

Ewing Marion Kauffman Data Dive: Year 1 Findings from the NORC Entrepreneurship in the Population Survey

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The Entrepreneurship in the Population (EPOP) Survey Project

The EPOP Survey...

- Is a new publicly available resource
- Supports understanding about the scope of entrepreneurial activities across the U.S.
- Provides various measures of entrepreneurial behavior at national, state, and local levels
- Includes 5 years of survey collection from 2022 to 2026 to support trend analysis
- Is sponsored and guided by the Ewing Marion Kauffman Foundation
- Hosts a project website to publicize and share findings from the research community
- Is available to analysts today!

Agenda

01 EPOP Survey Overview

02 Measuring Entrepreneurial Activities

03 Follow-up Survey Items

04 Initial Findings from EPOP:2022

05 Data Files and Use

06 Future Plans





Survey Overview

The EPOP Survey

- The EPOP Survey is designed to understand the scope of entrepreneurial activities from adults 18 years and older in United States.
- **Additionally, the survey captures**
 - Information on the behaviors, challenges, and resources available to individuals during the entrepreneurial process
 - The reasons for leaving or never engaging in entrepreneurship or self-employment
 - A robust set of demographic characteristics
- **The design includes ~30,000 annual, cross-sectional surveys to support these estimation objectives:**
 - National estimates of entrepreneurial activity by demographic groups
 - State-level estimates of entrepreneurial activity by race/ethnicity or gender
 - Local estimates of entrepreneurial activity by race/ethnicity or gender in 50 most populous MSAs

EPOP Survey Sample comes from three sources:

1. Address Based Sample

- A nationally representative sample of addresses in the U.S.

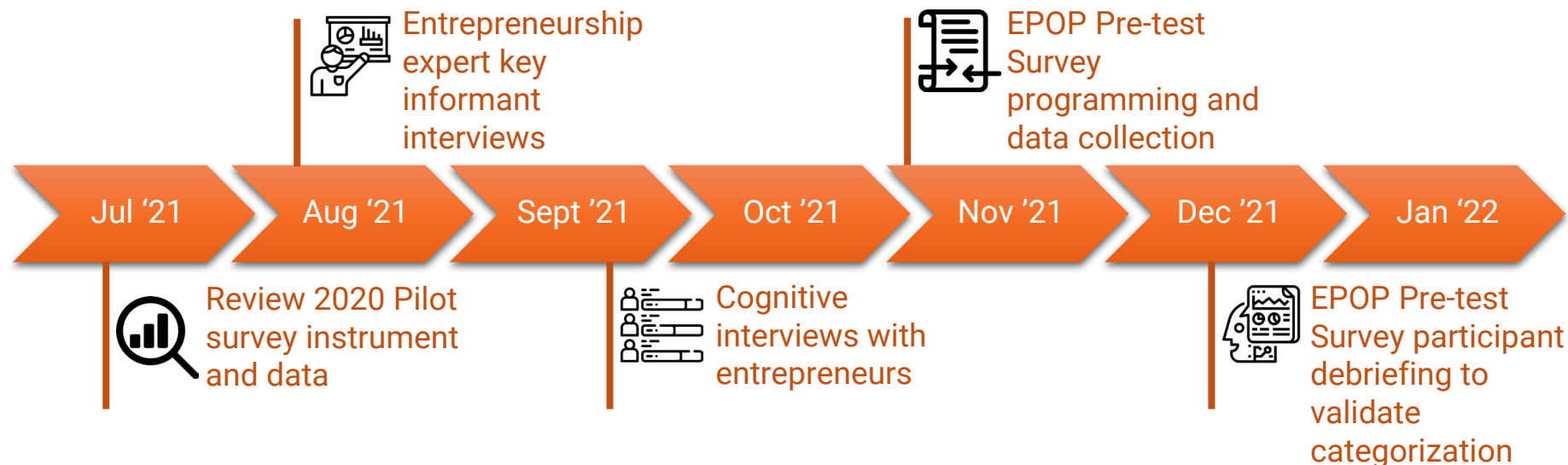
2. AmeriSpeak® Panel

- An online panel maintained by NORC that is representative of the U.S. population

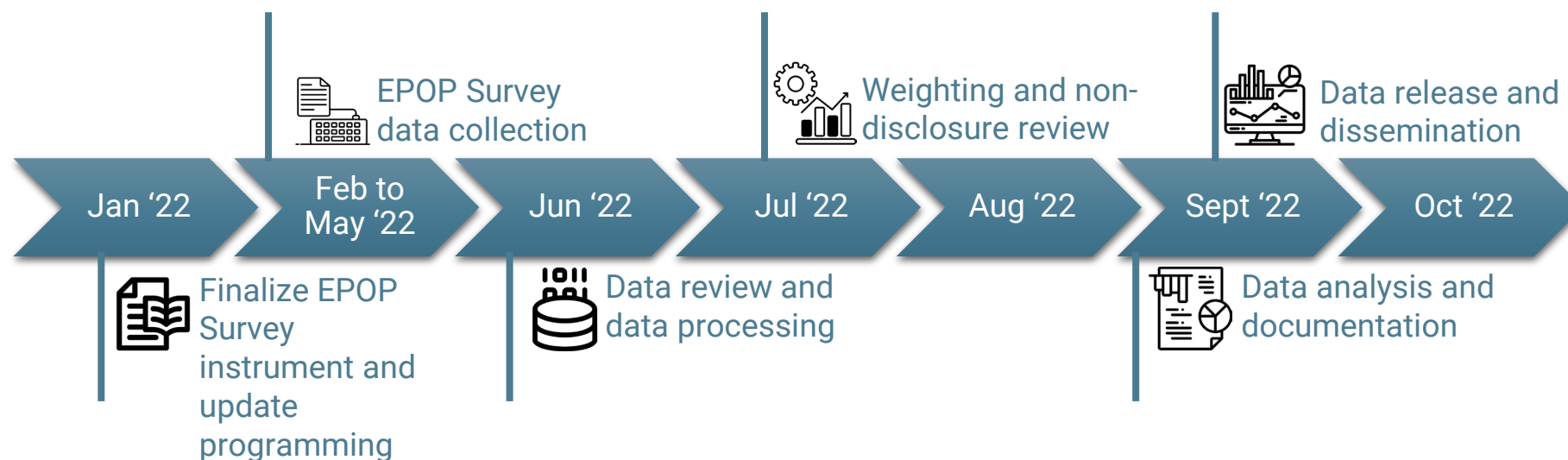
3. Opt-In Panels

- Non-probability samples of individuals from third party data vendors
- These non-probability samples are combined with ABS and AmeriSpeak® samples using NORC's TrueNorth® weighting method

