

Understanding the American Entrepreneurship Landscape: A New Resource

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OVERVIEW

The Entrepreneurship in the Population (EPOP) Survey is a new publicly available resource for understanding the scope of entrepreneurial activities across the United States. The EPOP Survey includes a variety of measures of entrepreneurial behavior at a local level, providing policymakers and researchers with new information on the experiences and perceptions of entrepreneurs in their local community.

The EPOP Survey uses a nationally representative sample to measure current and former business ownership, whether individuals are currently taking or have in the past taken steps towards starting a business, the extent to which individuals engage in freelance work, and the level of engagement with the “gig economy.” In addition to providing a characteristic profile of the individuals involved in these various entrepreneurial activities across the U.S., the survey serves as a resource for understanding the behaviors, challenges, and resources available to individuals during the entrepreneurial process.



1 INTRODUCTION

Understanding how policymakers and entrepreneurial support organizations should best support entrepreneurial growth requires an understanding of not only existing business owners but also of those who formerly owned a business, are considering starting a business, or who have the potential to become self-employed. The full scope of entrepreneurial activities includes existing business owners, prospective entrepreneurs, and individuals engaged in activities such as freelancing or gig work.

Considering these activities in a systematic way is challenging. A wide variety of data is available on current business owners, but information on these broader entrepreneurial activities is somewhat scarce. This lack of data often means that policymakers and researchers are not able to consider all entrepreneurial activities together and instead must focus on siloed populations and business formation activities.

To fill this gap in the available data, the Entrepreneurship in the Population (EPOP) Survey measures the interest in, involvement with, and experiences related to entrepreneurship across the U.S. population. The EPOP Survey is a cross-sectional, nationally representative survey of all U.S.-residing adults that considers the experiences not only of current entrepreneurs but also individuals in the process of starting a business and those who are no longer business owners. The survey separately measures multiple categories of entrepreneurial status: nascent entrepreneurs who are considering starting a business, withdrawn entrepreneurs who considered starting a business but ultimately did not, current business owners, current freelancers, former business owners, and former freelancers. For each of these categories, the survey asks about interest and involvement with entrepreneurial activities as well as why individuals chose to pursue (or not pursue) starting a business or self-employment.

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

Beyond a focus on the pathways towards and away from entrepreneurship, the EPOP Survey collects information from all respondents on current work activities and whether they are part of the “gig economy.” There is increasing interest in alternative work arrangements and emerging research which suggests that, for some, gig work can serve as a bridge to entrepreneurship (Barrios et al. 2022). Therefore, capturing details surrounding self-reported gig work is important for deciphering the potential overlap between entrepreneurial behavior and gig employment as well as the different ways that gig work may lead to business ownership.

A particularly important contribution of the EPOP Survey is its ability to construct representative estimates of entrepreneurial behavior and gig work activity at the state level as well as for the largest 50 U.S. metropolitan statistical areas, providing policymakers with information to help them understand business formation in their own communities.

2 MEASURING ENTREPRENEURIAL ACTIVITY

To measure entrepreneurial activity, the EPOP Survey uses a multi-step screening process that sequentially determines employment status, job characteristics, and entrepreneurial activities. The survey first establishes a respondent’s work status, asking for detailed information on the respondent’s first two jobs. Following the approach of Abraham and Amaya (2019), the EPOP Survey not only asks respondents standard employment status questions, but also follows up with “*In the last week, did you do ANY work for pay, even for as little as one hour?*” This helps to ensure that more informal work activities are captured, which is a key component to the measurement of gig work and many entrepreneurial activities.

After establishing whether the respondent is employed and collecting key information about the jobs that respondents hold, the EPOP Survey asks about entrepreneurial activities from all respondents. Individuals are subsequently categorized into one of the following categories:

1. **Current Business Owner.** Respondents who reported they currently own a business. Importantly, some respondents report currently owning a business even though it was not reported as one of their

two primary jobs. This likely reflects individuals who are currently business owners, but for whom business ownership may be a silent partnership, a business managed by an employee, or where they own a share of the enterprise. The results presented below combine these business owners with those who report business ownership as either their primary or secondary job.

