

Self-Employed Business Ownership Rates in the United States: 1979-2003

by

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for



under contract number SBAHQ04M0248

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The statements, findings, conclusions, and recommendations found in this study are those of the authors and do not necessarily reflect the views of the Office of Advocacy, the United States Small Business Administration, or the United States Government.

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under contract no. SBAHQ-04-M-0248 (2004, 28 pages)

Purpose

Published figures from the U.S. Department of Labor, Bureau of Labor Statistics (BLS) tell only part of the story of the self-employed. The figures exclude the incorporated self-employed, an increasingly popular tax status, and generally do not include owner demographics. Fortunately, microdata are available for users to generate customized figures. Microdata are used here to produce more complete self-employment figures and to follow trends in self-employed business owner demographics.

Overall Findings

Self-employment numbers have grown slowly and steadily since the late 1970s, and self-employment rates have been relatively stable. In recent years, both the counts and rates of male, female, Latino, African American, White, and Asian self-employed have increased.

Highlights

- The number of non-agricultural self-employed reached 12.2 million in 2003, an increase of 716,000 or 6.2 percent from 2000's 11.5 million. The figure of 9.3 million published by BLS for 2003 excludes the incorporated self-employed.
- Self-employment counts and rates (self-employed divided by the labor force) were up from 2000 to 2003 for all genders and races, except for Asian men.

- The Asian self-employment rate (the number of Asian self-employed divided by the number of Asians in the labor force) peaked in 1992 at a relatively high 12.9 percent, then dropped over the next decade to 9.4 percent in 2000 and increased to 10.4 percent by 2003. Asian self-employment figures are available only since 1989.

- Latino self-employment increased significantly, from 241,000 in 1979 to 1 million in 2003. The Latino self-employment rate was 7 percent (the number of Latino self-employed divided by the number of Latinos in the labor force) in 2003.

- In 2003, African-American self-employment reached its highest levels in both number, at 710,000 and rate, at 5.2 percent (the number of African-American self-employed divided by the number of African Americans in the labor force).

- Women's self-employment reached 3.8 million in 2003 and their self-employment rate was 9.8 percent (the number of self-employed women divided by the number of women in the labor force). Men's and women's self-employment exhibited similar peaks and valleys over the 1979-2003 period.

- Male veterans' self-employment rates (the number of self-employed male veterans divided by the number of male veterans in the labor force) were higher than those of nonveterans from 1979 to 2003. In 2003, the male veteran self-employment rate was 13.7 percent.

- Male veteran self-employment declines have mirrored their declines in the labor force. From 1979

to 2003, male veteran self-employment fell from 2.9 million to 1.4 million, while the male veteran labor force fell from 20.2 million to 10.4 million.

- Regionally, the West has had the highest self-employment rates (the number of self-employed divided by the labor force), 1.8 percent higher than the national average from 1979 to 2003.
- The make-up of the self-employed has changed from 1979 to 2003. Latinos represented 3 percent of total self-employment in 1979 and 8.5 percent by 2003. The male veteran share of the male self-employed declined from 48.3 percent in 1979 to 17 percent in 2003. And women's share rose from 22.5 percent in 1979 to 31.5 percent in 2003.
- The study illustrates the need to disaggregate owner demographic categories in analyzing self-employment trends.

Scope and Methodology

Microdata from the U.S. Census Bureau / U.S. Bureau of Labor Statistics Current Population Survey (CPS) program were used to update a previous report, adding 2001-2003 data to the previous dataset. Microdata are available to the public, although a familiarity with the Current Population Survey is needed. See <http://dataferrett.census.gov/TheDataWeb/index.html>.

The researcher turned a comparatively small monthly survey into a rich annual dataset large enough to show accurate trends for subclasses of owners. (The dataset used the outgoing rotation group). The numbers of self-employed listed in this report exclude individuals whose secondary occupation is self-employment, individuals who spend less than 15 hours a week on their self-employment endeavors, and agricultural self-employment. The figures presented in this study include incorporated self-employed individuals, while published figures from BLS exclude this group.

The report also discusses relatively small methodological changes in the CPS over the years and the likely impact of those changes.

This report was peer-reviewed consistent with Advocacy's data quality guidelines. More information on this process can be obtained by contacting the Director of Economic Research at advocacy@sba.gov or (202) 205-6533.

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Introduction

The monthly Current Population Survey (CPS) provides an up-to-date estimate of the number and rate of self-employed business owners in the United States. Using microdata from Outgoing Rotation Group Files to the CPS, the number and rate of business owners by sex, race, immigrant status, region and veteran status from 1979 to 2003 are estimated. These estimates improve on published estimates from the same source by the Bureau of Labor Statistics (BLS). Regularly published estimates from the BLS, such as those reported in *Employment and Earnings*, do not include incorporated business owners, which represent roughly one-third of all business owners and a growing share of all business owners.¹

These data may also provide a more accurate representation of recent trends in minority business ownership than the Survey of Minority-Owned Business Enterprises. The scope of businesses included in the SMOBE has changed over the past two decades and the data possibly include a large number of side or "casual" businesses owned by wage/salary workers or individuals who are not in the labor force (SMOBE does, however, have very good geographic and industry detail).² The CPS microdata include all individuals who identify themselves as self-employed in their own not incorporated or incorporated business as their main job, and thus these microdata capture only primary business owners.

Similar estimates of trends in self-employment rates by race for 1979 to 1998 and 1979 to 2000 have been discussed and analyzed in Fairlie (2004a, 2004b). For this project, estimates by

¹ Hipple (2004) provides separate estimates of the number of unincorporated and incorporated business owners. His estimates, which do not impose an hours worked restriction and do not use the NAICS definition of agricultural industries, indicate a larger number of self-employed business owners in 2003, but a smaller increase from 2000 to 2003 than estimates presented below.

² The data include individuals who file an IRS form 1040 Schedule C (individual proprietorship or self-employed person), 1065 (partnership), or 1120S (subchapter S corporation). Estimates from the confidential 1992 Characteristics of Business Owners (CBO), which is a sample partly drawn from the SMOBE, indicate that 44.2 percent of owners in the survey report that their businesses provided less than

race are updated to 2003 and new estimates from 1979 to 2003 are provided by immigrant status, region and veteran status. A few key findings from the data are noted below.

Data Issues

Microdata from the 1979 to 2003 Current Population Survey (CPS) Outgoing Rotation Group (ORG) files are used to calculate self-employment series. The ORG files contain annual samples that are roughly three times larger than those from a monthly CPS, such as the commonly used March Annual Demographic Files. The large sample sizes are needed to examine trends in self-employment for smaller demographic groups and provide more precise estimates of the number and rates of self-employment for all groups.

Self-employed workers are defined as those individuals who identify themselves as self-employed in their own not incorporated or incorporated business on the class of worker question.³ The class of worker question refers to the job with the most hours during the reference week.⁴ I restrict the sample to include only individuals ages 16 and over who worked at least 15 hours during this week. The hours restriction is imposed to rule out very small-scale business activities. As in most previous studies of self-employment, agricultural industries are excluded. Agricultural industries are defined using the North American Industry Classification System (NAICS).⁵ Estimates for 1979 to 1991, however, also exclude veterinary services because they cannot be separately identified.

25 percent of their total personal income (U.S. Bureau of the Census 1997).

³ Unpaid family workers are not counted as self-employed.

⁴ I use the unedited class of worker question for 1979 to 1988 and the edited class of worker question from 1989 to 1998. The edited class of worker question prior to 1989 did not class owners of incorporated businesses as self-employed.

⁵ A major change included in the NAICS was that landscaping and veterinary services were removed from agriculture.

Estimates of self-employment rates may not be comparable before and after 1994 when the CPS was redesigned. In a thorough analysis of the 1994 CPS redesign using a "parallel survey," Polivika and Miller (1998) conclude that self-employment rates increased by 0.44 percentage points for men and 1.58 for women. On the other hand, Fairlie and Meyer (2000) find by comparing estimates from the CPS ORG to estimates from the CPS Annual Demographic Files that are for the same year, but were subject to the redesign in different years, that the redesign may have led to a fall in the reported white male self-employment rate of one percentage point. Using the same comparison, however, the redesign leads to an increase in the black male self-employment rate by almost a full percentage point.

I create five distinct ethnic/racial groups by interacting responses to the race and Spanish/Hispanic origin questions available in the CPS. The groups are white (non-Latino), black, Latino, Asian and Pacific Islander, and Native American (American Indian, Aleut and Eskimo). The black, Asian and Native American groups include individuals reporting Spanish ethnicity. This classification does not, however, lead to a substantial undercount of Latinos, as few Latinos report being black, Asian, and Native American (Fairlie 2004). Race and Spanish codes changed in 1989, 1996 and 2003. The largest change was in 2003, in which respondents were allowed to report multiple races. Estimates for 2003 include only individuals reporting a single race.

Estimates of the Number and Rates of Self-Employed Business Owners, 1979-2003

Self-employment estimates for 1979 to 2003 by sex, race, immigrant status, veteran status and region are downloadable at <http://econ.ucsc.edu/~fairlie/>.

Key Findings

Several key findings from trends in the number and rates of self-employed business owners are noted below. Trends over the past few years are an update to estimates for racial groups presented at the "Entrepreneurship in the 21st Century" conference by the Office of Advocacy, U.S. Small Business Administration, and the Ewing Marion Kauffman Foundation.

The total number of nonagricultural self-employed business owners in the United States increased by 716,000 from 2000 to 2003, reaching 12.2 million or 9.8 percent of the labor force. The Bureau of Labor Statistics published figure of 9.3 million in 2003 excluded the incorporated self-employed. The table below offers a quick glance at the now fully calculated figures for different self-employed types.

Self-Employment by Owner Demographic

	Number (thousands)			Percent of labor force		
	1979	2000	2003	1979	2000	2003
Total	7,724	11,460	12,176	9.3	9.4	9.8
Women	1,741	3,592	3,839	5.1	6.5	6.8
Men	5,982	7,868	8,336	12.1	11.9	12.4
Asian	NA	466	590	NA	9.4	10.4
African-American	297	697	710	3.8	4.9	5.2
Latino	241	732	1,032	6.1	5.9	7.0
White	7,066	9,510	9,658	10.1	10.7	11.1
Male Veterans	2,889	1,595	1,420	14.3	13.6	13.7
Immigrants	NA	1,404	1,788	NA	9.1	9.9

NA = Not available

See attached tables for intervening years.

Gender, Race and Veteran Status (self-employment rates are the share of the labor force for the specified population):

- The number of Latino self-employed business owners increased sharply from 2000 to 2003, partly because of increases in the population, continuing their trend from the previous decades. Latino self-employment topped one million in 2003, reaching 1.03

million. The Latino self-employment rate peaked in 1989 at 7.5 percent and has fluctuated since, but increased from 5.9 percent in 2000 to 7 percent 2003. The number of Latino self-employed individuals increased fourfold from 1979 to 2003.

- African Americans have also had recent self-employment gains. Over the 1979 to 2003 period, the African-American self-employment rate reached a high of 5.2 percent in 2003. The number climbed to a high of 710,000. The number of African-American self-employed doubled from 1984 to 2003. African-American males represented 59.9 percent of the self-employment increase from 1984 to 2003.
- The Asian self-employment rate (available only since 1989) peaked in 1992 at 12.9 percent and dropped relatively steadily to 9.4 percent in 2000, then rose to 10.4 percent in 2003. The number of Asian self-employed reached a high of 590,000 in 2003.
- In 2003, White (non-Latino) self-employment numbered 9.7 million. This was the only racial category that did not reach its highest number of self-employed in 2003 (the peak was in 1997).
- The number of self-employed women reached 3.8 million in 2003, more than double the 1979 level. Their self-employment rate was 6.8 percent in 2003, up from 2000, but down from the peak of 7.1 percent in 1995.
- Male self-employment was 8.3 million in 2003 with a rate of 12.4 percent.
- Self-employment rates for Whites, Latinos and African Americans fluctuated over a fairly narrow band from 1979 to 2000, with peaks and valleys differing by only a percent or two. The rate for Asians has shown more volatility.
- All races and genders (except Asian males) had self-employment count and rate increases between 2000 and 2003.
- The rate of self-employed business ownership among male veterans was higher than for male nonveterans over the entire period from 1979 to 2003, but the male veteran self-employment rate declined from a peak of 16.6 percent in 1993 to 13.7 percent in 2003. Male veteran self-employment numbered 1.4 million in 2003.
- The number of male veteran self-employed business owners declined from 2000 to 2003 because of the rapid decline in the veteran labor force, a trend that continued from previous decades.

