively support the household's resilience (Oughton & Wheelock, 2003; Oughton & Wheelock, 2006). The study's holistic approach provides a deeper, more nuanced understanding of livelihood capabilities, demonstrating how each member's agency and role contribute to the household's economic stability. This shift from individual entrepreneurial resources to the collective capacities of the entire household represents a substantial reorientation, presenting entrepreneurial households not as isolated units but as complex entities reliant on pooled resources, shared responsibilities, and collective agency (Carter, 2011; Alsos, et al., 2014; Carter, et al., 2015). The study reinforces the notion that entrepreneurial success and household economic resilience emerge from the interplay of individual and collective efforts, as household members engage in both business and domestic activities that sustain the economic stability of the household.

Another key contribution of this research is its illumination of household resources and the processes that underpin their transformation within the household sphere. This research reveals that household resources are not merely a sum of individual assets; they can be creatively combined and transformed, yielding greater flexibility and resilience (Wheelock, 1992). This capability to pool resources highlights how entrepreneurial households benefit from economies of scale, shared ownership, and collaborative access to resources, echoing the idea that "the resources that the household can draw on are more than the sum of resources available to the individual" (Oughton & Wheelock, 2006, p. 106). By exploring these collective dynamics, this study contributes to an expanded understanding of economic resilience in entrepreneurial families (Gras & Nason, 2015), demonstrating that household-level analysis is essential for fully grasping the economic strategies and well-being outcomes in these contexts (Baines, et al., 2002; Mwaura & Carter, 2015; Carter, et al., 2017). By situating entrepreneurial households within a broader context of interwoven resources, skills, and relationships, this study reinforces the value of examining entrepreneurial households as complex systems, whose well-being strategies reflect a dynamic interplay between individual and collective contributions (Roundy, et al., 2018).

Building on Aldrich and others (2021) call to expand the Family Embeddedness Perspective (FEP) beyond its current, limited application, this study centres the private lives of entrepreneurs and their households within its inquiry, emphasising the importance of understanding entrepreneurship in a broader social context (Welter, et al., 2019). By conceptualising the household as a set of both formal and informal institutional arrangements (Ellickson, 2008), this study extends the analytical scope of FEP to include household characteristics such as co-residence, domestic responsibilities, provisioning, economic interdependence, and cooperation (Mwaura & Carter, 2015). Unlike traditional family-focused approaches, the household perspective allows for a richer understanding of entrepreneurial dynamics by encompassing a broader spectrum of relationships, including extended family, local communities, and even the state (Baines, et al., 2002; Alsos, et al., 2014; Carter, et al., 2017). The findings reveal that entrepreneurial households frequently rely on resources beyond the immediate family, drawing on support from these extended networks to sustain and grow their ventures (Martens, et al., 2007; Kotha & George, 2012; Clough, et al., 2019). This interconnectedness underscores the blurred boundaries between entrepreneurial households and the wider social and economic landscape, highlighting their embeddedness within larger support networks (Wilk, 1989, 2019). By illuminating these complex linkages, this study not only contributes to FEP but also calls for a research shift that fully integrates household behaviours with broader social interactions (Wilk, 1989, 2019). Such an approach captures the full spectrum of influences shaping entrepreneurial households, advancing a more comprehensive understanding of the networked and embedded nature of entrepreneurship.

Through its qualitative findings, this study also contributes to the expanding discourse that challenges the dominant Silicon Valley model of entrepreneurship, often criticised for its narrow focus on outliers like unicorns and gazelles and its failure to address pressing economic and social issues (Welter, et al., 2017; Aldrich & Ruef, 2018; Dodd, et al., 2021; Audretsch, 2021). Scholars increasingly recognise that entrepreneurship encompasses a much broader range of organisations and behaviours than this model suggests, leading to a call for research that contextualises entrepreneurship to embrace diversity and explore often-overlooked forms of entrepreneurial activity (Welter, et al., 2017; Aldrich & Ruef, 2018; Welter, et al., 2019; Audretsch, 2021; Dodd, et al., 2021). By shifting focus to ‘everyday’ entrepreneurs and their households, this study offers insights that are more applicable to the realities of entrepreneurship, enriching theory with a more inclusive understanding of what it means to live and make a living within entrepreneurial households. This perspective also enhances our appreciation of the daily experiences of ‘everyday’ entrepreneurs, whose efforts represent the vast majority of entrepreneurial activity (Welter, et al., 2017; Aldrich & Ruef, 2018; Dodd, et al., 2021).

Despite its exploratory nature, the study provided a wealth of insights into the empirical literature on the economic functioning of entrepreneurial households. However, these insights are not exhaustive, and there are several directions in which the study can be further extended. Future research should continue to explore the distinctive ways in which entrepreneurial households organise and navigate their economic environment. This study has highlighted the complex interplay between business and domestic spheres, suggesting that future research could benefit from further examining these interconnected processes and how they influence household well-being. Investigating the specific roles and contributions of each household member in shaping these economic strategies may provide deeper insights into the intra-household dynamics that drive resilience and adaptability (Oughton & Wheelock, 2003; Oughton & Wheelock, 2006; Gras & Nason, 2015).