2. **Current Freelancer.** Respondents who report they are current freelancers, consultants, or independent contractors. Like the current business owner category, this category includes individuals who report they are freelancers, consultants, or contractors even if they do not report their freelance work as either their primary or secondary job.
3. **Nascent Entrepreneur.** To measure whether respondents are currently taking steps towards owning a business, respondents are asked “*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?*” Those who answer yes to this question are classified as nascent entrepreneurs or business planners.
4. **Former Business Owner.** Respondents who answer they previously owned a business but are no longer current business owners.
5. **Former Freelancer.** Respondents who report they were at one time a freelancer, consultant, or independent contractor but are no longer engaged in freelance work.
6. **Withdrawn Entrepreneur.** Respondents who answer yes to the following question: “*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?*”
7. **Non-Entrepreneur.** Respondents who are not engaged in any of the previous six entrepreneurial activities. This category excludes individuals who are currently taking steps to owning a business but may still include individuals who are “not yet entrepreneurs” who may enter entrepreneurship later in their careers.

The EPOP Survey screener is intentionally designed to capture the full range of entrepreneurial activities in which an individual might be engaged. As a result, some respondents qualify for multiple categories. For example, an individual can be both a current business owner and planning to open another enterprise. To limit the burden on survey participants, each respondent is assigned one entrepreneurship category for follow-up survey questions using the priority order shown in Table 1. This table also shows the full extent of entrepreneurial activity captured in the survey regardless of the entrepreneurship category a respondent is assigned to for the purposes of survey administration.

The focus of the EPOP Survey follow-up questions asked of each assigned entrepreneurship category is shown in Figure 1. Survey questions for current and former business owners and freelancers focus on concepts such as the operations and goals of the activities, whereas nascent and withdrawn entrepreneurs are asked more about concepts such as challenges starting a business. Non-entrepreneurs are asked more general questions about future employment plans as well as reasons for not pursuing business ownership or self-employment.

TABLE 1. Assigned Entrepreneurship Categories by Reported Entrepreneurship Activities

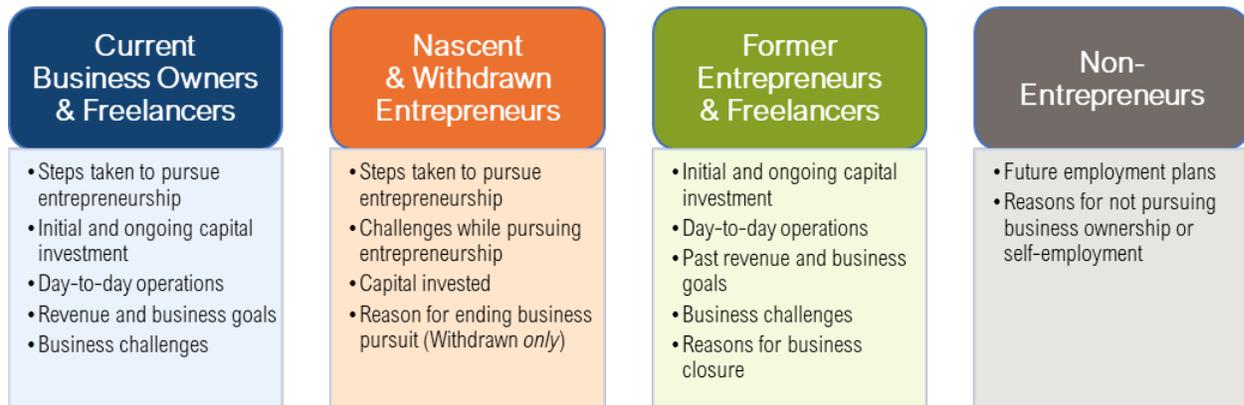
| Survey Pathway Priority | Assigned Entrepreneurship Category | Total Surveys | Reported Entrepreneurship Activity | | | | | |
|-------------------------|------------------------------------|---------------|------------------------------------|---------------------|---------------------------|---------------------------|--------------------|-------------------------------------|
| | | | Current Business Ownership | Current Freelancing | Entrepreneurship Planning | Former Business Ownership | Former Freelancing | Withdrawn Entrepreneurship Planning |
| 1 | Current Business Owner | 4,907 | 4,907 | 3,189 | 2,892 | 0** | 728 | 0 |
| 2 | Current Freelancer | 4,213 | 0 | 4,213 | 1,754 | 842 | 0** | 0 |
| 3 | Nascent Entrepreneur | 1,467 | 0 | 0 | 1,467 | 257 | 274 | 0 |
| 4 | Former Business Owner | 3,030 | 0 | 0 | 136* | 3,030 | 1,766 | 0 |
| 5 | Former Freelancer | 3,144 | 0 | 0 | 347* | 0 | 3,144 | 0 |
| 6 | Withdrawn Entrepreneur | 2,649 | 0 | 0 | 0 | 0 | 0 | 2,649 |
| 7 | Non-Entrepreneur | 12,611 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 32,021 | 4,907 | 7,402 | 6,596 | 4,129 | 5,912 | 2,649 |

*These individuals worked as a freelancer, consultant, or independent contractor within the last 5 years of the survey administration date, although they report no longer working in that capacity of self-employment.