Immigrants and Regions (self-employment rates are the share of the labor force for the specified population):

- The number of immigrant self-employed business owners increased by 384,000 from 2000 to 2003, primarily because of the 2.7 million increase in the immigrant labor force over this period.
- Immigrant self-employment rates converged to native-born rates over the 1990s, falling to 9.9 percent in 2003 from 11.5 percent in 1994 (the earliest year available).
- Self-employed business ownership rates were highest in the West and lowest in the Midwest in recent years.
- Trends of self-employment rates on the coasts, West, and Northeast were similar, rising in the 1980s, remaining flat in the early 1990s, falling in the mid-1990s, and rising more recently.
- The West and South experienced the fastest rates of growth in the number of self-employed business owners from 2000 to 2003 at 6.8 percent (199,000 business owners) and 6.7 percent (272,000 owners), respectively. The Northeast experienced the lowest rate of growth in self-employed business owners at 4.8 percent (102,000 owners).

Trends in the total share of self-employment:

- In 1979, Latinos represented 3 percent of the total self-employed and this percent rose steadily as their share of the labor force increased, reaching 8.5 percent by 2003.
- Women's share of the total self-employed increased gradually from 1979 to the mid-1990s, leveling off at 31.5 percent in 2003.
- As immigrants have increased their share of the labor force, they have increased their share of self-employment, from 10.9 percent of the total self-employed in 1994 to 14.7 percent in 2003.
- The White share of total self-employment fell sharply, from 91.5 percent in 1979 to 79.3 percent in 2003.

Conclusion

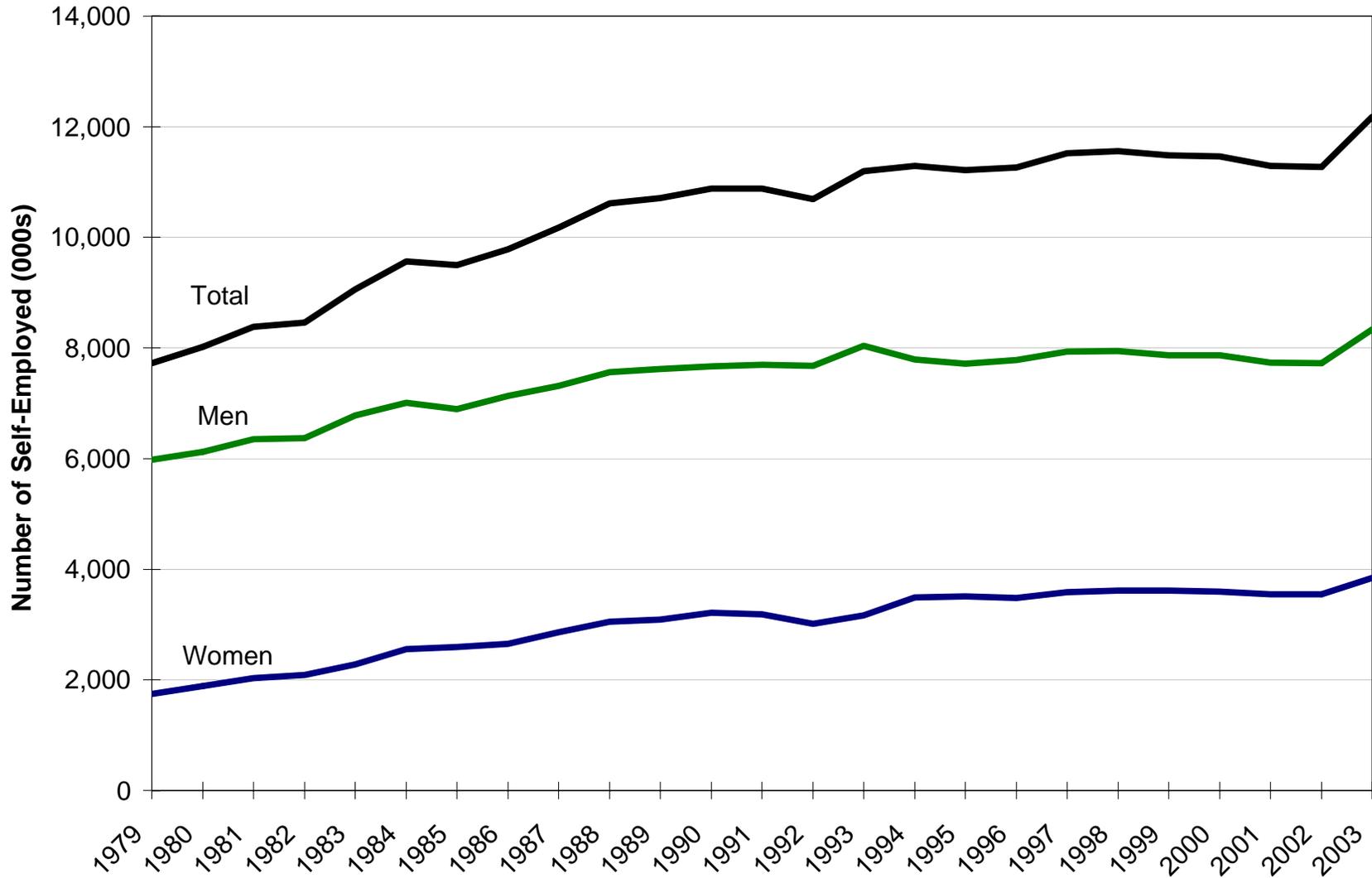
The published Bureau of Labor Statistics self-employment figure, by not including the incorporated self-employed, omits a very important subset of self-employment and by not

breaking out the published figures by owner type, masks some important and interesting trends. Fortunately, BLS does allow access to data where other definitions of self-employment can be established and where the self-employment figures can be disaggregated by owner type. This study shows the utility of understanding the underlying trends of self-employment by gender and race when evaluating overall self-employment trends.

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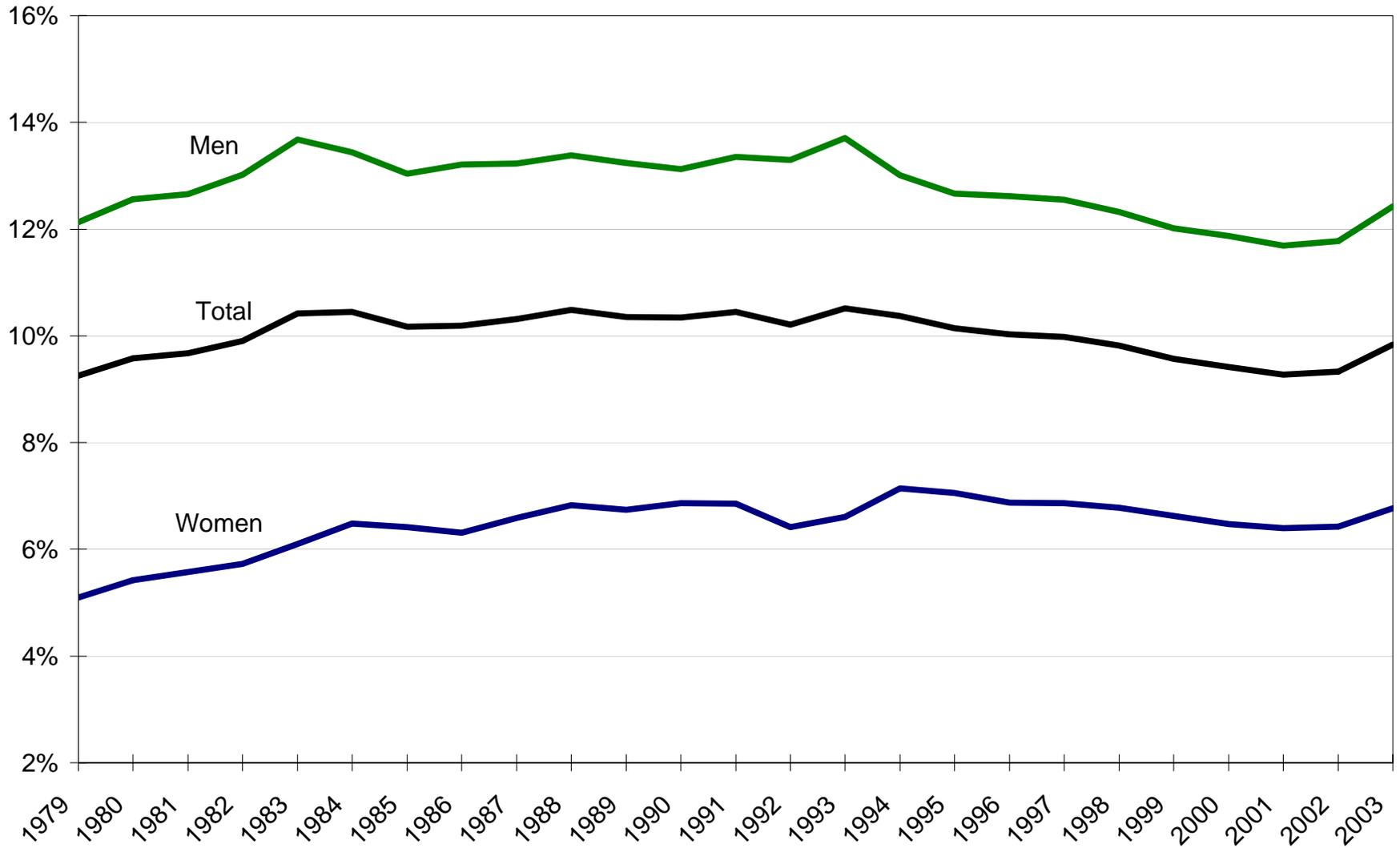
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Number of Self-Employed Business Owners
Current Population Survey, Outgoing Rotation Group Files (1979-2003)