To broaden the scope and applicability of research findings, future studies should also include diverse household types beyond opposite-sex, married couples with dependent children (Aldrich, et al., 2021). This could involve examining childless households, single-parent households, and same-sex households. Exploring the intersectionality of identities within these clusters can deepen our understanding of how various factors, such as gender, ethnicity, and family structure, shape household dynamics and entrepreneurial experiences. Future research should also investigate how these intersecting identities influence resource allocation, decision-making, and the overall functioning of entrepreneurial households. Additionally, research should incorporate single-person households as a distinct category, recognising their growing significance and exploring the impact entrepreneurship has on the domestic lives of 'institutional individuals' (Aldrich, et al., 2021). By considering the unique dynamics within these households, a more comprehensive understanding of the economic organisation and material living conditions can be achieved.

Additionally, as this research underscored the importance of extended networks and broader support systems beyond the immediate family, future studies should examine the role of extended family, local communities, and institutional supports in entrepreneurial households. Expanding the Family Embeddedness Perspective (FEP) of Aldrich and others (2021) to include these diverse support networks could enhance our understanding of how entrepreneurial households sustain themselves and their ventures within larger social and economic ecosystems (Wilk, 1989, 2019). Research could investigate how these 'everyday' entrepreneurs and their households navigate economic challenges, prioritise well-being, and contribute to the social fabric of their communities. This approach will contribute to a more inclusive and realistic perspective on entrepreneurship, reflecting the lived experiences of the majority rather than the exceptional few (Welter, et al., 2017; Aldrich & Ruef, 2018; Dodd, et al., 2021).

Researchers interested in further exploring the distinct economic organisation of entrepreneurial households and seeking evidence that can be applied across different cultural contexts or generalised to broader populations should utilise multiple data sources to uncover a wider range of household economic behaviours. While the data sources used in this study proved valuable, they may not fully encompass the entirety of 'householding.' Incorporating additional data sources could provide a more comprehensive assessment of variations in household economic organisation and behaviour based on the occupational status of household members. As argued in this thesis (Stiglitz, et al., 2009; Carter, 2011), adopting a more holistic approach to measuring well-being within entrepreneurial households, especially one that goes beyond financial metrics to include social and emotional well-being, may yield a richer understanding of household resilience. Further investigation into how household strategies integrate both economic and non-economic goals could offer a fuller picture of the ways entrepreneurial households balance business demands with family life.

Lastly, future research should focus on evaluating the effectiveness of existing policies and interventions targeted at supporting entrepreneurial households. For example, policies targeted at self-employed individuals may need to be re-addressed in a household context, exploring a range of possible issues such as fair taxation, poverty reduction, income volatility, child poverty, access to healthcare, social security, education, affordable housing, and business support services. By considering the complexities and dynamics of entrepreneurial households, policymakers can develop evidence-based policies and interventions that are better aligned with the needs and aspirations of these households. This type of research has the potential to contribute to the well-being and economic growth of entrepreneurial households and foster a supportive environment for entrepreneurship.

This study offers benefits to various fields, including academia, small business, and family/household policymaking. From an academic perspective, it would be of interest to the following audiences. First, it would appeal to those considering the household as a unit of analysis, particularly as an alternative to or extension of the family and family business perspectives (Baines, et al., 2002; Mwaura & Carter, 2015; Carter, et al., 2017). Second, it benefits researchers exploring the material living conditions of entrepreneurs and their co-residents (Stiglitz, et al., 2009; Carter, 2011). Third, the findings are relevant to those seeking to understand the impact of entrepreneurship on families and households (Jennings, et al., 2013), those examining entrepreneurs' activities within the context of their entire lives (Aldrich & Cliff, 2003; Aldrich, et al., 2021), and those interested in everyday entrepreneurship (Welter, et al., 2017; Dodd, et al., 2021). Lastly, this research will be valuable to individuals interested in the economics of entrepreneurial households, their relationship with the formal economy, household provisioning strategies, income, and production (Wheelock, 1992; Baines, et al., 2002; Oughton & Wheelock, 2003).

This study may also benefit those involved in policy development and implementation, as it aims to improve understanding of the relationship between households and the formal economy. It has been argued that "British policy-makers have a limited understanding of the household as an institution, ignoring intra-household relations and assuming a fixed boundary to the household" (Wheelock, et al., 2003, p. 19). This study, therefore, provides valuable insights into how this relationship varies depending on the occupational structure of the household unit, such as the distinctions between employee and entrepreneurial households (De Massis, et al., 2021). For policymakers, a deeper understanding of these dynamics could enhance the provision of tailored support targeted at specific occupational groups. It may also contribute to the design of more holistic support strategies across key policy areas, including poverty, cost of living support, family/household well-being, and economic growth (Scottish Government, 2021). By considering the complexities and dynamics of entrepreneurial households, policymakers can develop more effective policies and interventions that address the unique challenges and needs of these households.