**There is no former business ownership activity reported for current business owners and no former freelancing or consulting activity for those categorized as current freelancers. This is a result of the survey construction as the Year 1 version of the EPOP Survey does not capture former entrepreneurship activity when an individual is currently engaged in the activity. The survey questionnaire will be revised for Year 2 to capture this type of former entrepreneurial activity for current business owners and freelancers.

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

FIGURE 1. EPOP Survey Content Focus by Assigned Entrepreneurship Categories



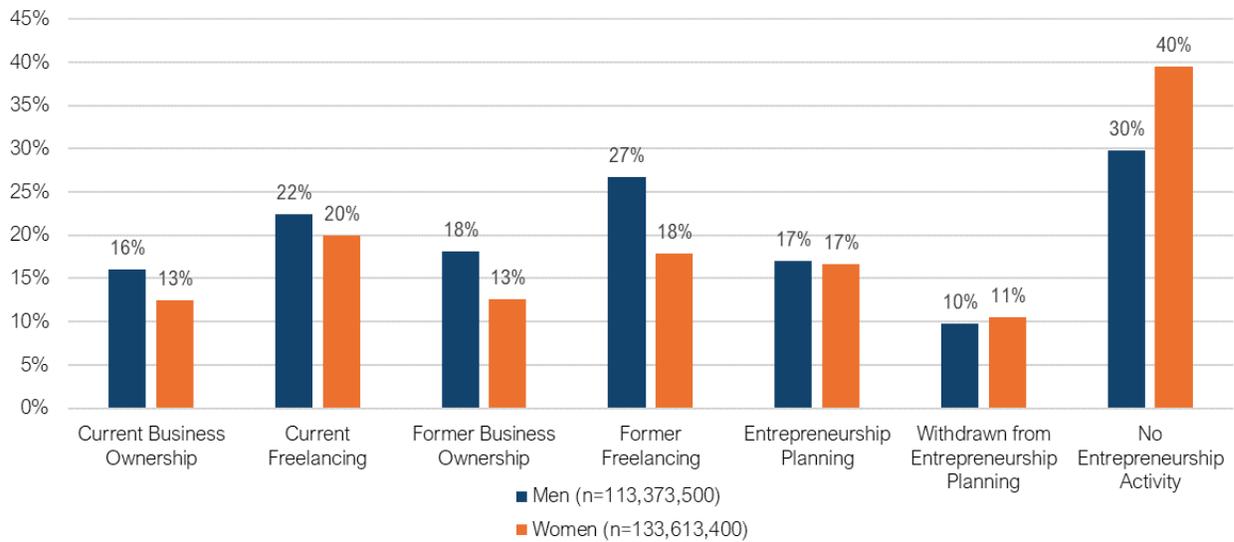
3 A PROFILE OF U.S. ENTREPRENEURIAL ACTIVITIES

To maximize the utility of the EPOP Survey’s entrepreneurship measurement process, the survey captures a robust set of respondent demographic characteristics. Combining entrepreneurship measures with respondents’ profiles enables researchers to examine and to understand who is participating in different entrepreneurship activities. A table of major demographic characteristics captured in the survey by reported entrepreneurial activities can be found in Appendix Table 1.

Despite a considerable increase in women’s business ownership in recent decades (U.S. Census Bureau 2017), men are still more often business owners and freelancers in comparison with women. Among men, 16% are current business owners and 22% are current freelancers compared to 13% and 20% of women,

respectively. This difference, however, contrasts with entrepreneurship planning which indicates that women and men equally report intent to start their own businesses. Further, rates of withdrawing from entrepreneurship planning suggest women are more likely than men to report expressing intent and then ultimately deciding to wait or against starting a business altogether, although this difference is not statistically significant (11% versus 10%). Overall, there exists a roughly 10-percentage point difference in men and women’s reports of entrepreneurial engagement, with 30% of men and 40% of women reporting no engagement in any of the six entrepreneurial activities.