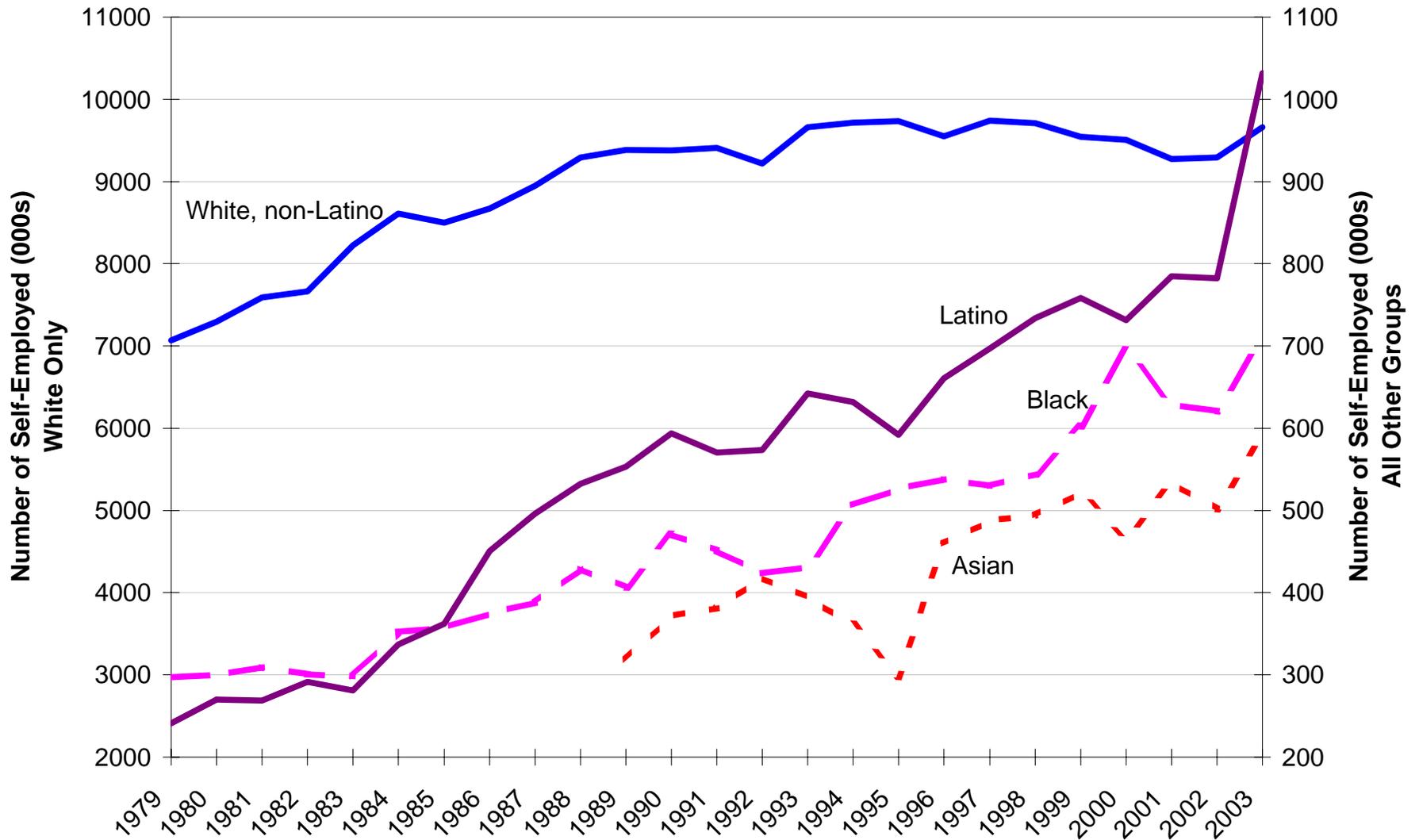


Self-Employment Rates

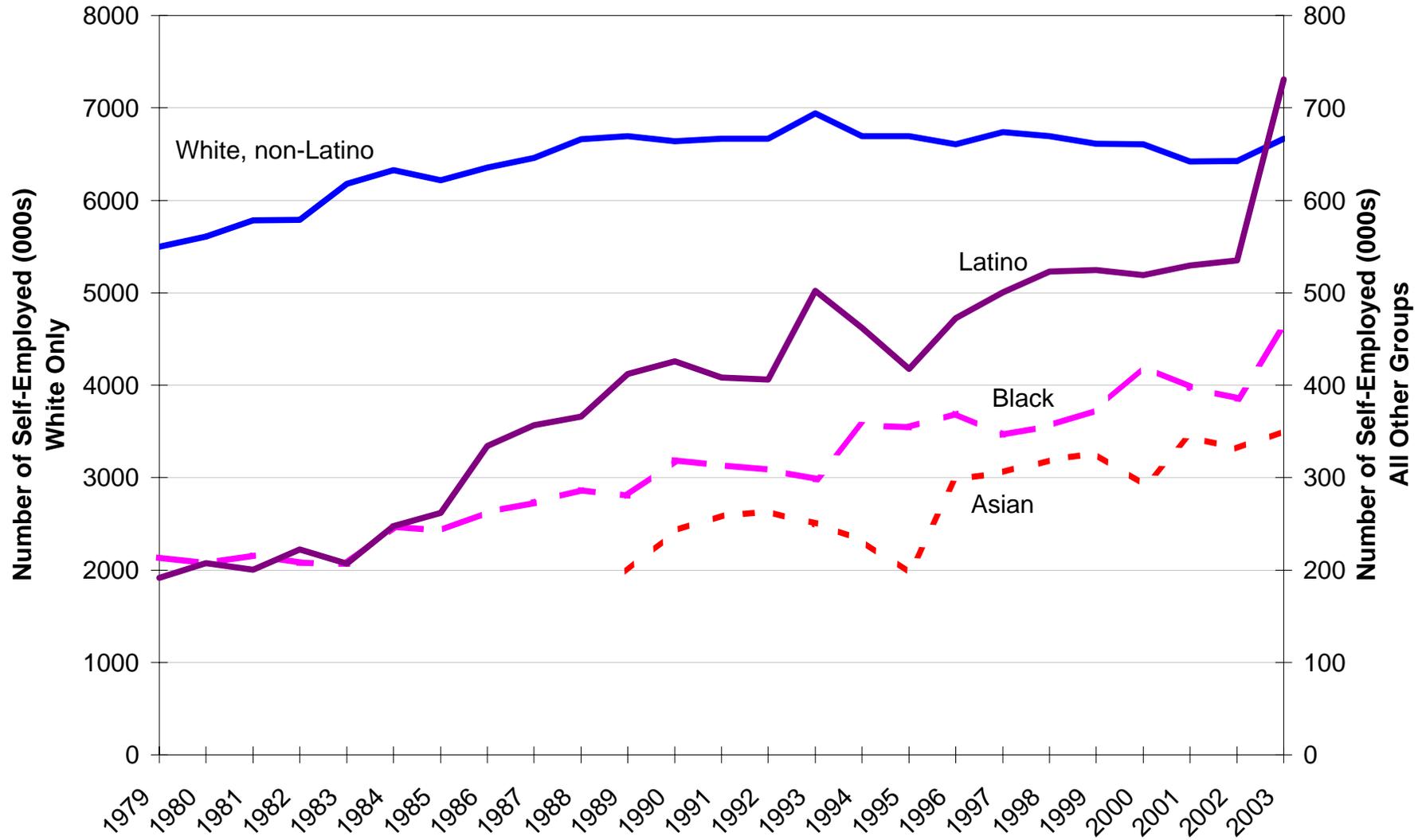
Current Population Survey, Outgoing Rotation Group Files (1979-2003)



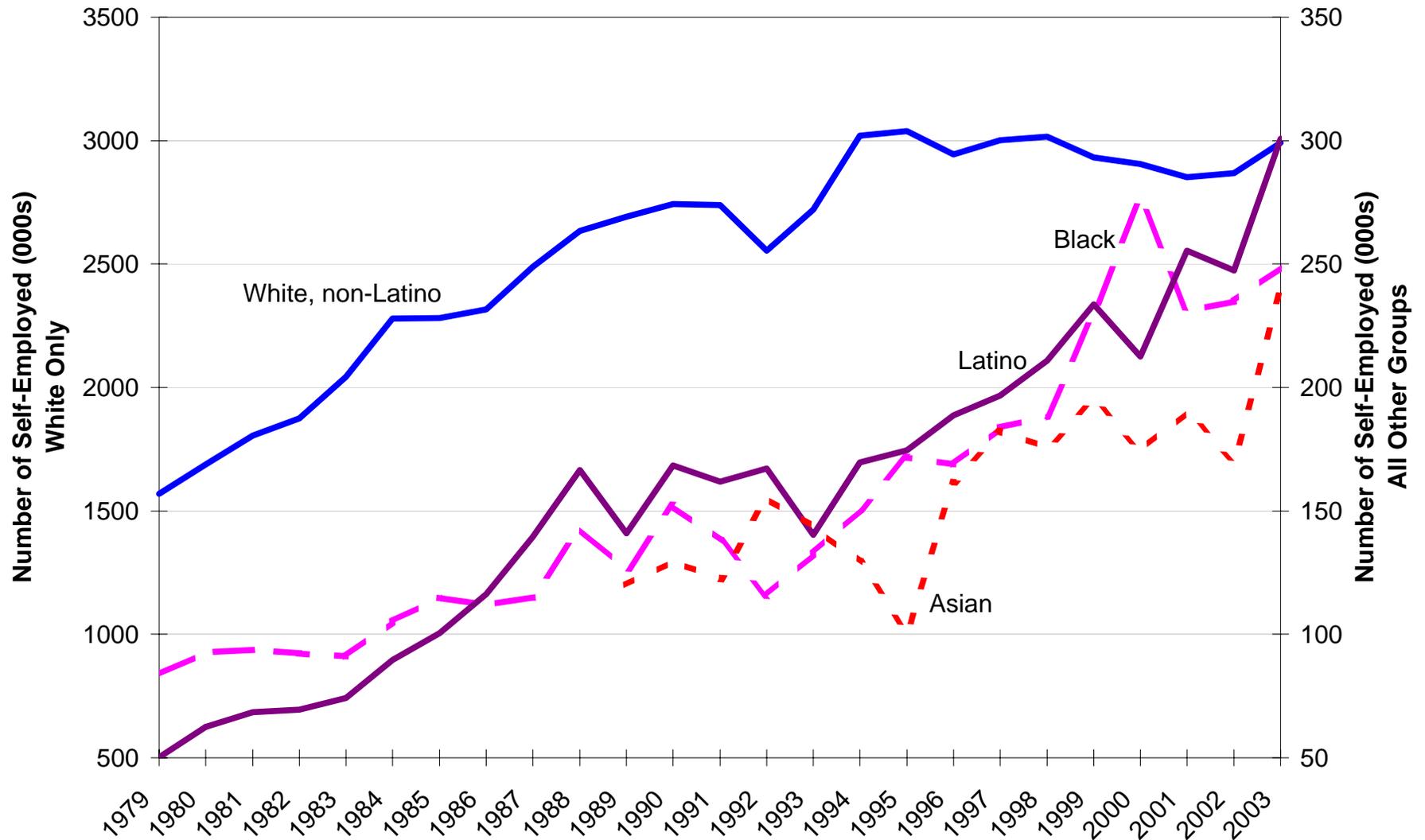
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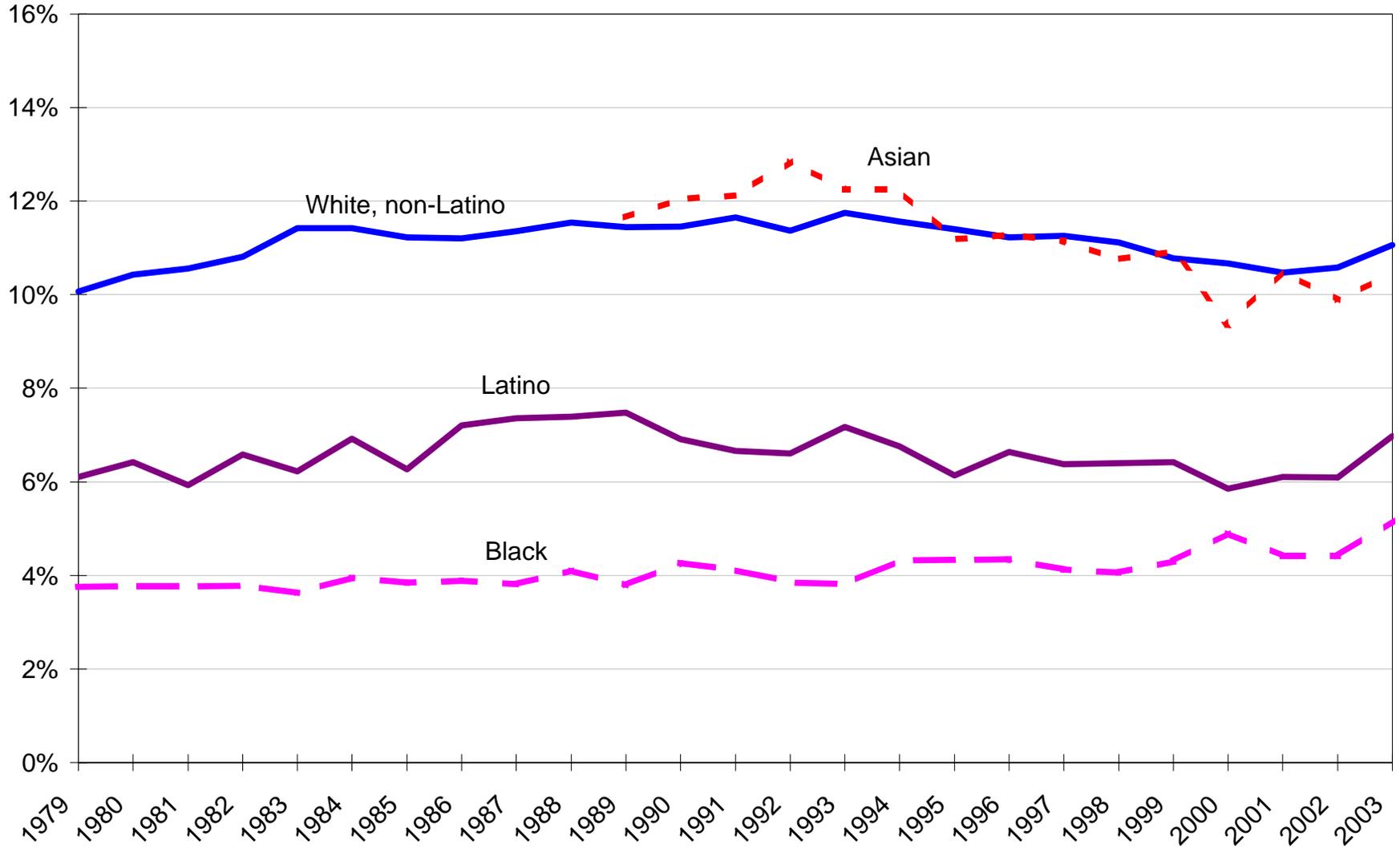
Number of Male Self-Employed Business Owners
Current Population Survey, Outgoing Rotation Group Files (1979-2003)