The study also offers insights for those interested in gaining a better understanding of population dynamics and those focused on advancing societal progress, particularly in assessing the economic well-being of the population and influencing its functioning (Stiglitz, et al., 2009). As highlighted by Stiglitz and others (2009, p. 7), "what we measure affects what we do; and if our measurements are flawed, decisions may be distorted.” Indeed, concerns have long been raised about the adequacy of current measures for capturing the economic well-being of entrepreneurs and their households (Carter, 2011). The findings of this study shed light on the appropriate use of concepts and metrics for assessing the economic performance of citizens, such as household income, emphasising the complexity and flexibility of provisioning strategies among entrepreneurial households as income-pooling units.

Finally, the primary beneficiaries of this research may be entrepreneurs themselves and the individuals with whom they share their lives. Between the start of this project and the completion of this thesis, the socio-economic, political, and global context has undergone significant changes. In the post-pandemic world, with new economic challenges such as the cost of living crisis, understanding how entrepreneurial households function internally and how they economically organise domestic life has become more crucial than ever. This knowledge is undoubtedly essential for those involved in designing national recovery plans, but it also holds the potential to directly benefit entrepreneurs themselves. The insights gained from this study may help entrepreneurs develop better coping mechanisms and strategies for navigating the day-to-day realities of running a business, ultimately contributing to greater resilience within their households in the long term.

8.4. Limitations of the Study

Although the study makes contributions to the empirical literature on entrepreneurial households and their economic functioning, it is important to acknowledge that the findings from each stage of inquiry may have limitations in terms of generalisability and reliability. These limitations arise from several factors that should be considered when interpreting the findings.

8.4.1. Stage One: Secondary Analysis of WAS

During the quantitative research stage, the study relied on a secondary data source, the UK Wealth and Assets Survey (WAS) created and administered by external organisations, including the UK Office for National Statistics, Department for Work and Pensions, HM Revenue and Customs, and Scottish Government (ONS, 2023). However, there are a number of methodological issues associated with the use of the WAS in this study.

- Firstly, the estimates of net wealth in the survey were based on personal, private wealth and did not include business assets owned by household members or rights to state pensions which people accrue during their working lives and draw on in retirement. This limitation could affect the comprehensive assessment of household wealth and economic well-being now and in the future.
- Secondly, the WAS sampled only designated “private households”, excluding data from individuals living in care homes, prisons, or student accommodations. This exclusion may limit the representation of certain segments of the population and potentially introduce biases in the findings.
- Thirdly, the wealth estimates used in the analysis were not equivalised, meaning they did not account for differences in household size or composition. This limitation could affect the comparability of wealth estimates across households with varying characteristics.
- Fourthly, the survey data accessed for this study were reported at current values and were not adjusted for inflation, which may have implications for the accuracy of the wealth estimates over time and when compared to the subsequent rounds of the WAS.
- Fifthly, there is a possibility of oversampling wealthy households, which could skew the representation of different wealth levels within the dataset. Moreover, all estimates were based on self-valuation which tends to yield higher estimates of worth than other indicators may suggest.
- Sixthly, in one of the waves (wave 4), almost half of the sample was not classified based on economic activity (self-employed, employed, retired, etc.)

limiting the comprehensive assessment of wealth accumulation patterns between the recognised sub-samples.

Finally, it should be noted that while the UK Wealth and Assets Survey had seven waves at the time of the study's completion, the demographic analysis presented in Chapter 5 only used the first four waves (covering the time periods of 2006/08, 2008/10, 2010/12, and 2012/14). The intention was to provide only those waves that align with the time frame of the personal stories of the research participants collected during the qualitative phase of the study. The time frames of the remaining waves covered the significant events such as the Brexit referendum, Brexit and COVID-19 pandemic. These events emerged after the collection of qualitative data and could not be reflected on in the personal stories. Moreover, subsequent rounds of the WAS introduced important methodological changes, such as financial-year-based periodicity, inflation adjustments, and individual-level wealth estimates. They were also subject to significant differences in response rates that could impact the comparability of estimates and the presentation of findings.

8.4.2. Stage Two: Case Studies of Entrepreneurial Households

The second, qualitative stage of the study was also subject to several limitations arising from the following factors.

- Firstly, there is no universally accepted definition of a household (Netting, et al., 1992; Hendon, 2007). Definitions of households vary, sometimes substantially, not only across different social science disciplines but also within the same area of research interest (Wilk, 1989, 2019; Netting, et al., 1992). Therefore, household boundaries are often arbitrary and their application is justified by serving the purpose of a specific study. The conceptual boundaries of an entrepreneurial household unit addressed in the earlier sections are justifiable for the analytical purposes of this study. While they can be treated as a working guide, they may not be applicable in a different research context or, more importantly, be cross-culturally valid (Netting, et al., 1992). As the household is a set of institutional arrangements (formal and informal) between its members, the cultural context determines the form and nature of these relationships and the boundaries between households and the wider formal economy (Ellickson, 2008).