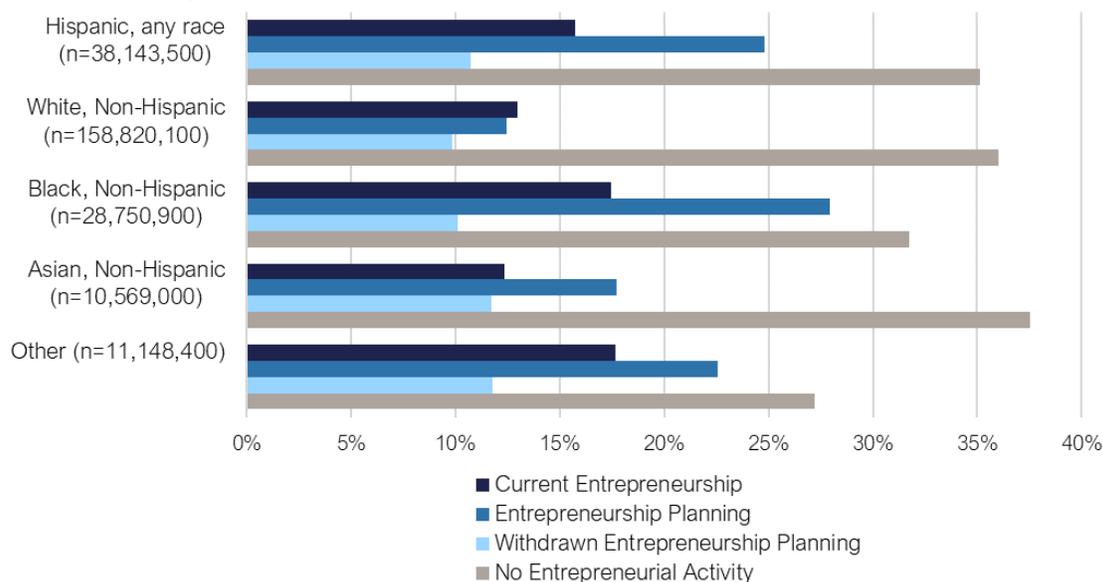
FIGURE 2. Entrepreneurial Activities by Gender



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

Engagement with various entrepreneurial activities also varies across ethnicity and race. Black adults have the highest prevalence of business ownership at 17% followed by Hispanic adults at 16%. Alternatively, White adults have significantly lower rates of business ownership, with 13% reporting that they currently own a business or are self-employed. Similarly, rates of entrepreneurship planning are higher among Black (28%) and Hispanic (25%) adults when compared to White adults (12%). Despite differences in current and planned business ownership, rates of withdrawal from entrepreneurship planning are roughly equivalent at close to 11% of adults in each ethnicity and race category.

FIGURE 3. Entrepreneurial Activities by Race and Ethnicity



Note: "Other" includes non-Hispanic multi-race, non-Hispanic other reported races, and not reported.
 Source: NORC, Entrepreneurship in the Population Survey: 2022.

4 ENTREPRENEURIAL ACTIVITIES AND THE GIG ECONOMY

A substantial amount of recent research and policy interest has focused on the “gig economy” where workers are matched with tasks for various customers through another company that coordinates payment for the service. Because working in the gig economy may be structurally tied to entrepreneurial activities, the EPOP Survey ascertains if respondents are engaged in gig work and includes a battery of follow-up questions. Given the ambiguity in defining gig work (e.g., Abraham and Amaya 2019), the survey includes extensive examples of gig work activities and includes a description of gig work in the main text of the question.

For each eligible job reported,¹ EPOP Survey respondents are asked if their job is gig work. They are then probed once more about any other gig work regardless of whether previous jobs were reported as gig work to ensure all gig work activities are measured—even if the respondent does not consider their gig work as a primary or secondary job.

Figure 4 shows the reported distribution of gig workers across each reported entrepreneurial activity, indicating the substantial overlap between gig work and entrepreneurial activity. Only 11% of gig workers are not engaged in any entrepreneurial activity, whereas 41% of non-gig workers are also not engaged in any entrepreneurial activities. Gig workers, relative to non-gig workers, are much more likely to report being current business owners (28% versus 11%), current freelancers (58% versus 13%), and nascent entrepreneurs (42% versus 11%). In contrast,

The EPOP Survey defined gig work for respondents as follows:

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.”