EPOP SURVEY INSTRUMENT VALIDATION



CONDUCT YEAR 1 EPOP SURVEY





Measuring Entrepreneurial Activities

Taking a comprehensive perspective on the entrepreneurial pathway

Measuring Entrepreneurial Activities in the U.S.

The EPOP Survey measures 7 different entrepreneurial activities:

1. Current Business Ownership
2. Current Freelancing
3. Entrepreneurship Planning
4. Former Business Ownership
5. Former Freelancing
6. Withdrawn Entrepreneurship Planning
7. Gig Working

Employment Status and Entrepreneurial Measurement

Because entrepreneurial activities are often conducted while in addition to primary employment, the EPOP Survey asks detailed questions about employment status.

- By asking this follow-up question of respondents who report they are not working, the survey ensures more informal work activities are captured and asked about which is important for determining an accurate measurement of gig work and the full suite of entrepreneurial activities.
- The survey also collects information on characteristics of the job, such as whether it is with a for-profit or non-profit employer, industry, etc.

“In the last week, did you work for pay at a job or business?”

“In the last week, did you do ANY work for pay, even for as little as one hour?”

Measuring Current and Former Business Ownership and Freelancing Activities

Once job information has been captured, the EPOP Survey asks questions to gauge entrepreneurial activities directly.

- Respondents are asked if they have ever owned a business or worked as a freelancer -- some respondents report that they currently own a business even though it is not reported as a current job.
- If an individual reports they are a current business owner, they are not asked about former business ownership; similarly, current freelancers are not asked about former freelancing.
 - While there are reasons for this logic, it will be revised in future surveys.

Entrepreneurship Planning

“Are you, alone or with others, currently trying to start a new business, including any form of self-employment, freelancing, consulting, or independent contracting, or selling any goods or services to others?”

- Note this does not require that individuals have taken a certain number of steps towards opening a business or any specific step, but rather it allows nascent entrepreneurs to classify themselves.
- Future questions ask respondents for the steps they have taken towards entrepreneurship.

Withdrawn Entrepreneurship Planning

“Have you, alone or with others, ever considered starting a new business, including any form of self-employment, freelancing, consulting, or independent contracting, or selling any goods or services to others but decided to wait or change your mind?”

- Only asked if individuals report that they have never engaged in any other entrepreneurial activities.

Gig Working

- Along with the question, respondents are provided with examples of common gig work platforms (e.g., Uber, Etsy, Fiverr).
- This is asked for each job.
- If individuals report two jobs that are not gig work, they are asked if they are engaged in any other gig work in addition to their two primary jobs.
- Because of the potential for confusion on what counts as gig work, the survey contains future items on whether the gig work activity uses an online app and asks for the name of the gig work platform.

“Some people earn money through short, paid tasks or jobs online or in-person that are conducted through companies that coordinate payment for the service. This is sometimes referred to as ‘gig work.’”

Measuring Entrepreneurial Activities – the EPOP Survey Approach

The EPOP Survey separately measures multiple, non-exclusive entrepreneurial activities to measure the full spectrum of business formation activity in the U.S.

- The EPOP Survey screener is intentionally designed to capture the full range of entrepreneurial activities.
- Individuals can report the variety of entrepreneurial activities in which they are engaged.
- Taking a modular approach to capturing for entrepreneurial activity is designed to support myriad research needs.



Follow-up Survey Items

Survey Pathways and Prioritization

- By design, some respondents report engagement in multiple entrepreneurial activities.
- To limit the survey burden, respondents are assigned to a specific survey pathway focused on one entrepreneurship activity based on analytic priority.
- The survey pathway logic prioritizes current business owners/freelancers, followed by nascent entrepreneurs, former business owners/freelancers, and withdrawn entrepreneurs.
- Individuals engaged in no entrepreneurial activities receive questions asking about their perceptions of entrepreneurship and future employment plans.
- There is one exception – gig work! Any respondent engaged in gig work is asked about it regardless of pathway or prioritization.
- Further information on the pathways is available in the EPOP Survey release brief:
https://epop.norc.org/content/dam/epop/media/publications/pdf/epop2022-brief_american_entrepreneurship.pdf

Summarized Survey Paths and Information Collected

Current Business Owners & Freelancers

- Steps taken to pursue entrepreneurship
- Initial and ongoing capital investment
- Day-to-day operations
- Revenue and business goals
- Business challenges

Nascent & Withdrawn Entrepreneurs

- Steps taken to pursue entrepreneurship
- Challenges while pursuing entrepreneurship
- Capital invested
- Reason for ending business pursuit (*Withdrawn only*)

Former Business Owners & Freelancers


- Initial and ongoing capital investment
- Day-to-day operations
- Past revenue and business goals
- Business challenges
- Reasons for business closure

Non- Entrepreneurs

- Future employment plans
- Reasons for not pursuing business ownership or self-employment

