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[Short Communication]

## Correlation Analysis of Self-employment of Retirees Using Demographic Characteristics of the Retail Establishment

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### Abstract

**Purpose** – This study investigated the demographic characteristics of retirees who sought not to be reemployed or join an organization but, instead, to be self-employed. This study verified self-employment by regional and/or educational features to determine the self-employment factors and the policies required.

**Research design, data, and methodology** – Models and hypotheses were used to verify the conversion into self-employment depending on retirees' demographic characteristics. This study investigated regions according to precedent studies and used SPSS 18.0 as follows. First, frequency was used to investigate the general characteristics. Second, a factor correlation analysis was done.

**Results** – Hypothesis 1, which stated that, "retirees with low educational background often start a self-employed business," was significant. Hypothesis 2, which stated that, "retirees in metropolitan areas frequently start a self-employed business," was significant. Hypothesis 3, which stated that, "retirees in a megalopolis frequently start a self-employed business," was significant.

**Conclusions** – A preliminary startup education was needed to lessen the losses. Retirees should have preliminary knowledge of actual self-employment conditions to be given a startup education.

**Keywords:** Founded in Degrees, Retirees, Correlation Analysis, Demographic Characteristics

**JEL Classifications:** L84, M14, M30, N30.

### 1. Introduction

South Korea is said to be one of countries with the quickest aging in the world. In 2000, ratio of 60 years old or higher pop-

ulation accounted for 7.2% to enter era of aging, and in 2018, the ratio is likely to be about 15% to enter aged society, and in 2026, the ratio is to be over 20% to enter super aging society (Statistics Korea, 2010).

The ones after 55 years old after retirement quite different lives depending upon income and speciality to live uncertain lives at insufficient countermeasure against the future.

In aging society, decrease of prime age workers from 25 years old to 49 years old in the nation had adverse influence upon potential growth. Prime age worker is likely to decrease by about 1 million persons every five years (Statistics Korea). Actions for social status of retirees and/or security for the aged should be taken as soon as possible.

Citizens at Seoul retired at 52.6 years old on average, and men workers worked 5 years more than women workers did. Retirement time was shortened day by day. In study on retirement time by each age, 622 interviewees (62.2%) wanted to work continuously in the future, and 292 interviewees employed (83.4%) of 350 interviewees wanted to work continuously. Younger retirees wanted to work more. The ones in their 55 to 59 years old (70.2%) wanted to work to be higher than 62.2% on average. No more than 47.1% of the ones who wanted to work continuously had a job: So, retirees could not find out a job despite desire of reemployment.

In aging society, old workers who wanted to work continuously increased, and retirement time was shortened and good quality job opportunity decreased accordingly. So, the government should take job opportunity policy that was active and common.

This study investigated demographic characteristics of retirees who wanted not reemployment and/or joining of an organization but self-employment. The study verified self-employment by regional and/or educational features to find out factors of self-employment as well as policies required.

### 2. Theoretical Background

#### 2.1. Retiree's courses

Not only quick aging but also early retirement in the world

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has been important policy and social issue of young people's unemployment and job opportunity.

Early 2000s, population of 65 years old or more in Korea reached 7.2% of total population to open aging society, and in 2018, the ratio is likely to be about 15% to open aged society, and in 2026, the ratio is likely to be more than 20% to open super aging society.

Retirees after 55 years old worsened income bi-polarization according to income and specialty to live very much unstable living life at shortage of countermeasure against future.

Prime age workers from 25 years old to 49 years old decreased at aging society to have adverse influence upon potential economic growth.

Studies and reports on retirees' start-up assistance and re-employment were made to overcome decrease of production population at aging society. Recent studies on start-up examined roles and direction of senior entrepreneur and/or retirees' start-up.

## 2.2. Retirees' Start-up Intention

Most of retirees think of not reemployment but another kind of social activities. Start-up is said to be one of the ways. Start-up intention and/or affirmative attitude on start-up may play an important role at decision-making and behavior.