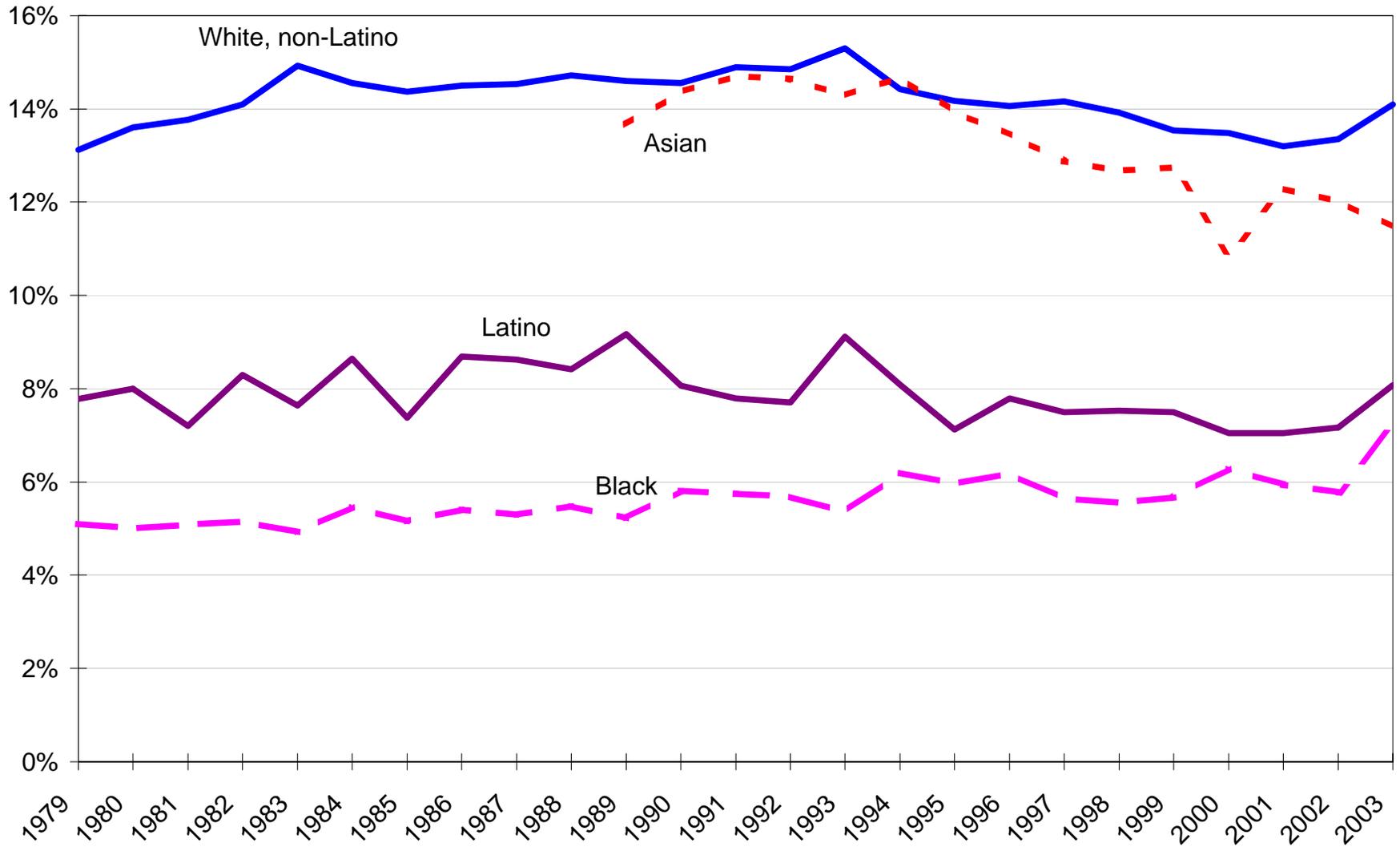
Number of Female Self-Employed Business Owners
Current Population Survey, Outgoing Rotation Group Files (1979-2003)



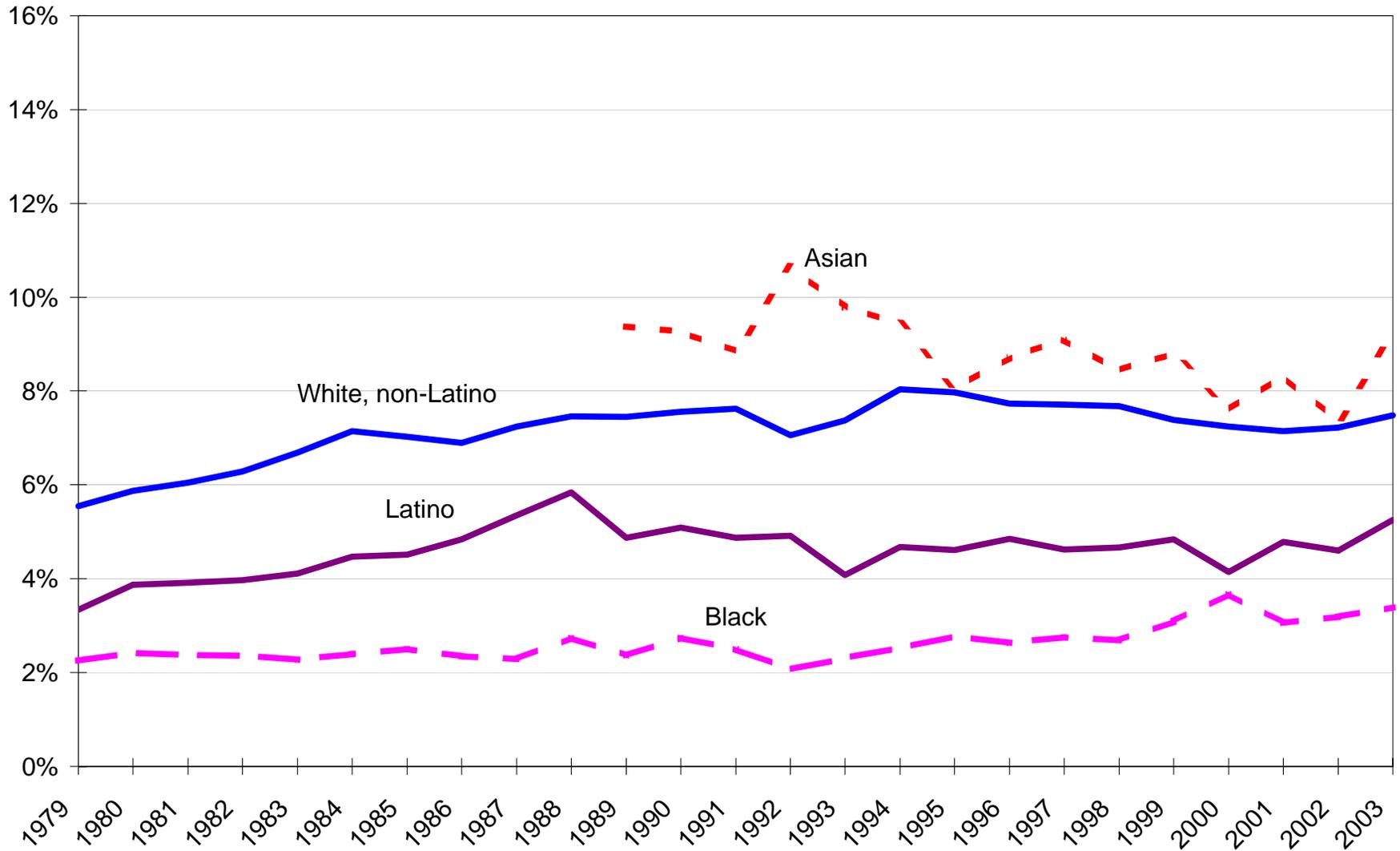
Self-Employment Rates for All Workers
Current Population Survey, Outgoing Rotation Group Files (1979-2003)