¹ Respondents were not asked if the job was gig work if they reported that the job entailed working for a government agency, the military, or that they were the owner of a business.

individuals who are not engaged in gig work are much less likely to have ever engaged in any entrepreneurial activities. This may suggest that individuals who are engaged in gig work are most likely to be those who are planning to start or have considered starting their own business as well.

FIGURE 4. Percentage of Gig Work Status by Entrepreneurial Activity Status

| 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.

5 CONCLUSIONS

A full set of estimates for entrepreneurial activity and gig work for all U.S. states and the top 50 metropolitan statistical areas is available at EPOP.norc.org/interactive-data. In addition to these indicators of entrepreneurial activity across local areas, the EPOP Survey provides a wealth of information on issues such as the challenges facing prospective entrepreneurs, the sources and amounts of capital used to start businesses, and how individuals interact with the gig economy.

Data files to enable further study of the pathways to business ownership and what local policies may provide additional supports to prospective entrepreneurs are available to researchers, along with the EPOP Survey instrument and other documentation. For more information, visit EPOP.norc.org.

ABOUT THE EPOP SURVEY PROJECT

EPOP Survey Project Overview

The EPOP Survey aims to fully understand entrepreneurship in the U.S. economy across the varied pathways people take towards business ownership. Thus, the EPOP Survey considers the experiences not only of current business owners but also individuals in the process of starting a business, as well as those who are no longer business owners. The project conducts an annual survey of approximately 30,000 individuals to represent the non-institutionalized adult population in the U.S. by state and major metropolitan area. This report is based on the 2022 survey. Subsequent yearly surveys are planned through 2026. The survey estimates the prevalence of current business owners, contractors, and freelancers, individuals planning to start a business, former business owners, and withdrawn business owners who at one point took steps towards business ownership. Of those who are or who have engaged in entrepreneurial activity, the EPOP Survey asks about business formation steps and support, challenges and obstacles, and capital investments.

Survey Design and Methodology (2022)

A complete methodology report is available on the EPOP Survey website.

Target Population. All non-institutionalized adults 18 years or older in the United States.

Sample design and frame. The study sample is selected from three frame sources: (1) NORC's AmeriSpeak® Panel, (2) an addressed-based sample (ABS) frame built from the U.S. Postal Service Delivery Sequence (DSF) file; and a sample from opt-in panels. Samples selected from the AmeriSpeak® Panel and the ABS frame are probability samples with explicit stratification and known sample selection probabilities, while the sample selected from the opt-in panels is a nonprobability sample with unknown frame coverage and unknown selection probabilities.

Data collection. EPOP Year 1 data collection started on February 15, 2022, with the release of the AmeriSpeak® sample. NORC mailed ABS advanced letters on February 28, 2022. Data collection for both ABS and AmeriSpeak® samples officially ended on June 6, 2022. Data were also collected from a non-probability sample between May 13, 2022 and June 3, 2022. Data were primarily collected via an online survey; computer-assisted telephone interviewing was a secondary mode and available upon request. The survey was available in both English and Spanish. All participants were compensated for their participation.

Data processing. The raw data file was reviewed and compared to the programmed survey specifications to identify data irregularities and develop any necessary code to transform raw data for consistency. Complete and partial survey records were all reviewed for data integrity (e.g., to identify respondents who completed the survey too quickly to have read question text and respondents who straight-lined responses) and those that were in violation were discarded. For a small number of cases where the data could not be repaired, the case was discarded. Similarly, cases were evaluated for item nonresponse. Those with high item nonresponse or missing critical pathway information were dropped from the final data set.

Estimation. Complete surveys from the three sample sources were combined using NORC's TrueNorth® weighting method to generate a set of combined sample weights to support estimation.

About ✖NORC

The EPOP Survey Project is designed and conducted by NORC at the University of Chicago. NORC is an independent research institution that delivers reliable data and rigorous analysis to guide critical programmatic, business, and policy decisions. NORC conducts objective, non-partisan research to help inform people in government, nonprofits, and businesses making decisions on key issues of the day. Our research addresses important issues like employment, education, and health care. Since 1941, NORC has conducted groundbreaking studies, created and applied innovative methods and tools, and advanced principles of scientific integrity and collaboration. Today, government, corporate, and nonprofit clients around the world partner with NORC to transform increasingly complex information into useful knowledge. For more information, visit [NORC.org](https://norc.uchicago.edu) and connect with us at twitter.com/norcnews and facebook.com/NORCatUofC.