Individual's start-up can organize social organization and/or group, and start-up intention can understand start-up process. The start-up intention can be classified into external factor and internal factor to include internal factor of personal inclination and/or start-up thought and external factor of geographical factors, educational levels, and family and/or intimate's advice. Studies on scientific interest and decision-making had various kinds of viewpoints.

## 2.3. State of Self-employed

Self-employed in Korea occupied more than 23% of total employed in 2010 to have very large portion of labor market and to be high following Mexico and Chile of OECD member countries. After early retirement in the age of forties and early fifties, labor workers joined self-employed to be unstable employed and to select self-employed of alternative job: So, number of self-employed is likely to increase continuously.

## 3. Methodologies

In this study, the interviewees were assumed to leave job between 2008 and 2011 to be high school graduate or higher: The study investigated relation between number of self-employed of high school graduate or higher and that of retirees, and relation between number of retirees each region and that of self-employed.

## 3.1. Statistical materials

The data indicated number of retirees and self-employed between 2008 and 2011 by region and educational background to show distribution by each item.

## 3.2. Variables

<Table 1> Basic Data

Section	Data of self-employed
1	Retirees
2	Self-employed of high school graduate or higher
3	Self-employed at metropolitan areas
4	Retirees at metropolitan areas
5	Self-employed at megalopolis
6	Retirees at megalopolis

Note: The data were made according to classification of Statistics Korea.

## 3.3. Contents and Hypotheses

The study investigated educational background and regions that had influence upon retirees' start-up:

<Table 2> Hypotheses

Hypothesis 1	The retirees having low educational background start self-employed more.
Hypothesis 2	The retirees at Metropolitan Area often start self-employed at downtown.
Hypothesis 3	The retirees at Metropolitan Area often start self-employed.

## 3.4. Methodologies

### 3.4.1. Subject and Questionnaires

Models and hypotheses were used to verify conversion into self-employed depending upon demographic characteristics of the retirees. The study investigated regions according to precedent studies. The study investigated characteristics of variables having influence upon conversion into self-employed depending upon demographic characteristics. SPSS was used.

### 3.4.2. Methodologies

SPSS 18.0 was used as follow:

First, frequency was used to investigate general characteristics.

Second, factor correlation analysis was done.

## 4. The Findings

### 4.1. Stage of the Analysis

1st stage: Enter variable and then each data.

2nd stage: Correlation was used to find out correlation between two variables.

### 4.2. Test Process each stage

#### 4.2.1. 1st stage analysis

Input variables by number of retirees and self-employed and then data of each year in order from 2008 to 2011.

**<Table 3>** Number of high school graduate or higher self-employed of the retirees

Section	High school graduate or higher self-employed (person)	High school graduate or higher retirees (person)
1	72,981	31,981
2	85,174	44,837
3	91,988	46,441
4	87,773	45,302

Input number of self-employed and retirees at Metropolitan Area and then data in order from 2008 to 2011.

**<Table 4>** Number of retirees and self-employed at Metropolitan Area

Section	Number of self-employed at Metropolitan Area (person)	Number of retirees at Metropolitan Area (person)
1	59,910	20,555
2	70,873	29,057
3	72,446	29,074
4	66,862	28,166

Input number of self-employed and retirees at Metropolitan Area and then data from 2008 to 2011 in order.

**<Table 5>** Number of retirees and self-employed at Metropolitan Area

Section	Self-employed (person)	Retirees (person)
1	59,910	20,555
2	70,873	29,057
3	72,446	29,074
4	66,862	28,166

### 4.2.2. 2nd stage analysis

At correlation analysis, not only high school graduate or higher self-employed but also retirees had high correlation of 0.968.