Navigating the EPOP Survey Pathways

- The EPOP Survey modular screening for multiple entrepreneurial activities may lead to complexity in the follow-up survey pathways.
- There is a Survey Item Crosswalk to help researchers understand the survey design and facilitate data usage.
- The Crosswalk:
 - Includes all EPOP Survey items
 - Highlights and color codes the survey items asked of each assigned entrepreneurship category
 - Shows the survey items, two ways – survey items by assigned category and assigned category by survey items
 - Is provided to all data users in an Excel format to allow for filtering and isolating items
 - The EPOP: 2022 Survey item Crosswalk may be found here:



EPOP
Entrepreneurship in the Population Survey
EPOP: 2022 Survey Item Crosswalk

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EPOP Survey Item Crosswalk - Items by Assigned Entrepreneurship Group

EPOP SURVEY ITEM VARIABLE NAMES:	S_GIGCHECK_2	S_FORMBIZ_1	S_FORMBIZ_2	S_FORMBIZ_STAT_1	S_FORMBIZ_STAT_2	S_FORMBIZ_STAT_3	S_FORMBIZ_1	S_FORMBIZ_STAT_1	S_NASCENT_1	S_WITHDRAW_1
Item Type:	S	S	S	S	C	S	S	S	S	S
Current Business Owner	2	2	2	2	2	2	1	3	1	3
Current Freelancer	2	2	1	2	3	3	2	2	1	3
Nascent Entrepreneur	2	1	2	2	3	3	1	3	1	3
Former Business Owner	2	1	2	2	3	3	1	3	1	3
Former Freelancer	2	1	2	2	3	3	1	3	1	3
Withdrawn Entrepreneur	2	1	2	2	3	3	1	3	1	1
Non-Entrepreneur	2	1	2	2	3	3	1	3	1	1
Gigworker Items	1									

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https://epop.norc.org/content/dam/epop/researchers/pdf/epop2022_survey_item_crosswalk.pdf



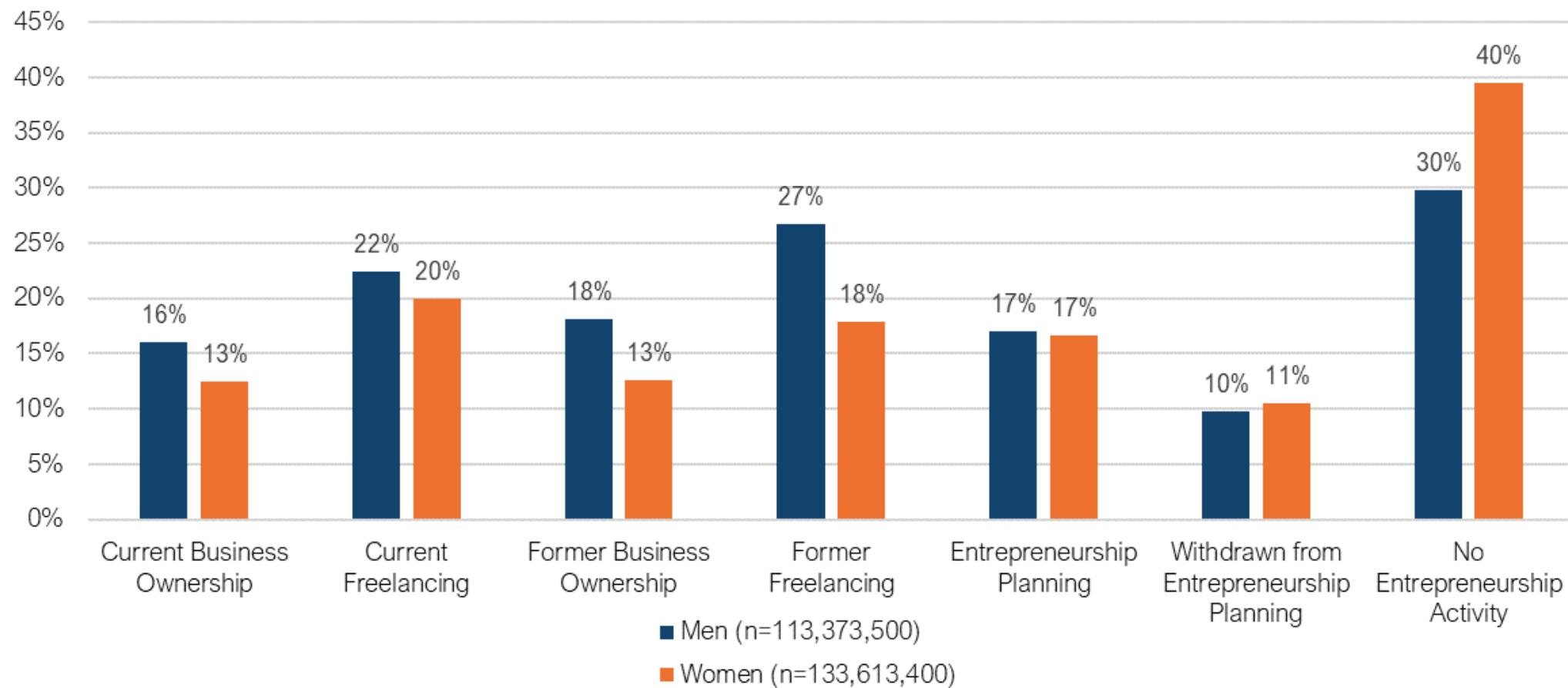
Initial Findings from EPOP:2022

The EPOP Survey is quite literally a “new” resource!

The Year 1 EPOP Survey data or EPOP:2022 is “hot off the presses”!