About the Ewing Marion Kauffman Foundation

The EPOP Survey Project is both guided and funded by the Ewing Marion Kauffman Foundation a private, nonpartisan foundation based in Kansas City, Mo., that seeks to build inclusive prosperity through a prepared workforce and entrepreneur-focused economic development. The Foundation uses its \$3 billion in assets to change conditions, address root causes, and break down systemic barriers so that all people – regardless of race, gender, or geography – have the opportunity to achieve economic stability, mobility, and prosperity. For more information, visit kauffman.org and connect with us at twitter.com/kauffmanfdn and facebook.com/kauffmanfdn.

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APPENDIX

APPENDIX TABLE 1. Entrepreneurial Activity by Major Demographic Characteristics in the U.S.

| Primary Demographic Characteristic | Population Estimate | Percentage Reported Entrepreneurial Activity | | | | | | |
|---|---------------------|--|---------------------|---------------------------|---------------------------|--------------------|-------------------------------------|-----------------------------|
| | | Current Business Ownership | Current Freelancing | Entrepreneurship Planning | Former Business Ownership | Former Freelancing | Withdrawn Entrepreneurship Planning | No Entrepreneurial Activity |
| Non-institutionalized U.S. Adult Population | 247,431,800 | 14.1 | 15.1 | 21.1 | 21.9 | 16.9 | 10.2 | 35.1 |
| Gender | | | | | | | | |
| Men | 113,373,500 | 16 | 22.4 | 17.1 | 18.1 | 26.7 | 9.8 | 29.8 |
| Women | 133,613,400 | 12.5 | 20 | 16.6 | 12.6 | 17.9 | 10.6 | 39.5 |
| Non-binary, other, or missing | 444,900 | 13.6 | 31.1 | 34.6 | 10.7 | 15.1 | 7.9 | 36.2 |
| Racial Group | | | | | | | | |
| Hispanic | 38,143,500 | 15.7 | 25.6 | 24.8 | 11.1 | 17.2 | 10.7 | 35.2 |
| Non-Hispanic White | 158,820,100 | 13 | 19.1 | 12.5 | 16.8 | 23.3 | 9.8 | 36 |
| Non-Hispanic Black | 28,750,900 | 17.5 | 25.5 | 27.9 | 12.7 | 17.9 | 10.1 | 31.7 |
| Non-Hispanic Asian | 10,569,000 | 12.4 | 18.9 | 17.7 | 12.5 | 24.9 | 11.7 | 37.5 |
| Non-Hispanic multi-racial | 7,749,000 | 16.4 | 27.4 | 23 | 14 | 26 | 11.9 | 26.3 |
| Non-Hispanic other race | 2,897,800 | 20.6 | 22.5 | 20.9 | 14.1 | 26.4 | 12.4 | 28.4 |
| Missing ethnicity & race | 501,500 | 19.6 | 22.9 | 25.3 | 3.6 | 22.5 | 6.6 | 33.4 |
| Educational Attainment | | | | | | | | |
| Less than High School | 13,918,100 | 12.5 | 25.7 | 21.3 | 10.9 | 16.4 | 10.7 | 38.2 |
| High School Diploma | 45,834,800 | 10.8 | 19.8 | 16.2 | 12.4 | 14.2 | 10.3 | 44.4 |
| Some College & Associates Degree | 75,078,200 | 13.3 | 20 | 17.5 | 16.1 | 21.7 | 10 | 35.2 |
| Bachelor's Degree or higher | 103,031,500 | 16.2 | 21.4 | 15.6 | 15.7 | 26.3 | 10.1 | 30.9 |
| Missing | 9,569,300 | 16.2 | 26.5 | 22.5 | 19.9 | 21.5 | 11 | 29.5 |
| Age Group | | | | | | | | |
| 18 - 34 | 63,515,900 | 14.8 | 26.4 | 25.8 | 6 | 16 | 13.6 | 32.8 |
| 35 - 49 | 62,952,600 | 17.1 | 25.6 | 21.2 | 10.1 | 19.4 | 12.2 | 32.3 |
| 50 - 64 | 63,032,000 | 14.3 | 19.8 | 14 | 17.7 | 23.5 | 8.8 | 36.3 |
| 65 or older | 57,737,800 | 10 | 11.8 | 5.3 | 27.8 | 29.5 | 5.8 | 39.3 |
| Missing | 193,500 | 16.4 | 40.4 | 49.8 | 20.2 | 25.9 | 13.5 | 16 |

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