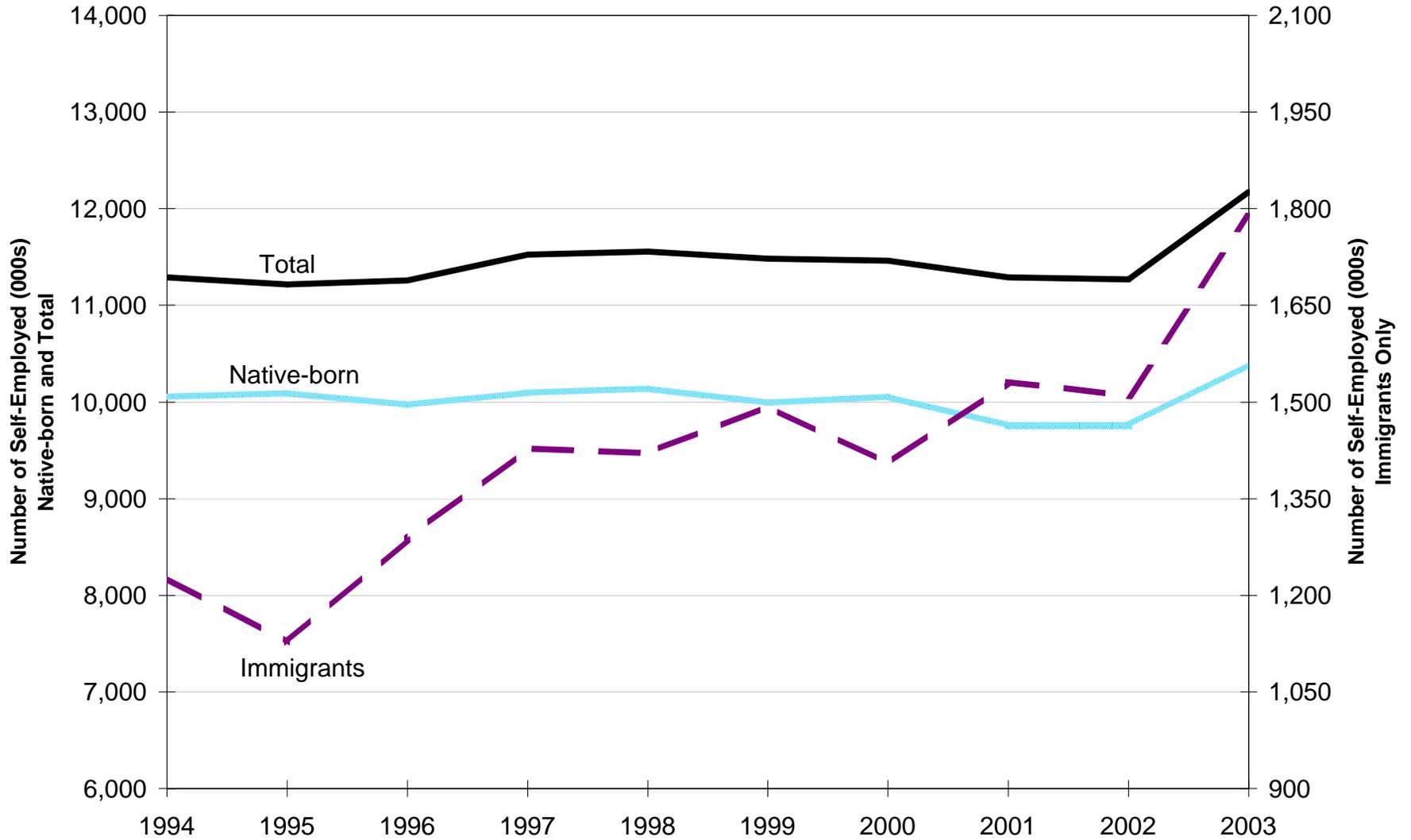
Self-Employment Rates for Working Men Current Population Survey, Outgoing Rotation Group Files (1979-2003)



Self-Employment Rates for Working Women
Current Population Survey, Outgoing Rotation Group Files (1979-2003)

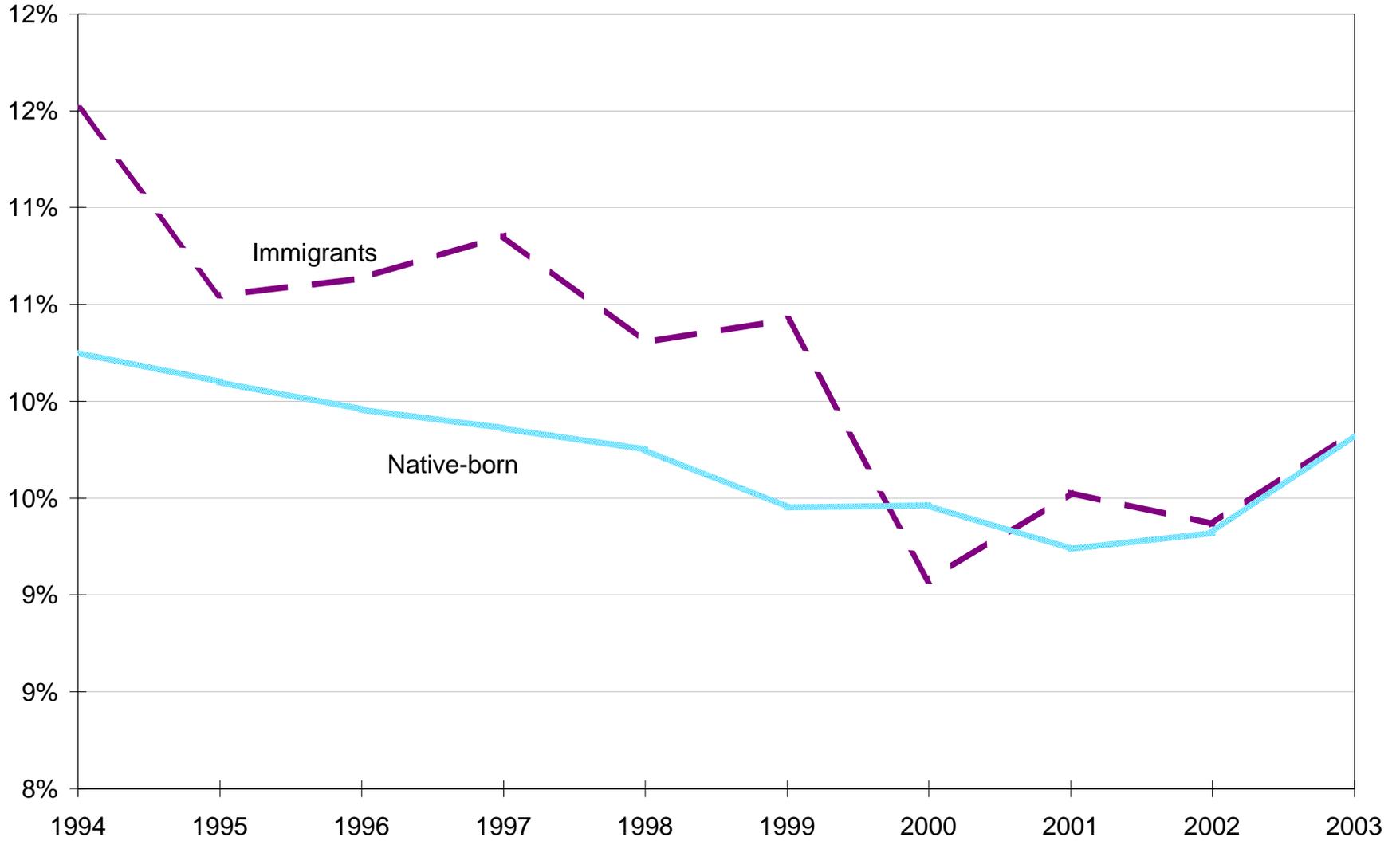


Number of Self-Employed Business Owners Current Population Survey, Outgoing Rotation Group Files (1994-2003)