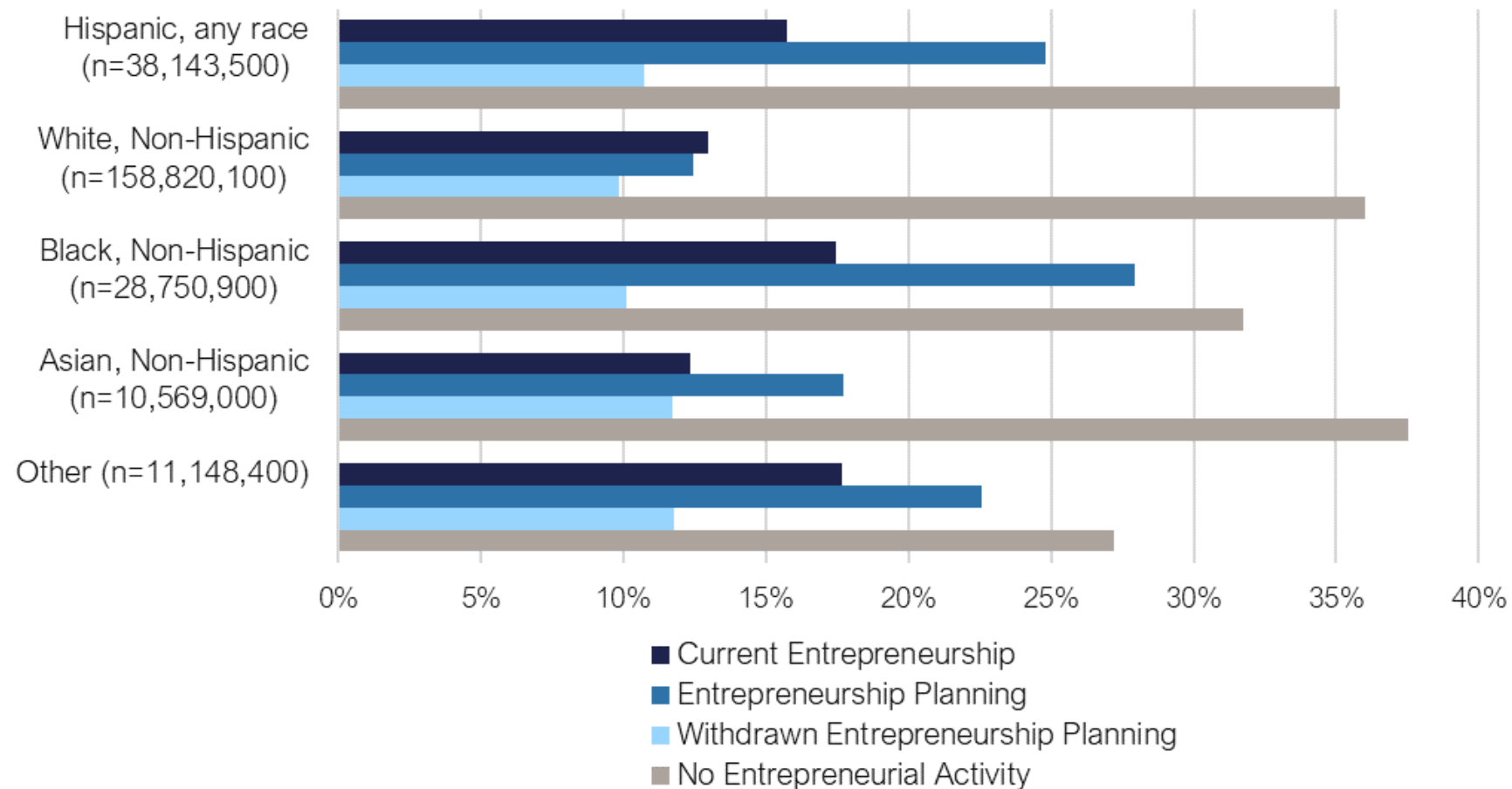
- As the Year 1 timeline showed, the initial EPOP Survey collection period closed in June 2022.
- The fully weighted data set was finalized early this month.
- Initial analysis of the data has focused on:
 - National estimates of entrepreneurial activity by major demographic groups
 - Understanding the incidence of gig work
 - Top reasons for and steps taken towards entrepreneurship and business formation
 - State and MSA estimates for the interactive dashboard on EPOP.norc.org

Men are more likely than women to report working as current business owners, yet both men and women are equally likely to report currently planning to open a business.



Source: NORC, Entrepreneurship in the Population Survey: 2022.

Entrepreneurial activities vary by race and ethnicity of respondents.



Note: "Other" includes non-Hispanic multi-race, non-Hispanic other reported races, and not reported.

Source: NORC, Entrepreneurship in the Population Survey: 2022.

Many individuals in the U.S. report being involved in the gig economy, which is strongly related to other entrepreneurial activities.

Entrepreneurship Activity Status	Reported Gig Worker Status	
	Not a Gig Worker (n=200,651,300)	Gig Worker (n=46,780,500)
No Entrepreneurial Activity	40.8	10.6
Any Entrepreneurial Activity	59.2	89.4
Current Business Ownership	10.9	27.7
Current Freelancing	12.6	57.7
Entrepreneurship Planning	11.0	42.0
Former Business Ownership	15.6	12.9
Former Freelancing	22.7	18.8
Withdrawn Entrepreneurship Planning	11.3	5.5

Source: NORC, Entrepreneurship in the Population Survey: 2022.

Why do **Entrepreneurs** choose to start their businesses?

“How important to you were each of the following reasons for pursuing for owning your own business or working for yourself?”

From 15 different responses options current business owners, current freelancers, and entrepreneurship planners report very similar reasons.

1. FLEXIBLE HOURS – 92% of Owners, 92% of Freelancers, and 93% Planners
2. BALANCE WORK AND FAMILY – 91% of Owners, 87% of Freelancers, and 92% Planners
3. OPPORTUNITY FOR GREATER INCOME – 94% of Owners, 87% of Freelancers, and 95% Planners

Why do **Former Entrepreneurs** close their business or stop working for themselves?