- Secondly, the proposed definition of the entrepreneurial household does not account for single-person households, also known as *the institutional individual* (Aldrich, et al., 2021). This is mainly due to the lack of other members within the household unit, which excludes the condition for economic cooperation or interdependence, and a chance to evaluate the economic organisation of domestic life as a jointly negotiated and practised endeavour. This, however, does not diminish the importance of these households, which become a prominent unit of society and offer an interesting area for future research in the domestic contextualisation of entrepreneurial action (Aldrich, et al., 2021).
- Thirdly, although recognising that families and households are distinct social institution (Netting, et al., 1992; Ellickson, 2008) and that our understanding of what constitutes a family undergoes significant transformation (Aldrich, et al., 2021), the scope of this research project restricted the sampling criteria to households of opposite-sex, married couples with dependent children. It has been recognised that given the decision to have children, the household life cycle evolves in a way which seems to be determined by them, and so the household decisions about work, leisure, consumption and savings (Apps & Rees, 2009). It implies that the presence of children can alter the household economic organisation and the material living conditions significantly. Therefore, caution should be exercised when generalising the results to other contexts, such as childless households, single-parent households, same-sex households, and single-person households, as the dynamics within these households may be influenced by different social and economic ties.
- Finally, the qualitative comparative multi-case approach in this study focuses on the relationship between entrepreneurial households, the wider social context, the formal economy, and the state. However, it does not consider the relationship of entrepreneurial households with the informal economy. The informal economy comprises economic activities that are not regulated or recognised by the government, such as street vending, unregistered small

businesses, and other activities that are often cash-based. While one research participant reported involvement in the informal economy, the rest of the participating households did not disclose such activities. It is important to acknowledge that participation in the informal economy varies across regions, cultures, and economic conditions. In different research contexts, these activities can significantly impact household economic functioning and contribute to household livelihood strategies.

8.5. Final Reflections

This study provides important insights about what entrepreneurs and their households do, how they fit into larger-scale processes (the interaction between the formal economy as producers and consumers, state, and social networks), and how their economic and social functions change over time. It opens the 'black box' exploring what goes on inside entrepreneurial households, how they earn their livelihoods combining various income-earning works and pooling income from multiple activities. It addresses the economic significance of 'housework' (household production or domestic work) contributing non-wage income to household budget (and savings). It also discusses the subject of voluntary work illustrating the reciprocity and mutual support that exists between entrepreneurial households and the wider community. It highlights that the real income for entrepreneurial households is made up of many components.

Entrepreneurship research has tended to treat each of these activities and functions separately (if at all), leaving their conjunction untouched. Households are usually treated as static 'things' (objects, single entities, units of 'generalised reciprocity' where everything is shared equally and the term 'exchange' being reserved for what goes on between households) instead of activities, relationships, arrangements or systems pioneering in economic adaptation. The study shows that entrepreneurial households can be seen productively in other ways than just through their size, composition, inputs and outputs.

The emerging image of an entrepreneurial household is one of unclear boundaries and compositions that are subject to continuing change, multiple economic roles and functions performed by the same household members, with production, consumption and distribution occurring within the same framework, and multitudinous economic activities of which the household business is only one part.

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APPENDIX 1: Interview I Topic Guide

1. Could you tell me little bit about yourself and your family?
2. What is the story of your business?
3. Can you describe a typical workday for you and your family? How do you allocate the tasks among yourselves?
4. Does the business serve as the sole source of income for your family? What other income sources support your household budget?
5. Who is responsible for managing household finances? Who handles the business finances? How do you organise your household finances, and who takes care of specific aspects?
6. How would you say your household is managing financially these days? Has it always been this way?
7. What about savings within the household?
8. To what extent do your children participate in financial decision-making within the household? How much influence do they have in purchase decisions?

APPENDIX 2: Interview II Topic Guide

1. What changes have occurred over the past year?
2. Can you describe the impact of the business on your family and household? How does it differ from when you first started the business? How is it now?
3. How would you characterise the current financial situation of your household and how has it changed compared to the past?
4. Are you satisfied with your standard of living? Has your financial awareness increased? Is this what you anticipated when you started the business?
5. Could you describe a typical working day for you and your family?
6. How do you prefer to spend your free time?
7. How would you describe your ideal vacation? Do you have the time and financial means to take a vacation?
8. Are you content with your social life? Do you have time to spend with friends and family?
9. Can you discuss how owning a business has influenced your family relationships? Do you feel a stronger bond now? Have there been any challenging moments caused by the business?
10. Looking ahead, what are your plans and ambitions for the business? What are your intentions regarding the future succession of the company? Do you aspire to pass the business on?
11. How do you envision your retirement? Are you taking any measures now to secure your financial future? How do you perceive the impact of retirement on the family?
12. Have you implemented any contingency plans in case something were to happen to either of you or if you were to separate? What effect would it have on the business and the family? How much trust do you have in the business?
13. Based on your current experience of running a business, would you choose to start your own business again?

APPENDIX 3: Examples of raw data

The examples of raw data for the analytical theme: the business contribution to household livelihood. The order of quotes – as appearing in the interviews.

