

The Nonemployer Statistics by Demographics

In an effort to address respondent burden, declining response rates and rising operational costs while improving data quality, timeliness and efficiency, three business surveys have been consolidated into one new survey, the Annual Business Survey or ABS. The consolidated surveys are the five-year Survey of Business Owners (SBO) for employer businesses, the Annual Survey of Entrepreneurs (ASE) and the Business R&D and Innovation Survey for Microbusinesses (BRDI-M). The ABS is designed to serve as the continuation of the annual collection of information on the characteristics of U.S. businesses and provide estimates by sex, ethnicity, race and veteran status of the business owners for survey years 2018-2022.

While statistics on employer firms will be available via the new survey, ABS will not cover nonemployer businesses. The continuation of estimates of demographics for nonemployer businesses (previously undertaken by the SBO survey) will now be accomplished through a separate effort: the annual Nonemployer Statistics by Demographics series or NES-D. Drawing from existing individual and business level administrative and census records (AR) and data linkage expertise, the NES-D will assign demographic characteristics to the universe of approximately 24 million nonemployers, thus creating a new replacement data product that reduces costs and eliminates respondent burden for the nonemployer universe, while improving data timeliness and quality.

The first release of NES-D for 2017 reference year included data by race, ethnicity, sex, and veteran status. The 2017 estimates were released in December 2020 on the ABS website. The 2019 NES-D data were released in December 2021. The Census Bureau plans to release this data annually and also include estimates that combined results from the ABS with results from the NES-D to provide total estimates by demographics.

For comparison purposes, the legacy SBO estimates were released with a three year lag. Therefore, there will not be any delay due to a transition from survey approach to new administrative records approach. Without this component, the official estimates of the demographics of U.S. nonemployer businesses previously provided by the SBO would cease to exist.