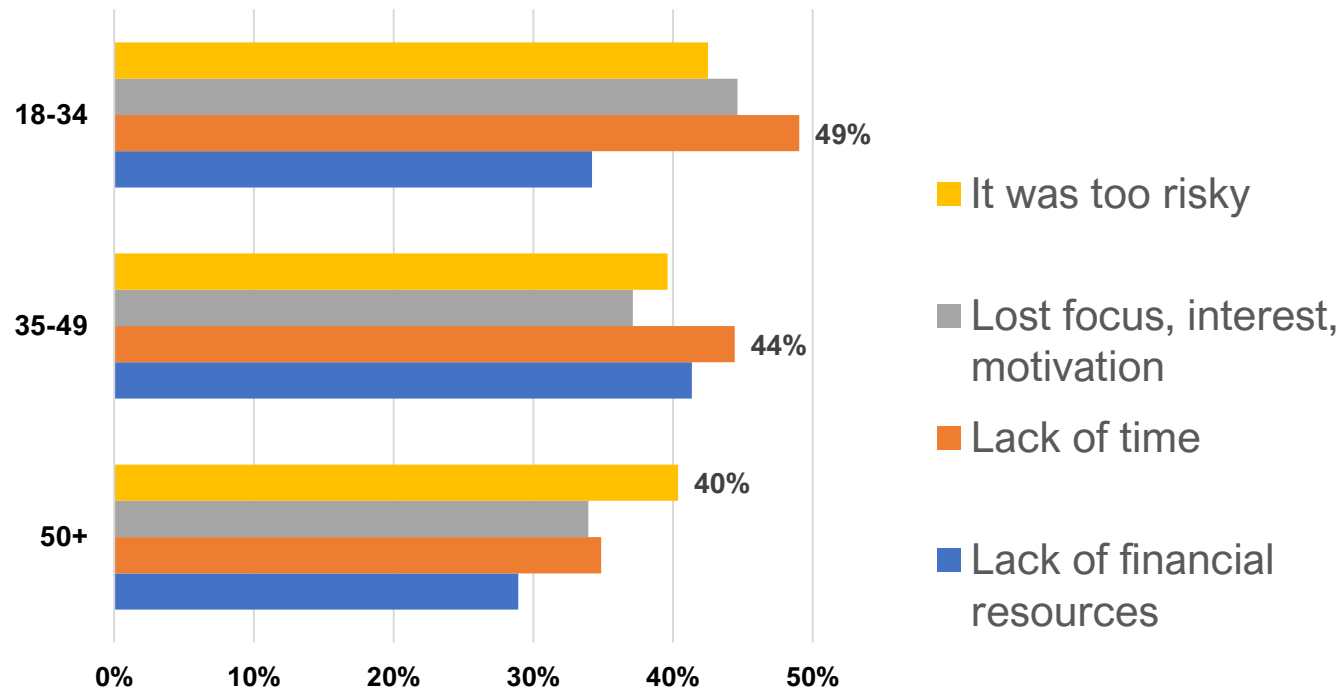
“Among the challenges you reported which were among the primary reasons you closed your business or stopped working for yourself as a freelancer, consultant, or independent contractor?”

From 26 different responses options:

- A full 90% of former business owners felt burnt out.
- 89% of former business owners reported a major life event caused them to close their business.
- Both former business owners and former freelancers cite the economy as reason for stopping their business: 86% of former owners and 81% of former freelancers.

Why do **Withdrawn Entrepreneurship Planners** stop pursuing their entrepreneurship idea?

“What were the primary factors that contributed to your decision to stop pursuing working for yourself?”



Source: NORC, Entrepreneurship in the Population Survey: 2022.

From 13 different responses options:

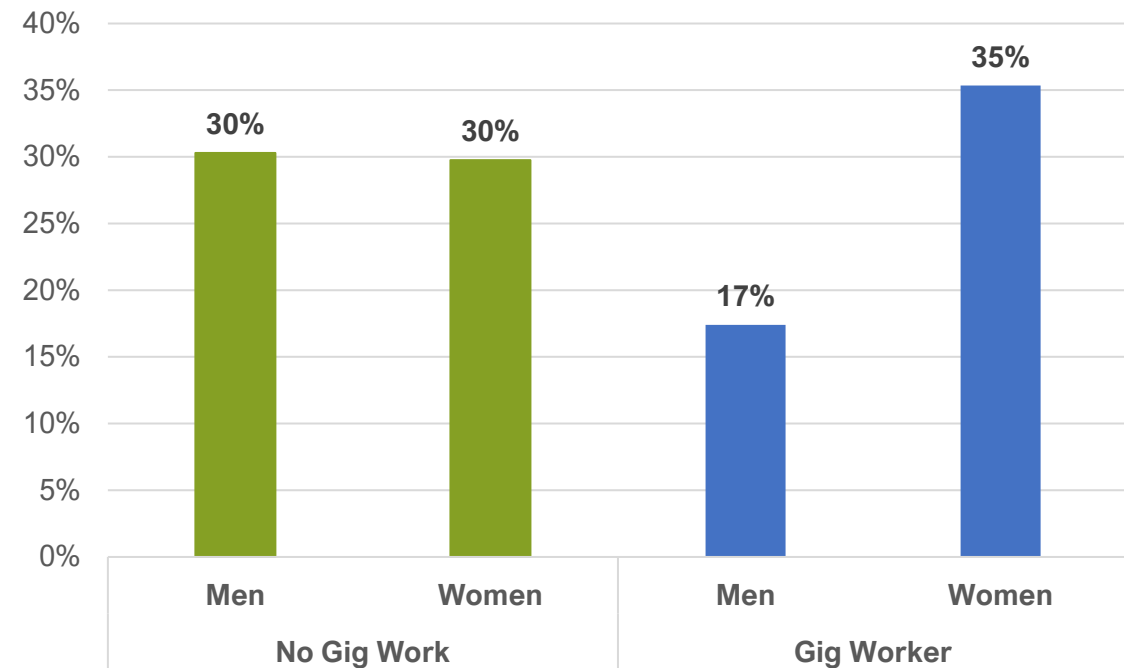
- Those 18-34 and 35-49 years old reported a “lack of time” was the number one reason reported for withdrawing from business pursuit.
- Nearly half of those 50 and older, withdrew from business planning because they were concerned about risk.