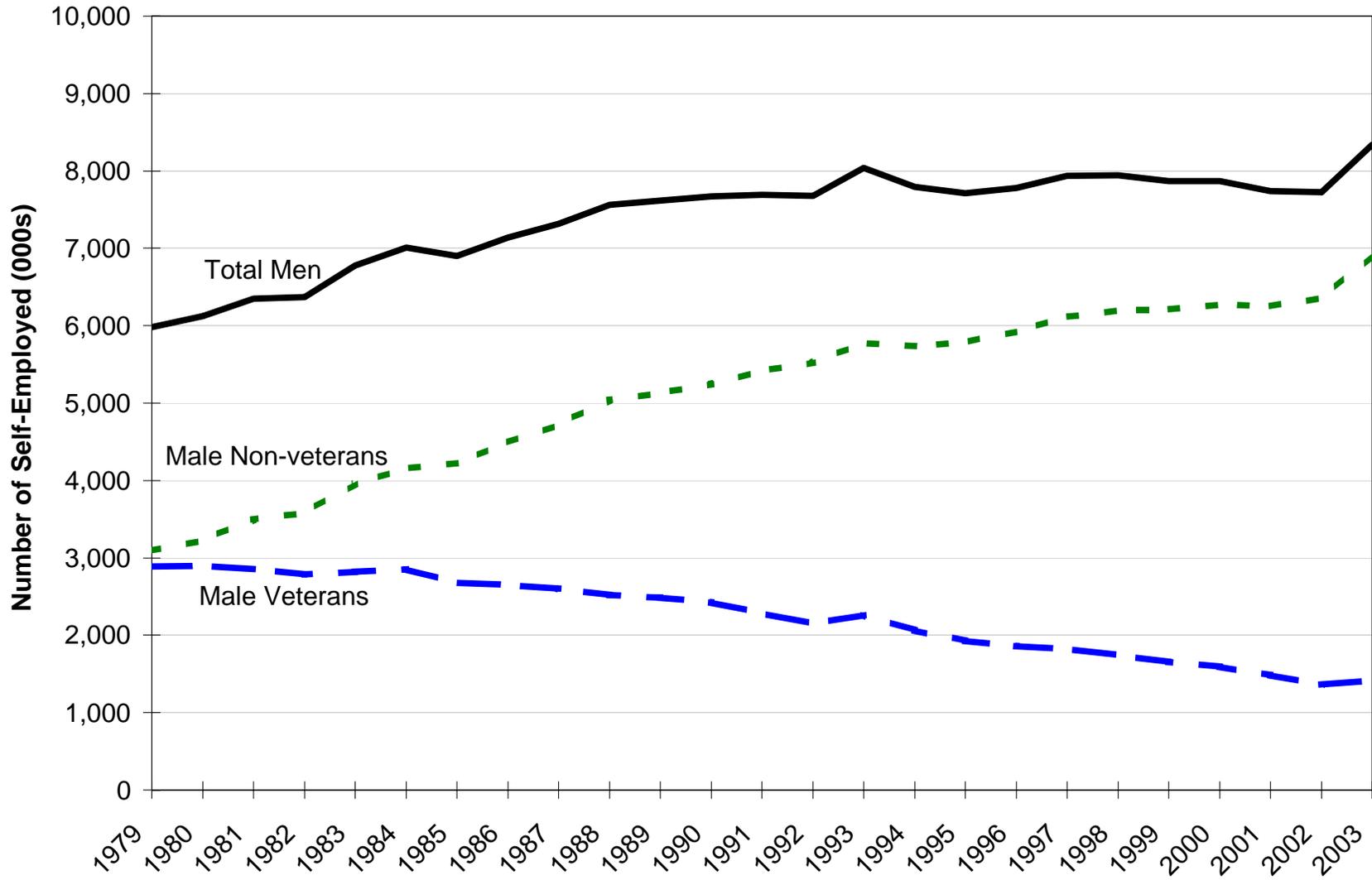


Self-Employment Rates

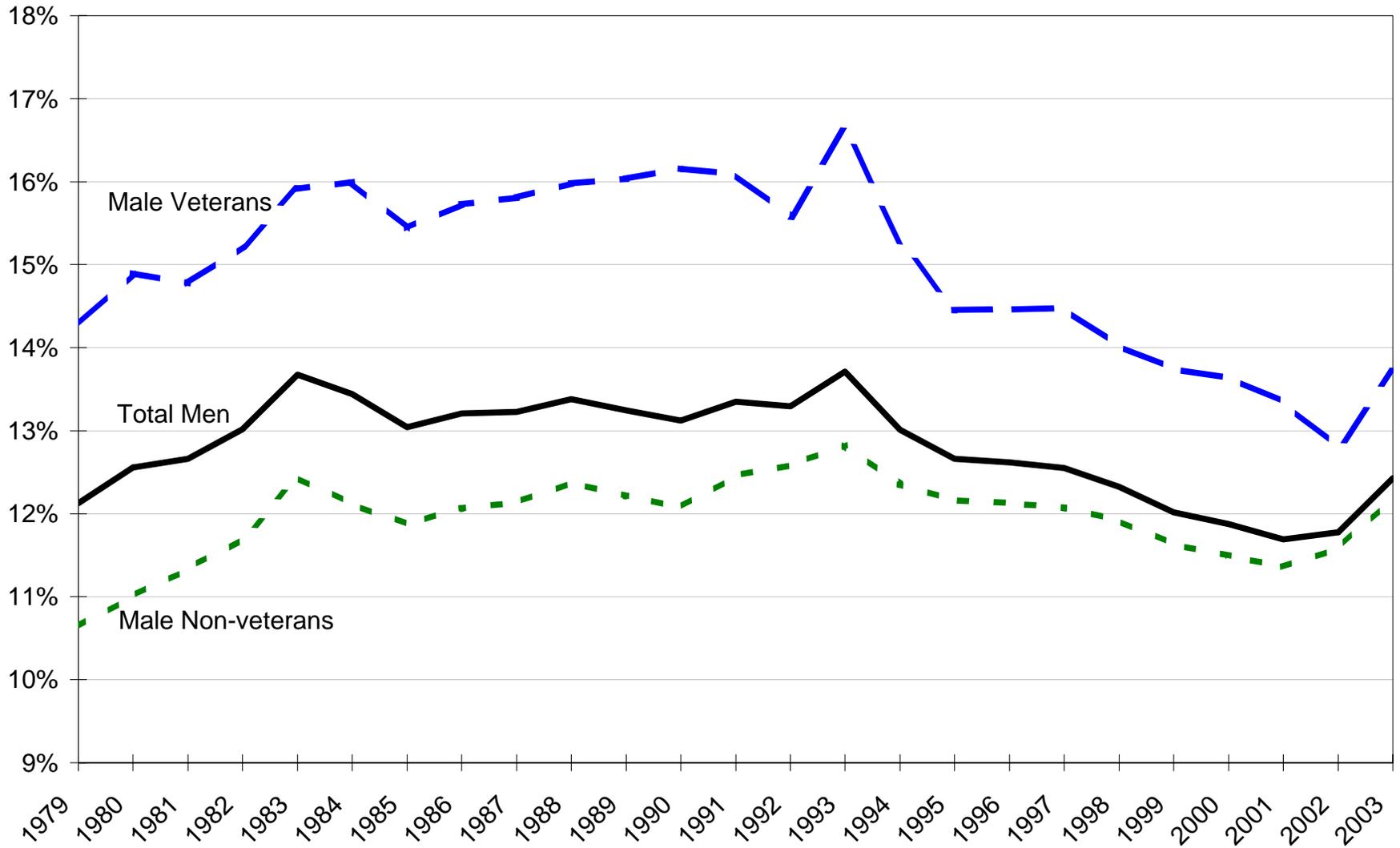
Current Population Survey, Outgoing Rotation Group Files (1994-2003)



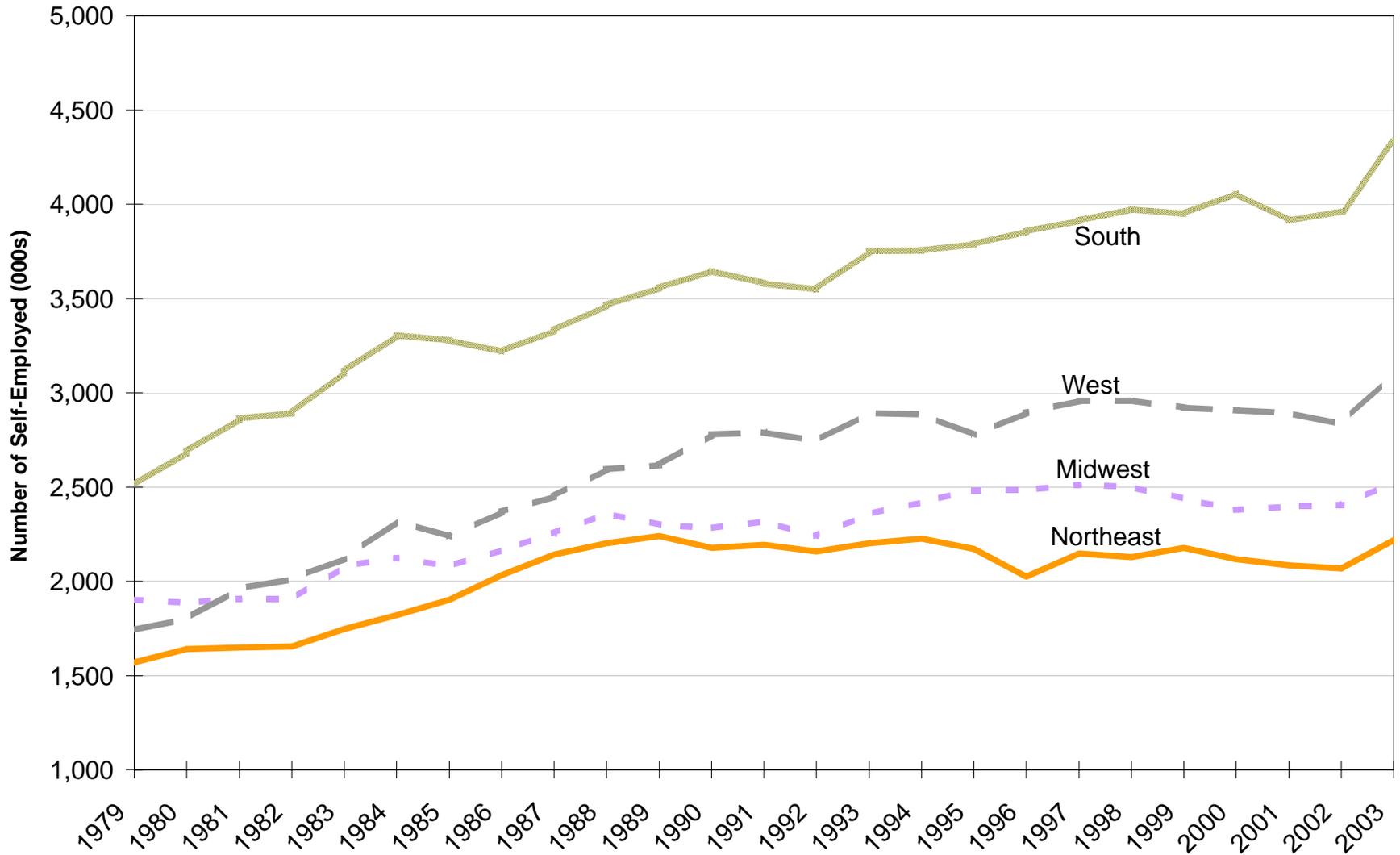
Number of Self-Employed Business Owners Current Population Survey, Outgoing Rotation Group Files (1979-2003)



Self-Employment Rates for Working Men
Current Population Survey, Outgoing Rotation Group Files (1979-2003)

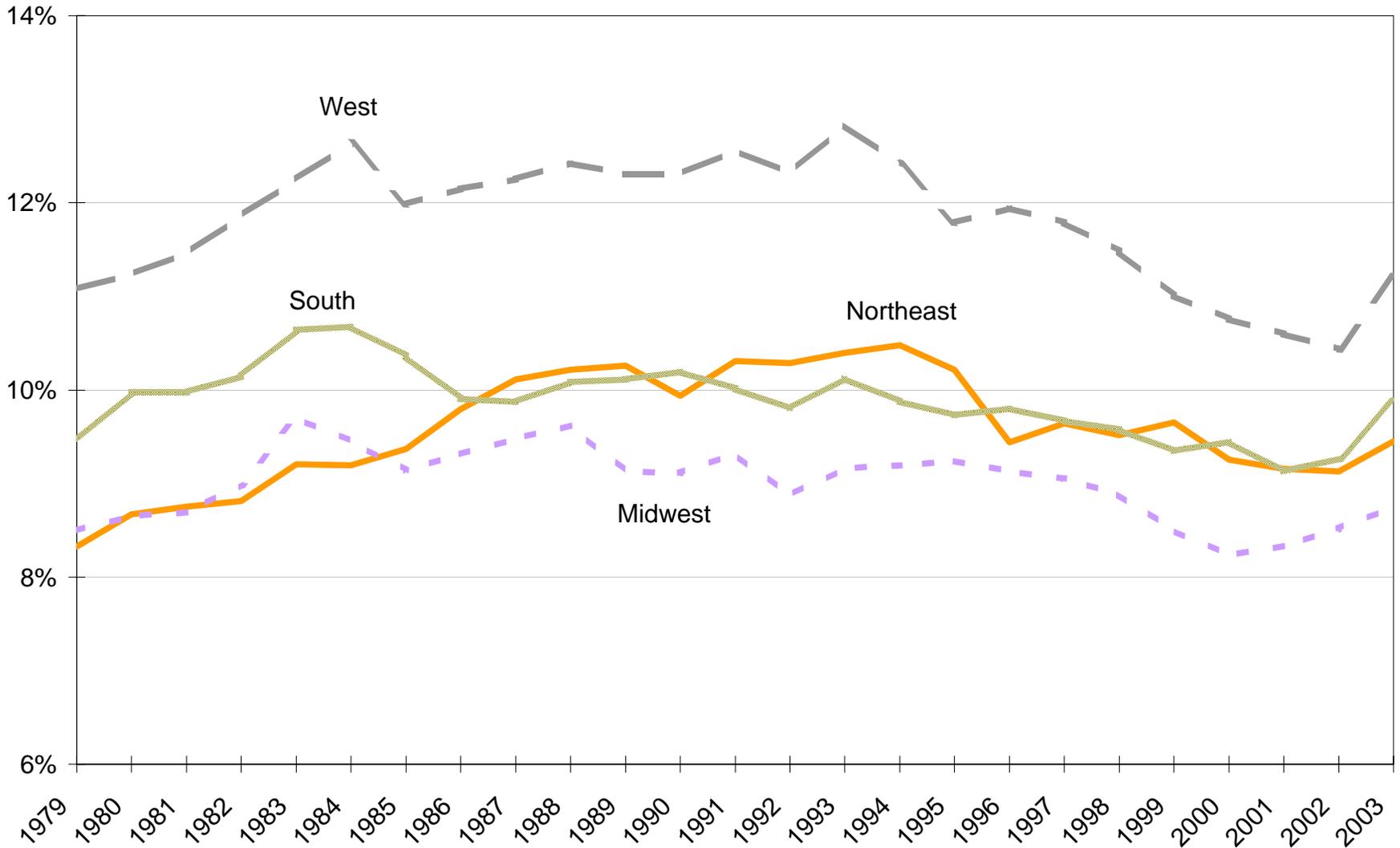


Number of Self-Employed Business Owners
Current Population Survey, Outgoing Rotation Group Files (1979-2003)



Self-Employment Rates

Current Population Survey, Outgoing Rotation Group Files (1979-2003)



Self-Employed Business Owners - Non-Agricultural Industries

Calculations from the Current Population Survey, Outgoing Rotation Group Files (1979-2003)

Robert W. Fairlie, UC Santa Cruz

Years	Men			Women			Total		
	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)
1979	12.1%	5,982	49,318	5.1%	1,741	34,185	9.3%	7,724	83,503
1980	12.6%	6,124	48,774	5.4%	1,892	34,921	9.6%	8,016	83,694
1981	12.7%	6,349	50,155	5.6%	2,031	36,432	9.7%	8,380	86,587
1982	13.0%	6,370	48,949	5.7%	2,089	36,456	9.9%	8,460	85,405
1983	13.7%	6,777	49,553	6.1%	2,279	37,394	10.4%	9,056	86,946
1984	13.4%	7,012	52,165	6.5%	2,556	39,403	10.4%	9,568	91,568
1985	13.0%	6,900	52,907	6.4%	2,595	40,420	10.2%	9,494	93,327
1986	13.2%	7,137	54,041	6.3%	2,649	41,957	10.2%	9,786	95,998
1987	13.2%	7,318	55,331	6.6%	2,857	43,360	10.3%	10,175	98,691
1988	13.4%	7,562	56,516	6.8%	3,055	44,776	10.5%	10,617	101,292
1989	13.2%	7,619	57,540	6.7%	3,091	45,892	10.4%	10,711	103,432
1990	13.1%	7,667	58,424	6.9%	3,213	46,824	10.3%	10,881	105,248
1991	13.4%	7,693	57,622	6.9%	3,187	46,492	10.5%	10,880	104,114
1992	13.3%	7,679	57,752	6.4%	3,011	46,935	10.2%	10,690	104,687
1993	13.7%	8,038	58,624	6.6%	3,163	47,874	10.5%	11,201	106,498
1994	13.0%	7,796	59,919	7.1%	3,491	48,883	10.4%	11,287	108,801
1995	12.7%	7,711	60,890	7.1%	3,506	49,704	10.1%	11,217	110,594
1996	12.6%	7,781	61,675	6.9%	3,478	50,563	10.0%	11,258	112,238
1997	12.6%	7,939	63,257	6.9%	3,586	52,279	10.0%	11,525	115,537
1998	12.3%	7,943	64,454	6.8%	3,613	53,276	9.8%	11,557	117,730
1999	12.0%	7,869	65,472	6.6%	3,615	54,544	9.6%	11,483	120,015
2000	11.9%	7,868	66,258	6.5%	3,592	55,485	9.4%	11,460	121,743
2001	11.7%	7,738	66,189	6.4%	3,549	55,518	9.3%	11,287	121,707
2002	11.8%	7,722	65,570	6.4%	3,546	55,233	9.3%	11,268	120,803
2003	12.4%	8,336	67,080	6.8%	3,839	56,750	9.8%	12,176	123,830

Notes: (1) The sample includes individuals ages 16 and over who work 15 or more hours during the survey week. (2) Agricultural industries are defined using the NAICS classifications and are excluded. Estimates for 1979 to 1991 also exclude veterinary services. (3) The CPS was redesigned in 1994.