HOUSEHOLD	EXAMPLES OF NARRATIVE EXTRACTS
The oil producers	[F]: Yeah, we still had the farm income, to live on. (…) [*Husband's name*] does all the accounts, and does all the payments and bills and things like that. But as the farmer's wife, I get a salary from the farm, and that's our housekeeping money if you like. So, I buy all the food, and buy the kids clothes and do the trips and things like that from the household money. But that's my farm salary if you like. (…) That goes into my account. So, that will come out the farm account and go straight into my account. I'm allowed up to the tax threshold. He can pay me that as a farmer's wife up to the tax threshold. So, that goes straight from farm account to my account. And I use that for all our household, day to day things. (…) Yeah just like food, and clothing and things. [*Husband's name*] will pay all the bills, like the electricity bills, the gas. Anything like that. [I]: From the same account? [F]: No from the farm.
	[F]: Yeah, but we've never taken any money from [the oil business] yet. So, any money we've made in [the oil business], we've never taken a salary from it. We've just put the profit back in.
	[F]: OK. I mean I don't think we're anything great. Because the farm can be, you can make a decent living one year, and lose money the next. So, it's very up and down. So, he doesn't really make that much money on the farm these days. But it covers all our costs and everything. So, we're comfortable enough in that our costs are met. We don't have to worry about money the same way we used to. Because with farming, because it was so up and down, if we had a bad year, you'd think 'oh… that's it'. Whereas now, we know we're building something with [*the oil business*] and we can reinvest money back into keep building that. So, I suppose there's not so much of a worry with the ups and downs of the farm. But it hasn't really given us any better life style yet. It's more just the fact that we're building this business. And we're comfortable in that we don't worry so much about money.
	[F]: No, I don't think so. I don't think we save more. I think we just don't really save much. (…) Yeah, and also our costs are quite high. So, our costs are almost the same as our income. So, it's like there is not much surplus.
	[F]: So, we don't really take a salary from [*the oil business*] yet. We could do a small salary, but we've left that in the business, but the farm this year has lost money and the last couple of years it's not been good. So, if we hadn't been doing [*the oil business*] we would be struggling a lot more. We really started it out of thinking that it was going to be a necessity to start it and it really turns out that it has been. So, we would be in a difficult position if we hadn't started [*the oil business*].
	[F]: We could do a lot more sales with the same people and everything, so I think that that's when we'll be more financially better off. At the minute, we don't really see the benefit of [*the oil business*] in our household that much. A

	little bit, you know, because from last year but we know it would be a lot different if we didn't have [*the oil business*]. So, it's difficult because it's not that we're drawing money from [*the oil business*], but it just allows us to offset the losses of the farm a bit, you know.
	[F]: I would say the same. We've always been quite money conscious and for years not really made much money in the farm. It's been, you know, the odd year you make some money and then you lose money and so it all kind of evens out. We've always been quite frugal and, sort of, money conscious, so we don't really, you know, go on holiday and things like that much. We don't really spend much on, sort of, doing things and stuff. But I would say we don't feel quite as... there's not as much fear financially now that we've started [*the oil business*], because that seems like something that we can build up that's going to give us more financial security. So, I would say there's a bit less financial insecurity around.
	[F]: I don't think about all that stuff. [*Husband's name*] does. He very much does all the financial side and does all the invoicing and stuff. He's the one that worries about money all the time. I never worry about money. I always just think we'll be fine. I've never really worried that much about money. I just think I'm not that materialistic. Yeah, I like to buy nice things or whatever. If I had lots of money I would probably be more materialistic, but I'm not that materialistic and I just feel, like, yeah, you've got to earn a living and you've got to make money. But I always just have a, sort of, secure feeling about that it'll always be alright. Whereas he's the opposite. He's always very insecure about money and always feels as if he's going to go bust every year, and worries a lot about the financial future and sees [*the oil business*] as a way to secure a bit more of a financial future. So, yeah, we're quite, sort of, opposite ends of the spectrum in that way.
The storage providers	[M]: Our storage makes more than the farm now. It didn't in the beginning when farming was our main income. Farming was the main income together with the contracting. Then when the poor prices came in two thousand we had to do farming, you can lose a lot of money in farming if you have a bad year. It was this chance meeting with this guy from school looking for a shed. [F]: To be fair, I did bed and breakfast and we had thought about holiday cottages. We were thinking about what we could do with these sheds. [M]: With the buildings, yes. [F]: We weren't sure what to do with them. It sounds like it was chance but we knew they were there and we had to do something with them.
	[M]: Plus, the storage income is more than the farming income so you've got to prioritise more on it now.
	[I]: And it's still a source of income, additional to the storage [*about farming*]? [F]: Yes. [M]: Yes. Probably mostly supporting farming in that aspect. We both want to farm. (…) [F]: Yes. It's really important to keep the farm as an active farm if you're going to pass it on because of inheritance tax. You definitely keep it together because then the farm is always a farm. The farm and the storage is together. Then I have my farming business separate.
	[F]: The thing with farming is the farmhouse is included as part of the business so a lot of things are paid out of the farm bank account so we take very small personal drawings just to live on really. We were talking about that the other day. [M]: Yes. [F]: That's how it works. [I]: So, all your household expenses can be regarded as faming expenses…? [F]: Quite a lot of that. Not food. A certain part of the heating. [I]: Energy. A car…