Why aren't **Non-Entrepreneurs** interested in business ownership or self-employment?

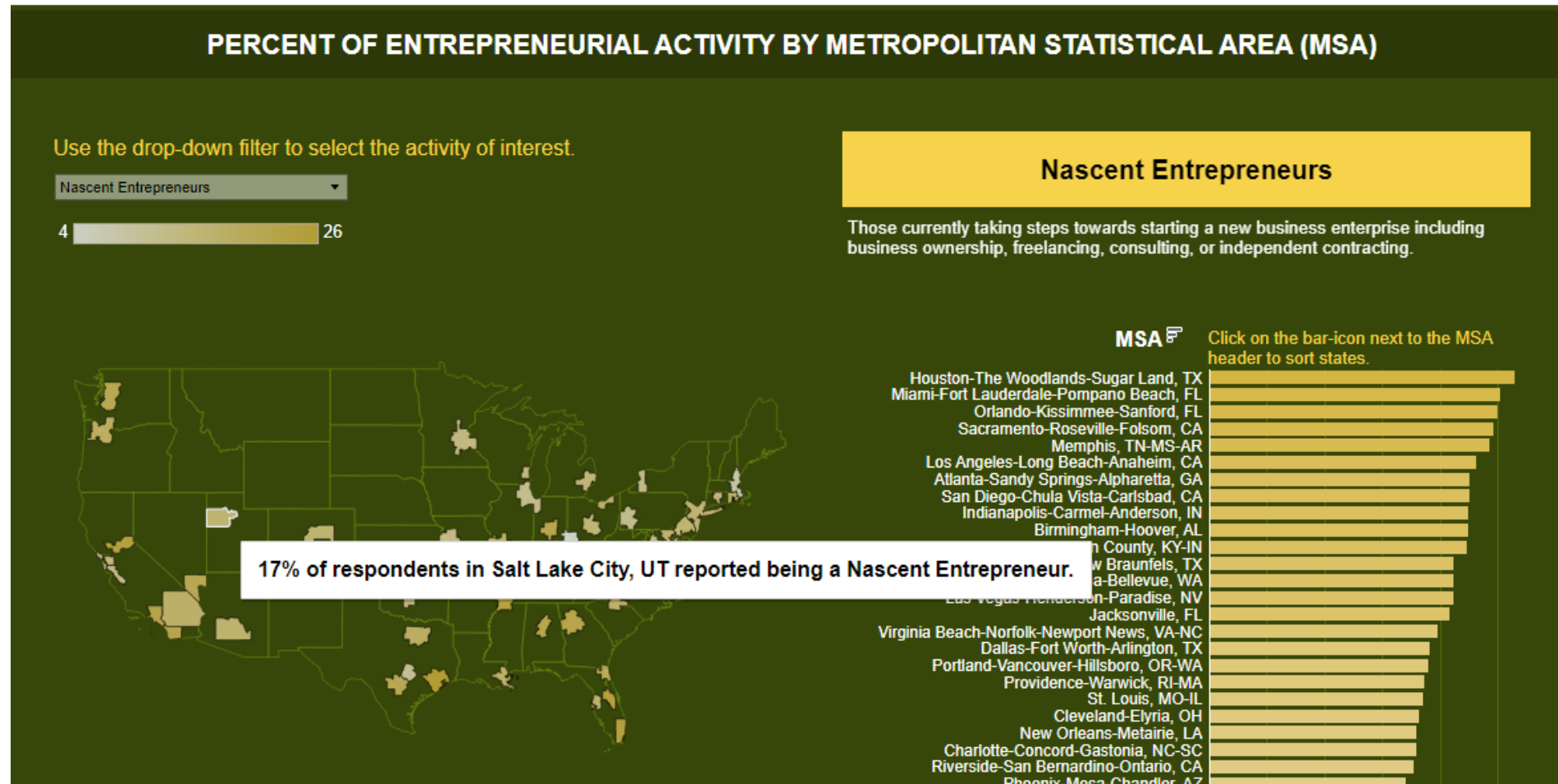
“What are the primary reasons why you have not considered starting your own business, working for yourself, or doing freelance or contract work, etc.?”

From 17 different responses options:

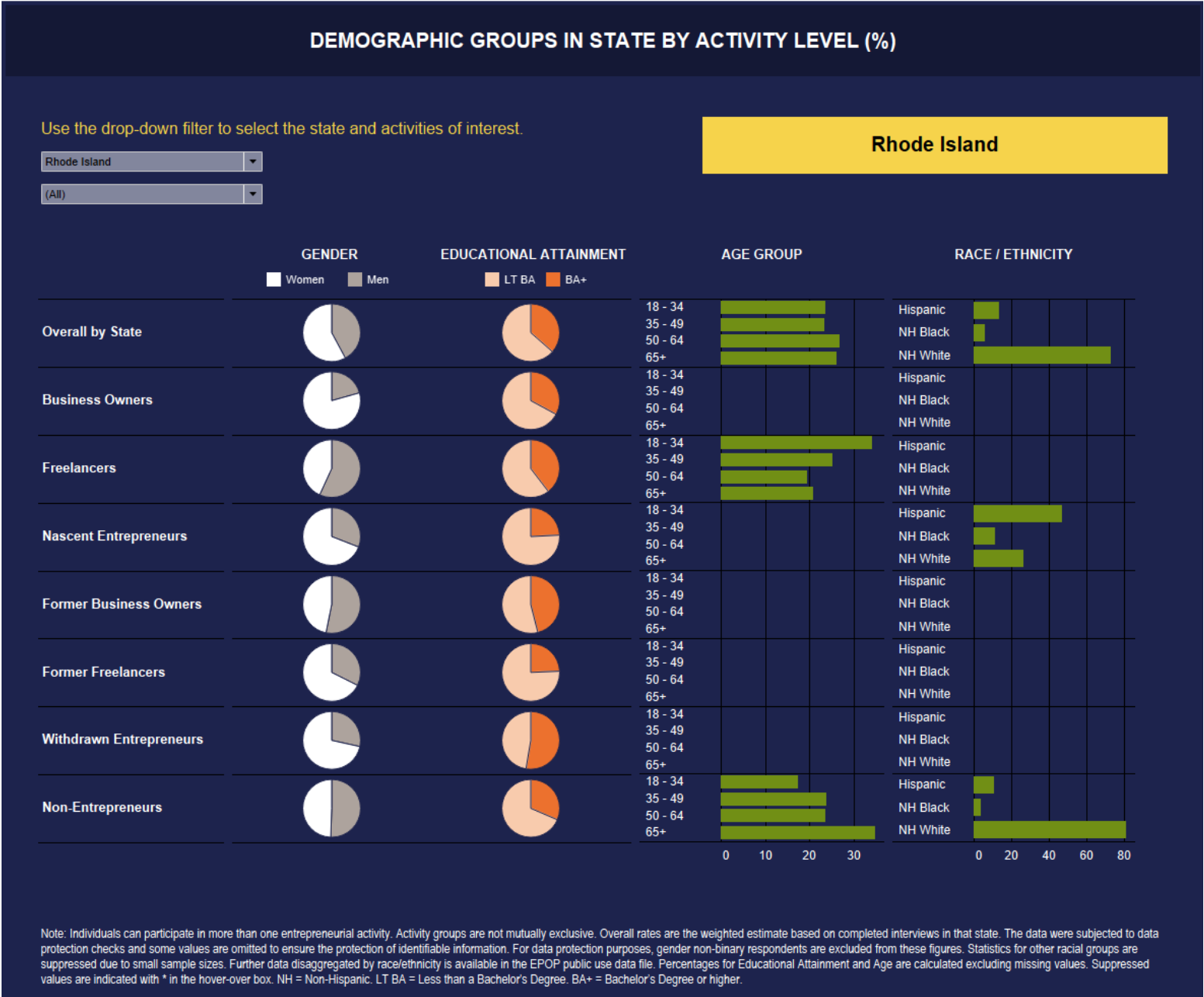
- Most people don't engage in entrepreneurship because they don't know what sort of business to start.
- Overall, 30% of the population report this reason.
- But when gig work and gender is brought into the picture, differences emerge.



Data are available in an online tool that allows users to select data for any state or any of the top 50 Metropolitan Statistical Areas



For access to the full data, visit <https://epop.norc.org/interactive-data>.





Data Files and Use

In addition to the interactive dashboard, EPOP Survey data are available in both public use and restricted use files.

Public Use File

- Readily available for public use via short form on EPOP website
- Lowest level geography available: Census Region
- Does not differentiate by sample type

Restricted Use File

- Available to users following an application process
- Geographies available: County, Metropolitan Statistical Area, State
- Allows users to conduct separate analyses for three samples (address-based sample, AmeriSpeak[®], non-probability)

Further information about data files:

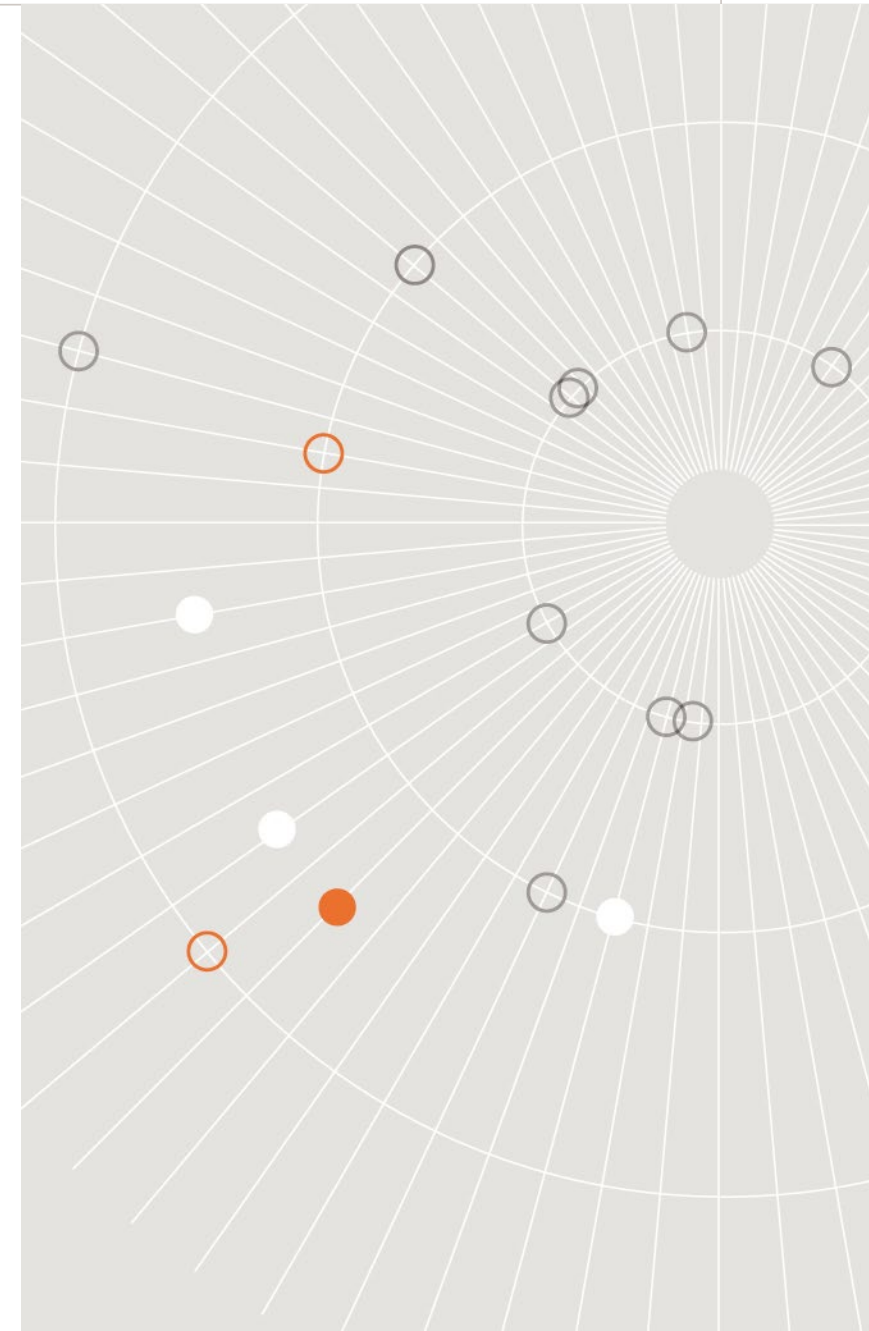
- EPOP Survey methodological documentation is available here:
<https://epop.norc.org/us/en/epop/about-the-study/methodology.html>
- Further questions can be directed to: EPOPresearch@norc.org.