Self-Employed Business Owners - Non-Agricultural Industries

Calculations from the Current Population Survey, Outgoing Rotation Group Files (1979-2003) - Robert W. Fairlie, UC Santa Cruz

Years	White, non-Latino			Black			Latino			Asian			Total		
	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)
Total															
1979	10.1%	7,066	70,168	3.8%	297	7,907	6.1%	241	3,956				9.3%	7,724	83,503
1980	10.4%	7,298	69,988	3.8%	300	7,960	6.4%	270	4,205				9.6%	8,016	83,694
1981	10.6%	7,589	71,827	3.8%	309	8,203	5.9%	269	4,533				9.7%	8,380	86,587
1982	10.8%	7,663	70,896	3.8%	300	7,960	6.6%	292	4,430				9.9%	8,460	85,405
1983	11.4%	8,220	71,953	3.6%	298	8,213	6.2%	281	4,515				10.4%	9,056	86,946
1984	11.4%	8,608	75,386	4.0%	352	8,908	6.9%	337	4,868				10.4%	9,568	91,568
1985	11.2%	8,497	75,697	3.8%	357	9,285	6.3%	362	5,774				10.2%	9,494	93,327
1986	11.2%	8,670	77,401	3.9%	374	9,627	7.2%	450	6,248				10.2%	9,786	95,998
1987	11.4%	8,949	78,818	3.8%	388	10,179	7.4%	496	6,743				10.3%	10,175	98,691
1988	11.5%	9,294	80,533	4.1%	429	10,446	7.4%	533	7,203				10.5%	10,617	101,292
1989	11.4%	9,384	81,978	3.8%	406	10,711	7.5%	553	7,392	11.7%	319	2,734	10.4%	10,711	103,432
1990	11.5%	9,381	81,861	4.3%	471	11,040	6.9%	594	8,588	12.1%	372	3,088	10.3%	10,881	105,248
1991	11.7%	9,407	80,724	4.1%	451	10,976	6.7%	570	8,563	12.1%	381	3,147	10.5%	10,880	104,114
1992	11.4%	9,217	81,041	3.9%	424	11,007	6.6%	573	8,675	12.9%	418	3,254	10.2%	10,690	104,687
1993	11.7%	9,663	82,244	3.8%	431	11,322	7.2%	642	8,952	12.2%	394	3,218	10.5%	11,201	106,498
1994	11.6%	9,714	84,005	4.3%	507	11,704	6.8%	632	9,342	12.2%	362	2,953	10.4%	11,287	108,801
1995	11.4%	9,732	85,336	4.3%	526	12,134	6.1%	592	9,645	11.2%	298	2,661	10.1%	11,217	110,594
1996	11.2%	9,550	85,032	4.3%	538	12,386	6.6%	661	9,953	11.3%	460	4,074	10.0%	11,258	112,238
1997	11.3%	9,738	86,490	4.1%	530	12,828	6.4%	697	10,935	11.1%	488	4,375	10.0%	11,525	115,537
1998	11.1%	9,710	87,353	4.1%	544	13,407	6.4%	734	11,466	10.8%	494	4,595	9.8%	11,557	117,730
1999	10.8%	9,545	88,536	4.3%	602	13,999	6.4%	759	11,819	10.9%	521	4,771	9.6%	11,483	120,015
2000	10.7%	9,510	89,108	4.9%	697	14,220	5.9%	732	12,490	9.4%	466	4,977	9.4%	11,460	121,743
2001	10.5%	9,273	88,560	4.4%	629	14,251	6.1%	785	12,848	10.5%	534	5,077	9.3%	11,287	121,707
2002	10.6%	9,290	87,788	4.4%	621	14,062	6.1%	782	12,842	9.9%	502	5,077	9.3%	11,268	120,803
2003	11.1%	9,658	87,305	5.2%	710	13,717	7.0%	1,032	14,777	10.4%	590	5,647	9.8%	12,176	123,830

Notes: (1) The sample includes individuals ages 16 and over who work 15 or more hours during the survey week. (2) Agricultural industries are defined using the NAICS classifications and are excluded. Estimates for 1979 to 1991 also exclude veterinary services. (3) Race and Spanish codes changed in 1989, 1996 and 2003, and the CPS was redesigned in 1994. Estimates for 2003 only include individuals reporting one race.

Self-Employed Business Owners - Non-Agricultural Industries

Calculations from the Current Population Survey, Outgoing Rotation Group Files (1979-2003) - Robert W. Fairlie, UC Santa Cruz

Years	White, non-Latino			Black			Latino			Asian			Total		
	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Emp. Rate	No. of Self-Emp. (000s)	Labor Force (000s)
Men															
1979	13.1%	5,496	41,888	5.1%	213	4,182	7.8%	191	2,456				12.1%	5,982	49,318
1980	13.6%	5,609	41,230	5.0%	207	4,141	8.0%	207	2,592				12.6%	6,124	48,774
1981	13.8%	5,784	41,998	5.1%	216	4,244	7.2%	200	2,782				12.7%	6,349	50,155
1982	14.1%	5,788	41,050	5.1%	208	4,042	8.3%	222	2,678				13.0%	6,370	48,949
1983	14.9%	6,178	41,390	4.9%	207	4,203	7.6%	207	2,707				13.7%	6,777	49,553
1984	14.6%	6,329	43,473	5.5%	247	4,519	8.6%	247	2,863				13.4%	7,012	52,165
1985	14.4%	6,216	43,246	5.2%	242	4,698	7.4%	262	3,550				13.0%	6,900	52,907
1986	14.5%	6,355	43,842	5.4%	263	4,861	8.7%	334	3,846				13.2%	7,137	54,041
1987	14.5%	6,461	44,460	5.3%	273	5,143	8.6%	357	4,138				13.2%	7,318	55,331
1988	14.7%	6,659	45,228	5.5%	286	5,228	8.4%	366	4,349				13.4%	7,562	56,516
1989	14.6%	6,693	45,862	5.2%	280	5,374	9.2%	412	4,497	13.7%	199	1,454	13.2%	7,619	57,540
1990	14.6%	6,637	45,588	5.8%	319	5,488	8.1%	426	5,279	14.4%	243	1,689	13.1%	7,667	58,424
1991	14.9%	6,668	44,782	5.7%	313	5,451	7.8%	408	5,242	14.7%	259	1,761	13.4%	7,693	57,622
1992	14.9%	6,664	44,871	5.7%	308	5,413	7.7%	406	5,275	14.6%	263	1,796	13.3%	7,679	57,752
1993	15.3%	6,942	45,374	5.3%	298	5,576	9.1%	502	5,511	14.3%	250	1,751	13.7%	8,038	58,624
1994	14.4%	6,694	46,421	6.2%	356	5,750	8.1%	462	5,714	14.7%	232	1,582	13.0%	7,796	59,919
1995	14.2%	6,693	47,213	6.0%	354	5,946	7.1%	418	5,861	13.9%	197	1,412	12.7%	7,711	60,890
1996	14.1%	6,607	46,997	6.2%	369	5,970	7.8%	472	6,061	13.4%	298	2,218	12.6%	7,781	61,675
1997	14.2%	6,736	47,568	5.6%	346	6,137	7.5%	500	6,677	12.9%	305	2,371	12.6%	7,939	63,257
1998	13.9%	6,694	48,080	5.6%	356	6,407	7.5%	523	6,951	12.7%	319	2,515	12.3%	7,943	64,454
1999	13.5%	6,614	48,869	5.7%	373	6,575	7.5%	525	6,995	12.8%	326	2,560	12.0%	7,869	65,472
2000	13.5%	6,606	49,007	6.3%	420	6,684	7.0%	519	7,365	10.9%	292	2,684	11.9%	7,868	66,258
2001	13.2%	6,422	48,675	5.9%	398	6,699	7.1%	529	7,508	12.3%	343	2,793	11.7%	7,738	66,189
2002	13.4%	6,423	48,109	5.8%	386	6,682	7.2%	535	7,460	12.0%	332	2,760	11.8%	7,722	65,570
2003	14.1%	6,668	47,317	7.2%	461	6,399	8.1%	731	9,053	11.5%	351	3,058	12.4%	8,336	67,080

Notes: (1) The sample includes individuals ages 16 and over who work 15 or more hours during the survey week. (2) Agricultural industries are defined using the NAICS classifications and are excluded. Estimates for 1979 to 1991 also exclude veterinary services. (3) Race and Spanish codes changed in 1989, 1996 and 2003, and the CPS was redesigned in 1994. Estimates for 2003 only include individuals reporting one race.

Self-Employed Business Owners - Non-Agricultural Industries

Calculations from the Current Population Survey, Outgoing Rotation Group Files (1979-2003) - Robert W. Fairlie, UC Santa Cruz