	[M]: We don't take out too much because we've still got to repay some bank loans that we have for some of the sheds. We don't take out excessive amounts for private drawings. We've still got loans to pay off.
	[M]: Farming can go up and down but the storage has evened out. As long as we have the storage clients and the money's coming in then we can pay the loans fine.
	[I]: How is your household managing financially now? [F]: Yes. I hoped to be going on holiday on Saturday and I'm not going on holiday on Saturday. [Laughter] We've got solar panels now. [M]: I went and bought solar panels and put them on the shed. Thirty thousand pounds. Solar panels. [F]: In six years' time when they are paid off… [M]: We'll go on holiday. [F]: We're fine really because our daughter's at university and we can help her. And to be honest… That's great that we can help her. (…) She's happy to be there. She likes the course and you give her some money every month and I give her some money every month. (…) To have thought that we would be able to manage to afford to do that. [M]: It's only the storage that's allowed us to do that.
	[F]: We don't do a lot of extravagant things. Our house is what we've spend most on.
	[W]: (…) We only take out just what it costs. There's never any left over to say I'm going to take a holiday. [H]: We only take out what we need. We don't have extravagant lifestyles.
	[F]: Yes, we can support ourselves, our family and we can manage to farm.
	[F]: Yes, it was quite difficult [*about buying the investment property*]and it was... we just managed to do it. It was that close to not being able to do it because being self-employed it's hard to prove income... [M]: And your income can go up and down as well, especially in farming. As it does...farming's not been... [F]: Yes, yes, and one of the main reasons is that we actually pay [*daughter's name*] out of the business. So, she had income. [I]: So, she could prove as well that she's... [F]: Yes. [I]: ...employed. [F]: So, that worked out...
	[F]: The biggest thing is that we always... you would always put the business first rather than by a car or go a holiday or... we didn't seem to go much... [M]: Yes. [F]: We went away last year but we didn't spend much and... [M]: Yes, well, maybe now that we've got the business we might be able to buy better cars now because we are generating a bit more money whereas in the past we haven't, we've... I mean, just like everybody else in the earlies we've had our fair share of driving bangers, old cars and old machinery. We still have some old machinery but... [F]: So, I suppose it's just... yes, because you always want them to be a bit there like if you don't paid or... so whilst you're doing quite well you just want to... [M]: I don't like spending any more than I have earn... or can earn. [F]: You're quite... you're quite... quite careful I would have said.
	[M]: I would say it was better than last year. We're generating a bit more money. [F]: Yes. [M]: A bit more income. Although we've probably...we've probably spent more actually as well.
	[F]: And I can afford to overpay my mortgage at the moment so that's quite good. (…) Oh yes, financially we're both much better off, yes.
	[F]: And just being able to buy the flat was... financially that was amazing, yes.

	[F]: Well, that holiday last year would have been good if the cottage had been better because we just chose a really cheap cottage. So, despite feeling financially better off we still went for the cheapest cottage and it was a bit basic. [F]: Definitely. He's [*her father*] very pleased we can employ [*son's name*] because that's... you know, that's a good achievement as well. When I was young he said 'I don't have enough money to employ you'. There wasn't any spare money. [I]: And this is how you started your own business… [F]: Yes. Yes, so it was probably quite good for me. So, that's one thing...
The restaurateurs	[M]: (…) But the girls wanted to earn some money, and I told them they could help but only for the tips. [F]: They worked for tips quite a long time. [F]: We have got a kitchen assistant, one waitress, and [*daughter's name*]. [M]: Two waitresses, because [*daughter's name*] is also employed. [F]: Yes, she is. She gets her payslips and money. [F]: (…) We could not afford many things. We didn't go on holidays; the kids didn't go on school trips. Later, [*son's name*] went to France with his class, and [daughter's name] to Alton Towers. It was much better after that, but before... After those 2 years, we didn't go on holidays, we lived modestly and didn't have a good car. [M]: We didn't have holidays. [F]: We practically worked all the time, we took everything no matter it paid off or not. [M]: We had a lot of needs, but these restrictions [*financial situation of the household*] were really hard. [F]: Yes, we could feel them, and... I mean the kids didn't feel them so much. They couldn't afford certain things, but they weren't worse than their friends. For instance, when [daughter's name] couldn't go on a trip, half of her class stayed at home. [F]: It depends on our needs *[about the amount of personal drawings from the business]* [M]: Because, yes, if we have bigger needs… [F]: In the business… [M]: …in the business, then, we have to give something up. And we are a growing business; the whole profit can't be taken. [M]: (…) We didn't arrive a long time ago, it was 10 years ago, and it's not really a long time. [F]: We can't afford to save yet. [M]: We can't regularly put aside some money yet. [F]: And basically, we don't have to, we don't need to have I don't know how much, so the needs are never-ending. [M]: Right, we're aware that the business supports us and it's the most important thing we've got. [M]: Well, we're still developing, and as long as we develop, when we get to that level, that the restaurants or the store reaches certain level and it's maintained, then I can say that this is this stability. And when we try to grow, to move forward, then it's obvious that something somewhere will be wrong. [F]: But we don't need to worry anymore about the rent, the tax, anything like that. Easy, there comes the time we need to pay for something, so we go, pay and it's done with. [M]: Yes. [F]: And it's not like, oh my, we have to pay for this and we need to buy that. It's calm now. There's no… [M]: It's safer now. [F]: There's this safety now. [I]: How has the financial situation of your family changed? [F]: I mean, in my opinion it's better, I guess. But nothing too crazy, nothing special, but anyway we can, sort of, live a decent life, go on holiday twice a year, so I reckon it's