**<Table 6>** Statistical data of high school graduate or higher retirees and self-employed

Section	Mean	Standard deviation	N
High school graduate or higher retirees	42140,250	6806.2700	4
High school graduate or higher self-employed	84479.000	8163.3846	4

**<Table 7>** Correlation between high school graduate or higher retirees and high school graduate or higher self-employed

		High school graduate or higher retirees	High school graduate or higher self-employed
High school graduate or higher retirees	Pearson correlation coefficient	1	.986
	Significant probability (both)		.032
	N	4	4
High school graduate or higher self-employed	Pearson correlation coefficient	.968	1
	Significant probability (both)	.032	
	N	4	4

At correlation analysis, number of self-employed at Metropolitan Area had high correlation of 0.944 with that of the retirees.

**<Table 8>** Statistical data of retirees and self-employed at Metropolitan Area

Section	Mean	Standard deviation	N
Self-employed	67527,7500	5599.11745	4
Retirees	26713.0000	4127.17942	4

**<Table 9>** Correlation between retirees and self-employed at Metropolitan Area

		Self-employed	Retirees
Self-employed	Pearson correlation coefficient	1	.944
	Significant probability (both)		.056
	N	4	4
Retirees	Pearson correlation coefficient	.944	1
	Significant probability (both)	.056	
	N	4	4

At correlation analysis, number of self-employed at Metropolitan Area had high correlation of 0.944 with that of retirees.

**<Table 10>** Statistical data of retirees and self-employed at Metropolitan Area

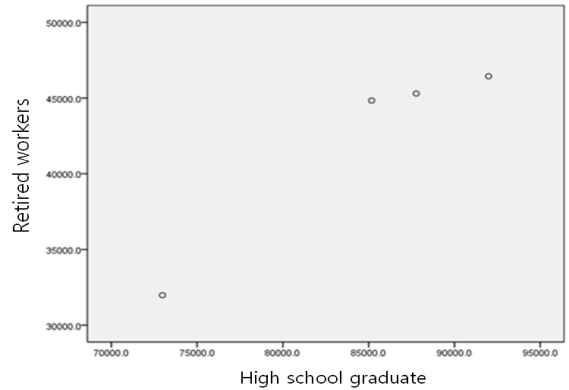
Section	Mean	Standard deviation	N
Self-employed	67527.7500	5599.11745	4
Retirees	26713.0000	4127.17942	4

**<Table 11>** Correlation between retirees and self-employed at Metropolitan Area

		Self-employed	Retirees
Self-employed	Pearson correlation coefficient	1	.944
	Significant probability (both)		.056
	N	4	4
Retirees	Pearson correlation coefficient	.944	1
	Significant probability (both)	.056	
	N	4	4

4.3. Common Characteristics of the Interviewees

The year from 2008 to 2011 had high correlation.



**<Figure 1>** Results

**<Table 11>** Hypothesis test

Section	Contents	Path
<Hypothesis 1>	Retirees with low educational background often start self-employed business.	Accept
<Hypothesis 2>	Retirees at Metropolitan Area often start self-employed business.	Accept
<Hypothesis 3>	Retirees at megalopolis often start self-employed business.	Accept

<Hypothesis 1> of 'Retirees with low educational background often start self-employed business' was significant.

<Hypothesis 2> of 'Retirees at Metropolitan Area often start self-employed business' was significant.

<Hypothesis 3> of 'Retirees at megalopolis often start self-employed business' was significant.

5. Summary

5.1. Summary

High school graduate or higher retirees had high correlation with high school graduate or higher self-employed from 2008 to 2011, and retirees and self-employed depending upon regions had high correlation. Retirees were likely to start business after investigating results of start-up of business in each region. But, a lot of unemployed often failed at start-up. Preliminary start-up education was needed to lessen losses and retirees should have preliminary knowledge of actual conditions of self-employed to be given start-up education.

5.2. Corrective Actions

The study investigated effects by using two factors. Retirees often did self-employed business at Metropolitan Area, mega-

lopolis and other areas with plenty of population: In this regard, additional study on self-employed business at downtown was required. Study on various kinds of educational scope needed to research.

Self-employment depending upon professionalism before retirement needed to research.

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