Years	White, non-Latino			Black			Latino			Asian			Total		
	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)
1979	5.6%	1,570	28,280	2.2%	84	3,725	3.3%	50	1,500				5.1%	1,741	34,185
1980	5.9%	1,689	28,758	2.4%	93	3,819	3.9%	62	1,613				5.4%	1,892	34,921
1981	6.1%	1,805	29,829	2.4%	94	3,959	3.9%	68	1,751				5.6%	2,031	36,432
1982	6.3%	1,875	29,847	2.4%	92	3,918	4.0%	69	1,752				5.7%	2,089	36,456
1983	6.7%	2,043	30,563	2.3%	91	4,009	4.1%	74	1,808				6.1%	2,279	37,394
1984	7.1%	2,279	31,912	2.4%	105	4,388	4.5%	90	2,005				6.5%	2,556	39,403
1985	7.0%	2,281	32,452	2.5%	115	4,587	4.5%	100	2,224				6.4%	2,595	40,420
1986	6.9%	2,315	33,559	2.3%	112	4,766	4.8%	116	2,402				6.3%	2,649	41,957
1987	7.2%	2,488	34,358	2.3%	115	5,037	5.4%	139	2,606				6.6%	2,857	43,360
1988	7.5%	2,635	35,305	2.7%	143	5,218	5.8%	167	2,853				6.8%	3,055	44,776
1989	7.5%	2,691	36,116	2.4%	126	5,337	4.9%	141	2,894	9.4%	120	1,280	6.7%	3,091	45,892
1990	7.6%	2,743	36,273	2.7%	152	5,551	5.1%	168	3,308	9.3%	130	1,399	6.9%	3,213	46,824
1991	7.6%	2,739	35,942	2.5%	138	5,525	4.9%	162	3,321	8.8%	123	1,386	6.9%	3,187	46,492
1992	7.1%	2,553	36,170	2.1%	116	5,593	4.9%	167	3,400	10.6%	155	1,459	6.4%	3,011	46,935
1993	7.4%	2,720	36,869	2.3%	133	5,746	4.1%	140	3,441	9.8%	144	1,466	6.6%	3,163	47,874
1994	8.0%	3,020	37,585	2.5%	151	5,954	4.7%	170	3,628	9.4%	129	1,371	7.1%	3,491	48,883
1995	8.0%	3,039	38,123	2.8%	172	6,189	4.6%	175	3,784	8.1%	101	1,249	7.1%	3,506	49,704
1996	7.7%	2,943	38,035	2.6%	169	6,416	4.9%	189	3,892	8.7%	162	1,856	6.9%	3,478	50,563
1997	7.7%	3,002	38,921	2.7%	184	6,692	4.6%	197	4,258	9.1%	182	2,004	6.9%	3,586	52,279
1998	7.7%	3,016	39,273	2.7%	188	7,000	4.7%	211	4,515	8.4%	175	2,080	6.8%	3,613	53,276
1999	7.4%	2,932	39,667	3.1%	230	7,425	4.8%	234	4,824	8.8%	195	2,211	6.6%	3,615	54,544
2000	7.2%	2,904	40,101	3.7%	277	7,536	4.1%	213	5,125	7.6%	174	2,293	6.5%	3,592	55,485
2001	7.1%	2,851	39,886	3.1%	231	7,553	4.8%	255	5,340	8.3%	190	2,284	6.4%	3,549	55,518
2002	7.2%	2,867	39,680	3.2%	235	7,380	4.6%	247	5,382	7.3%	170	2,317	6.4%	3,546	55,233
2003	7.5%	2,990	39,989	3.4%	249	7,318	5.3%	301	5,724	9.2%	239	2,589	6.8%	3,839	56,750

Notes: (1) The sample includes individuals ages 16 and over who work 15 or more hours during the survey week. (2) Agricultural industries are defined using the NAICS classifications and are excluded. Estimates for 1979 to 1991 also exclude veterinary services. (3) Race and Spanish codes changed in 1989, 1996 and 2003, and the CPS was redesigned in 1994. Estimates for 2003 only include individuals reporting one race.

Self-Employed Business Owners - Non-Agricultural Industries

Calculations from the Current Population Survey, Outgoing Rotation Group Files (1994-2003)

Robert W. Fairlie, UC Santa Cruz

Years	Immigrants			Native-born			Total		
	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)
1994	11.5%	1,227	10,665	10.3%	10,056	98,090	10.4%	11,287	108,801
1995	10.5%	1,127	10,682	10.1%	10,090	99,913	10.1%	11,217	110,594
1996	10.6%	1,288	12,109	10.0%	9,971	100,129	10.0%	11,258	112,238
1997	10.9%	1,428	13,152	9.9%	10,097	102,385	10.0%	11,525	115,537
1998	10.3%	1,420	13,782	9.8%	10,136	103,948	9.8%	11,557	117,730
1999	10.4%	1,493	14,330	9.5%	9,990	105,686	9.6%	11,483	120,015
2000	9.1%	1,404	15,473	9.5%	10,056	106,270	9.4%	11,460	121,743
2001	9.5%	1,531	16,068	9.2%	9,756	105,640	9.3%	11,287	121,707
2002	9.4%	1,510	16,121	9.3%	9,758	104,682	9.3%	11,268	120,803
2003	9.9%	1,788	18,149	9.8%	10,388	105,681	9.8%	12,176	123,830

Notes: (1) The sample includes individuals ages 16 and over who work 15 or more hours during the survey week.

(2) Agricultural industries are defined using the NAICS classifications and are excluded. Estimates for 1979 to

1991 also exclude veterinary services. (3) The CPS was redesigned in 1994.

Self-Employed Business Owners - Non-Agricultural Industries

Calculations from the Current Population Survey, Outgoing Rotation Group Files (1979-2003)

Robert W. Fairlie, UC Santa Cruz

Years	Male Veterans			Male Non-Veterans			Total Men		
	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self- Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)
1979	14.3%	2,889	20,241	10.6%	3,093	29,077	12.1%	5,982	49,318
1980	14.9%	2,893	19,422	11.0%	3,231	29,351	12.6%	6,124	48,774
1981	14.8%	2,856	19,333	11.3%	3,493	30,822	12.7%	6,349	50,155
1982	15.2%	2,785	18,291	11.7%	3,586	30,657	13.0%	6,370	48,949
1983	15.9%	2,818	17,709	12.4%	3,959	31,844	13.7%	6,777	49,553
1984	16.0%	2,856	17,855	12.1%	4,156	34,310	13.4%	7,012	52,165
1985	15.4%	2,677	17,342	11.9%	4,223	35,565	13.0%	6,900	52,907
1986	15.7%	2,647	16,835	12.1%	4,490	37,206	13.2%	7,137	54,041
1987	15.8%	2,600	16,453	12.1%	4,718	38,878	13.2%	7,318	55,331
1988	16.0%	2,520	15,768	12.4%	5,042	40,748	13.4%	7,562	56,516
1989	16.0%	2,488	15,518	12.2%	5,131	42,022	13.2%	7,619	57,540
1990	16.2%	2,425	15,010	12.1%	5,243	43,414	13.1%	7,667	58,424
1991	16.1%	2,279	14,162	12.5%	5,414	43,461	13.4%	7,693	57,622
1992	15.6%	2,152	13,817	12.6%	5,526	43,935	13.3%	7,679	57,752
1993	16.6%	2,263	13,602	12.8%	5,775	45,023	13.7%	8,038	58,624
1994	15.3%	2,061	13,498	12.4%	5,735	46,421	13.0%	7,796	59,919
1995	14.5%	1,928	13,336	12.2%	5,783	47,554	12.7%	7,711	60,890
1996	14.5%	1,856	12,835	12.1%	5,924	48,840	12.6%	7,781	61,675
1997	14.5%	1,827	12,625	12.1%	6,112	50,633	12.6%	7,939	63,257
1998	14.0%	1,745	12,448	11.9%	6,198	52,006	12.3%	7,943	64,454
1999	13.7%	1,659	12,069	11.6%	6,210	53,403	12.0%	7,869	65,472
2000	13.6%	1,595	11,700	11.5%	6,273	54,558	11.9%	7,868	66,258
2001	13.4%	1,485	11,123	11.4%	6,253	55,066	11.7%	7,738	66,189
2002	12.8%	1,364	10,655	11.6%	6,358	54,915	11.8%	7,722	65,570
2003	13.7%	1,420	10,356	12.2%	6,916	56,724	12.4%	8,336	67,080

Notes: (1) The sample includes individuals ages 16 and over who work 15 or more hours during the survey week. (2) Agricultural industries are defined using the NAICS classifications and are excluded. Estimates for 1979 to 1991 also exclude veterinary services. (3) The CPS was redesigned in 1994.

Self-Employed Business Owners - Non-Agricultural Industries

Calculations from the Current Population Survey, Outgoing Rotation Group Files (1979-2003) - Robert W. Fairlie, UC Santa Cruz

Years	Northeast			Midwest			South			West			Total		
	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)	Self-Empl. Rate	No. of Self-Emp. (000s)	Labor Force (000s)
1979	8.3%	1,571	18,865	8.5%	1,902	22,393	9.5%	2,509	26,524	11.1%	1,742	15,722	9.3%	7,724	83,503
1980	8.7%	1,639	18,901	8.7%	1,887	21,804	10.0%	2,688	26,949	11.2%	1,802	16,041	9.6%	8,016	83,694
1981	8.8%	1,648	18,829	8.7%	1,906	21,933	10.0%	2,864	28,705	11.5%	1,962	17,121	9.7%	8,380	86,587
1982	8.8%	1,653	18,761	9.0%	1,905	21,194	10.1%	2,891	28,492	11.9%	2,011	16,958	9.9%	8,460	85,405
1983	9.2%	1,747	18,979	9.7%	2,080	21,427	10.6%	3,111	29,246	12.3%	2,119	17,294	10.4%	9,056	86,946
1984	9.2%	1,819	19,781	9.5%	2,124	22,474	10.7%	3,306	30,972	12.6%	2,318	18,340	10.4%	9,568	91,568
1985	9.4%	1,901	20,290	9.1%	2,079	22,744	10.4%	3,278	31,626	12.0%	2,237	18,667	10.2%	9,494	93,327
1986	9.8%	2,033	20,754	9.3%	2,167	23,274	9.9%	3,218	32,485	12.1%	2,367	19,485	10.2%	9,786	95,998
1987	10.1%	2,143	21,185	9.5%	2,253	23,771	9.9%	3,329	33,733	12.3%	2,450	20,002	10.3%	10,175	98,691
1988	10.2%	2,201	21,540	9.6%	2,359	24,521	10.1%	3,463	34,340	12.4%	2,595	20,891	10.5%	10,617	101,292
1989	10.3%	2,239	21,830	9.1%	2,300	25,191	10.1%	3,556	35,162	12.3%	2,615	21,249	10.4%	10,711	103,432
1990	9.9%	2,177	21,903	9.1%	2,280	25,009	10.2%	3,644	35,754	12.3%	2,780	22,581	10.3%	10,881	105,248
1991	10.3%	2,193	21,280	9.3%	2,318	24,864	10.0%	3,580	35,758	12.6%	2,790	22,213	10.5%	10,880	104,114
1992	10.3%	2,159	20,990	8.9%	2,239	25,227	9.8%	3,547	36,188	12.3%	2,745	22,281	10.2%	10,690	104,687
1993	10.4%	2,203	21,194	9.2%	2,356	25,714	10.1%	3,751	37,061	12.8%	2,890	22,529	10.5%	11,201	106,498
1994	10.5%	2,227	21,255	9.2%	2,420	26,308	9.9%	3,754	37,996	12.4%	2,887	23,242	10.4%	11,287	108,801
1995	10.2%	2,172	21,263	9.2%	2,482	26,862	9.7%	3,786	38,919	11.8%	2,777	23,550	10.1%	11,217	110,594
1996	9.4%	2,024	21,447	9.1%	2,486	27,230	9.8%	3,855	39,334	11.9%	2,893	24,227	10.0%	11,258	112,238
1997	9.6%	2,146	22,262	9.1%	2,512	27,746	9.7%	3,912	40,455	11.8%	2,955	25,073	10.0%	11,525	115,537
1998	9.5%	2,128	22,362	8.9%	2,498	28,127	9.6%	3,972	41,476	11.5%	2,959	25,765	9.8%	11,557	117,730
1999	9.7%	2,177	22,548	8.5%	2,437	28,691	9.3%	3,948	42,233	11.0%	2,921	26,543	9.6%	11,483	120,015
2000	9.3%	2,116	22,868	8.2%	2,379	28,897	9.4%	4,056	42,941	10.8%	2,908	27,038	9.4%	11,460	121,743
2001	9.2%	2,085	22,781	8.3%	2,395	28,743	9.1%	3,914	42,883	10.6%	2,893	27,300	9.3%	11,287	121,707
2002	9.1%	2,069	22,663	8.5%	2,405	28,228	9.3%	3,961	42,753	10.4%	2,834	27,159	9.3%	11,268	120,803
2003	9.5%	2,219	23,472	8.8%	2,522	28,811	9.9%	4,328	43,829	11.2%	3,107	27,718	9.8%	12,176	123,830

Notes: (1) The sample includes individuals ages 16 and over who work 15 or more hours during the survey week. (2) Agricultural industries are defined using the NAICS classifications and are excluded. Estimates for 1979 to 1991 also exclude veterinary services. (3) The CPS was redesigned in 1994.