	very good, right? And you know what? Generally, when we do shopping, we don't have to look for 'buy one get one free' or something like that. Rather, we buy what we want, what we feel like buying, that's right, we don't have to pay attention to that like we did, let's say, 10 years ago. [M]: But we don't splurge, either. [F]: We don't really splash out. I mean, we can afford better Christmas presents for our son or grandchildren. [M]: So, it is better, for sure.
	[F]: There was always a gap we needed to fill with the money. And now, like I was saying, now we can afford to go on holiday once or twice a year.
The deli meat producers	[F]: Yes, starting a new business, because he was employed, we still had income. In a new business, you don't make a lot of money in the beginning, so it was a good way to start.
	[M]: Yeah, it's partly living here and creating next to employment and that sort of safety income. So, the income was failing so I needed to do something that's why I did the business so that it could support us.
	[F]: (…) Actually, [*husband's name*] probably added, he's often not very well, he's got [*health condition*]. So that's what he suffers from, so there are days that he can't do things. [M]: That's also why I have to be flexible. So always what can I fit in, what can I do, when can I stop. Being employed you couldn't say I'm tired now, I have to stop, or I come back tomorrow, or I go to bed now from twelve till three. That's how my life is. You have to adapt because sometimes I can't work and I have to sleep a couple of extra hours, or sometimes I can sleep eighteen hours, it comes and goes. (…) [F]: With it being our own business you can do that when it's your own.
	[M]: We buy what's necessary, so we don't spend excessively. So, food we don't spend on not good food, we like proper ingredients. So that's essential. For the rest, clothing whenever we need something you look at it and then you see if you've got enough. We spend very little I think. We're not big spenders. Sometimes we want to go out on holiday or out for the weekend and then we just see if there's money left in the account but we're not planning in advance for doing that. For bigger holidays every so often we plan in advance because it's expensive. [F]: We only have a holiday every couple of years. [M]: We don't do it every year. It's only every three or four years that we book a holiday, only that.
	[M]: The business needs a lot of investment, so we needed all the money. We had a difficult time for a few years and that took a lot of strain on the finances. Now we growing out of that so we're not frugal because we want to be frugal. We don't want to be frugal. We get by, we're happy, we don't need more. If there's more coming in, it goes, I spend it. I'm not a saver, I save a bit then I let it go. I spend it on doing the house up. [F]: Not wasting it. It's maybe buying windows, that kind of thing but investing. It's more investing, you probably see that. It's only in the last year that we've started paying ourselves a salary regularly.
	[F]: We had enough money so we paid ourselves out a bit but quite basic.
	[M]: Most people I speak to in business they come up with the same thing, you share all the same things, you have no pension, you pay out when you have an income but sometimes you don't have an income. Even bigger companies if you speak to the boss who owns it, 'staff wants a pay rise, but I haven't had my income yet'. So quite often owners ditch an income because it's not there. They say 'I'll make it next month if it comes'. So, your own salary you can say this month I don't want it.