Future Plans

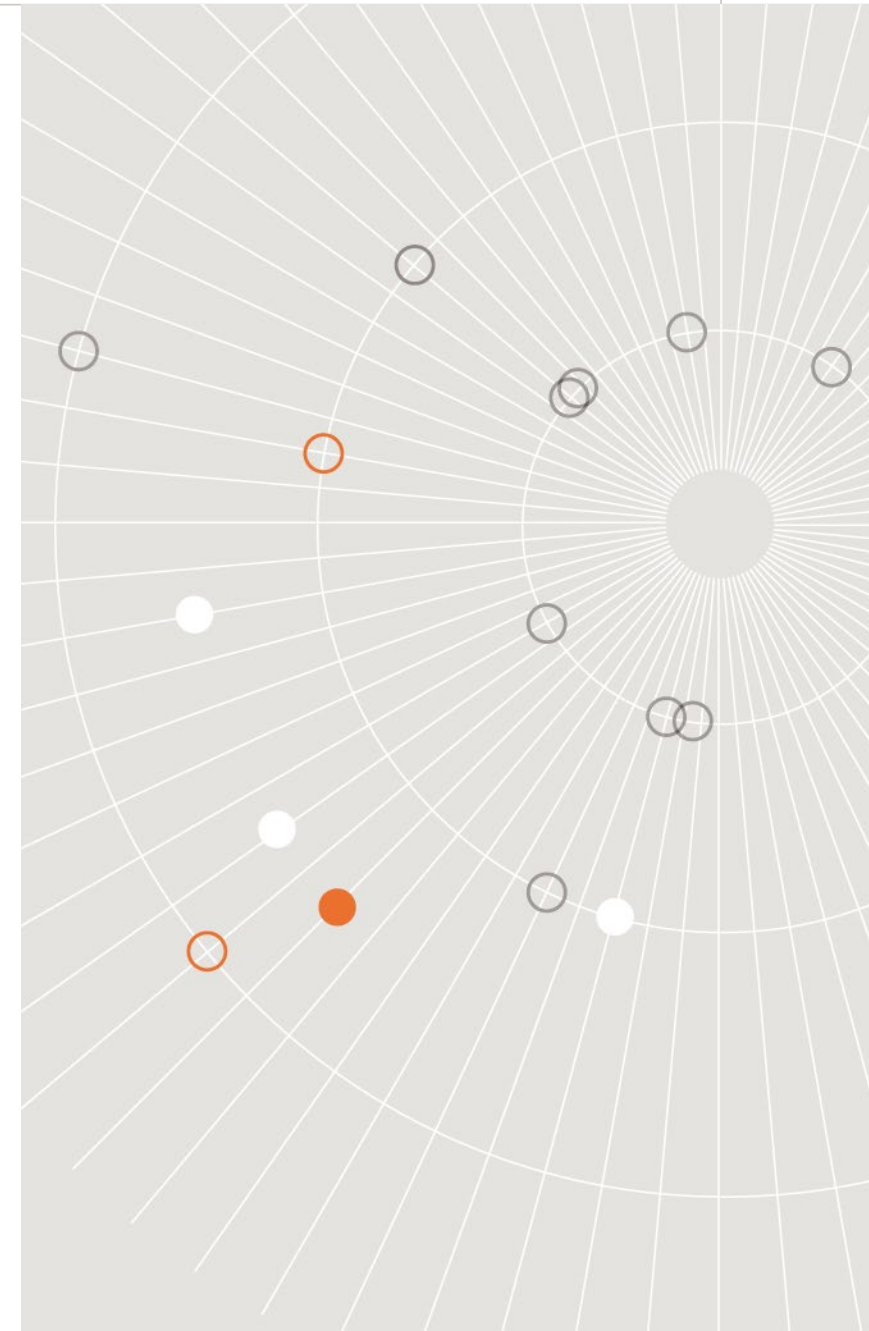
Future EPOP Survey activities are underway to build on the current data release

- Small Area Estimates for each U.S. state and the top 50 Metropolitan Statistical Areas – **Available Soon!**
- Currently in data collection for “EPOP-IN,” a special survey to measure the entrepreneurial activities of Indiana residents
- Four more years of data collection, allowing for the ability to track changes over time in entrepreneurial attitudes and behaviors
 - A small set of topical questions will change each cycle
 - Year 1 focused on the pandemic
 - Year 2 items are under discussion, and we’re open to ideas



Release Schedule for Future Data Releases

Data Release	Anticipated Release Period
2022	October 2022
2023	August – September 2023
2024	August – September 2024
2025	August – September 2025
2026	August – September 2026



We want to hear from you!

- EPOPresearch@norc.org

Questions?



Thank you.



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