	[M]: It’s getting better now but it was tight two years ago. You can just get along, you can just do your shopping, buy your food but there was a period where… I’ve got plenty of clothes now, but I’m lucky I’ve got clothes because I couldn’t buy any new ones. Then you’ve got plenty and you wear until they’ve gone. Then six or eight months’ time you see it going up again and you can spend a bit more. It was definitely a bit tight for a period. [F]: I think that was because of the business that there wasn’t a lot of money. We had costs. If the business had been making lots of money we would have been able to pay ourselves a bit more.
	[F]: There might be something. Last year we decided to go on a holiday, so there might be a time when you think ‘OK, we really want to do this’, we just pay a bit out and then we can do this. Just depending on what needs. [M]: We can allocate more income if it is there and we want to go on holiday. Then you say my income for those three months is higher.
	[F]: The girls help. They do quite a bit in the business, the older girls, they do shows, they sales. They will help packing as well, so they’re all involved. I think it definitely gives them an idea. [M]: They have a concept of how money is made. [F]: Yes. [M]: That you can spend it quickly but earning it is much harder. So that concept they get very easily and I think that’s a benefit. [F]: Our second youngest son he’s had little businesses already. So he’s making things and selling and keeping records. He wants to be a business man.
	[M]: (…) They’re [*children*] willing to help out, pocket money. They always say what do we earn? [I]: Do they ask for money? [M]: Yeah definitely. If we don’t offer enough then they go somewhere else. [F]: No pocket money, they have to offer something, they have to earn it. [M]: I don’t pay pocket money out for nothing. I think it creates laziness, they always have to do something for it. Then, they get a reward and sometimes we agree that if you do this then you can buy that, or you get some pocket money there.
	[M]: This year the eldest two paid partly for their ski pass themselves. I think that’s a better way. It makes them aware of how much it really costs and what do we get out of it, is it worth it. If we keep paying that they take everything for granted. [F]: Especially when there’s six of them. [M]: It’s far more an educational decision than ‘no, we could not have bought them a ski pass’, it’s not being frugal, but I think it’s important that they get that sense. They understand what it costs, what real life costs.
	[F]: Yeah, it’s a little bit better [*about the financial situation of the household*]. We still try not to take too much out of the business because we know we need to invest in the next year, so we just take out what we need, you know.
	[F]: I think it was just something we really wanted to do and liked to do, you know. I don’t think... money has never really been... definitely not at first… It wasn’t even our first, or the first reason, you know, to start being your own boss and being in charge. Yeah, because we had more income then. My husband had a full time job somewhere else, definitely. So, it’s not really... but it’s more flexible and if you really need something we do take it out, because we put quite a lot of money in the business in the beginning, you know. So, if we really need it, if we want to go on holiday and we need a bit more, we take some out of the business.
	[F]: Yeah. I think we always have been [*money conscious*]. We’re not big spenders, you know.

	[F]: The year before was actually our first proper holiday we'd taken for over 10 years, you know, since we started the business.
	[I]: And knowing now what it is like to run a business, would you like to start it again? [F]: Oh, yes. Yeah, I think that's in both of us, you know. Oh, yes, I would do it again. I know it's not easy and it's quite hard, and you don't get really rich, but, yeah, definitely. (…) Yeah. I think don't expect, you know, a return or money coming in straight away. So, I think what we did in the beginning. I think that I would advise anyone trying to get either some part time employment still or something so there's some money coming in for the first few years just to cover the basics. You know, cover your mortgage or whatever. Or you need to have a good back up with money, you know, to do that because you don't really get a return the first few years.
The builders	[F]: For these 5 years I practically didn't work here as we were quite ok, in financial terms, so I didn't have to work on a regular basis.
	[M]: Yes, sometimes we didn't have enough to pay his [*employee's*] wages… to pay what we should. He had an hourly rate all the month and sometimes I wasn't able to earn as much to pay him but he worked the number of hours so I needed to pay by hour. And I didn't even earn this much for the entire month. So we used our credit cards to… We just wanted… We thought it's just a month or two and the company… the crash was just a temporary thing.
	[F]: (…) And in the past we could usually afford it but then the time came when we had to look for some food left in the freezer to prepare a meal for them, for school, for lunch or whatever. There were some moments when we had enough and my husband even wanted… he said we should sell all that and go back… because in [*name of the country*] we had a house without any mortgage. So, we should just sell everything we had and go back... simply.
	[F]: (…) And now look at our example. Our roof is leaking, and since it's ours we have to fix it ourselves, buy the materials. If my husband had a different business, we would also need to engage somebody. A good thing for us is that he is able to do that himself. So we can save some money.
	[M]: They sometimes ask if we can afford it. [F]: Perhaps not literally afford it, but… [M]: If we can buy it. [F]: …for example, 'my shoes are worn out' or something like that, doesn't matter what. So, I say, 'Listen, daddy has not finished a certain aspect of the current project yet, so we will have some cash, but in a week's time, okay?' So, I think you need to try to talk to children and explain to them.
	[F]: We spend more on our everyday life now, whilst our earnings…, on average, obviously one year is better, the other is worse. [M]: We try to watch our spending. [F]: …but on average, our spending hasn't changed much, but we can still afford less at the moment.
	[F]: We are back to normal, so those last 3 years, well, so there was a period of time when we enjoyed a slightly better standard of living, but then during those 3 years, we had to adjust to a worse, much worse standard, and even despite the fact our kids do not impose much pressure on us, they don't stamp their feet, because they want something... They understand that some days they are not going to get something or, for example, they get some pocket money and they know they should save it, because we might not have money some other day. But you could still feel it. At the time being, after those three years and after this Autumn, I think we are slowly approaching the standard we used to have, when on Sunday, we could go to a restaurant, we could go skiing or even fly to

	[*the name of home country*] or, just like recently, be able to invite six people for the weekend without a problem. I don’t have to worry that a guest is coming over and I won’t be able to buy anything or how to arrange it that I can still put something on a table, but without spending anything. Even though you always try to save something, you tend to miscalculate. But it is certainly not as stressful if the pot is smaller.