

TRENDS in ENTREPRENEURSHIP SERIES

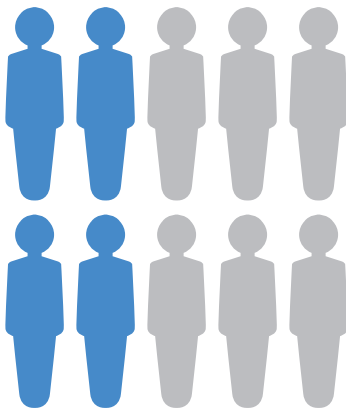
Reporting on data from a wide range of sources to measure, track, and compare trends related to entrepreneurship | October 2022

WHO IS THE ENTREPRENEUR? NEW ENTREPRENEURS IN THE UNITED STATES, 1996–2021

This infographic highlights trends in the share of new entrepreneurs in the United States between 1996 and 2021 by demographic groups – including sex, race and ethnicity, age, and nativity.

TABLE 1: Share of New Entrepreneurs by Sex

In 2021, about 4 in 10 new entrepreneurs were women.



YEAR	MEN	WOMEN	YEAR	MEN	WOMEN
1996	56.3%	43.7%	2009	61.5%	38.5%
1997	60.1%	39.9%	2010	62.2%	37.8%
1998	53.6%	46.4%	2011	62.3%	37.7%
1999	55.9%	44.1%	2012	60.0%	40.0%
2000	59.1%	40.9%	2013	58.7%	41.3%
2001	55.3%	44.7%	2014	63.2%	36.8%
2002	58.6%	41.4%	2015	59.4%	40.6%
2003	60.2%	39.8%	2016	60.5%	39.5%
2004	58.7%	41.3%	2017	57.8%	42.2%
2005	57.6%	42.4%	2018	60.7%	39.3%
2006	57.7%	42.3%	2019	60.2%	39.8%
2007	63.7%	36.3%	2020	59.5%	40.5%
2008	62.5%	37.5%	2021	60.1%	39.9%

The share of women among new entrepreneurs has remained relatively consistent over time.

FIGURE 1 | Share of New Entrepreneurs by Sex (1996–2021)

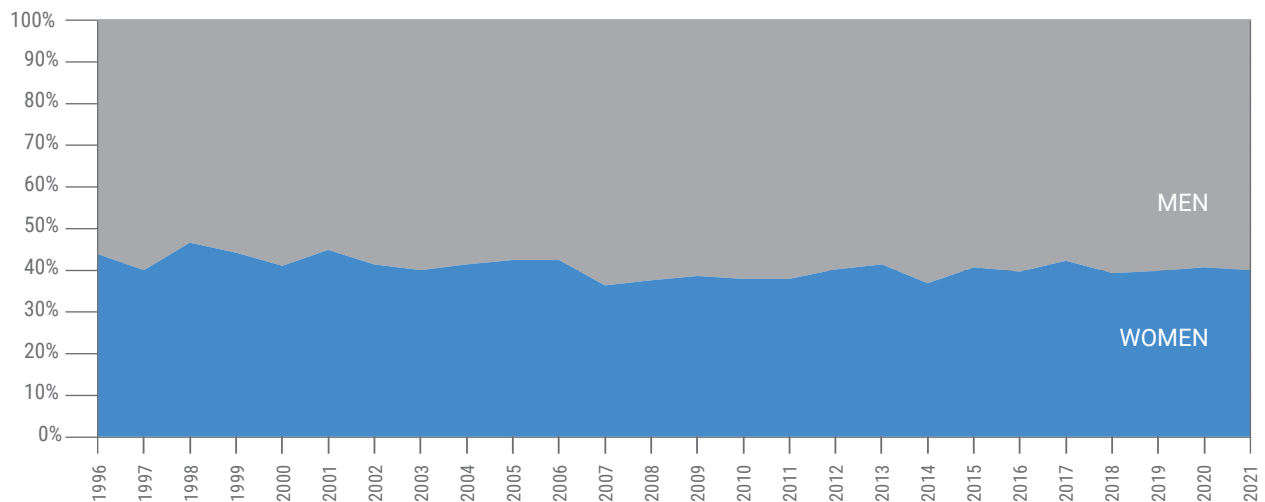
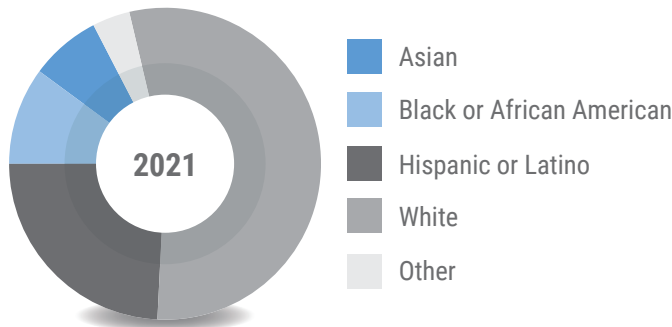


TABLE 2: Share of New Entrepreneurs by Race and Ethnicity

YEAR	ASIAN	BLACK OR AFRICAN AMERICAN	HISPANIC OR LATINO	WHITE
1996	3.4%	8.4%	10.0%	77.1%
1997	3.1%	8.5%	11.7%	75.6%
1998	3.5%	8.0%	9.8%	77.5%
1999	3.6%	9.6%	12.2%	74.3%
2000	3.4%	10.7%	11.6%	73.3%
2001	4.7%	9.9%	11.9%	72.5%
2002	4.0%	10.7%	11.9%	72.2%
2003	4.5%	9.1%	16.3%	67.6%
2004	4.4%	8.6%	14.0%	70.9%
2005	4.3%	9.8%	13.8%	69.6%
2006	5.1%	9.6%	15.0%	67.2%
2007	5.5%	8.8%	17.9%	66.4%
2008	5.4%	8.3%	19.6%	64.3%
2009	4.6%	9.7%	18.7%	64.6%
2010	5.8%	8.7%	23.4%	60.1%
2011	5.3%	9.1%	22.9%	60.2%
2012	6.1%	8.8%	19.5%	62.4%
2013	6.1%	8.8%	20.4%	61.2%
2014	6.8%	9.2%	22.1%	59.1%
2015	5.7%	8.9%	20.8%	60.7%
2016	7.6%	9.2%	24.1%	55.6%
2017	6.5%	11.8%	23.6%	55.3%
2018	7.3%	9.8%	24.9%	54.4%
2019	7.0%	10.1%	22.8%	58.0%
2020	6.7%	13.1%	21.7%	55.6%
2021	7.3%	10.1%	24.2%	54.5%

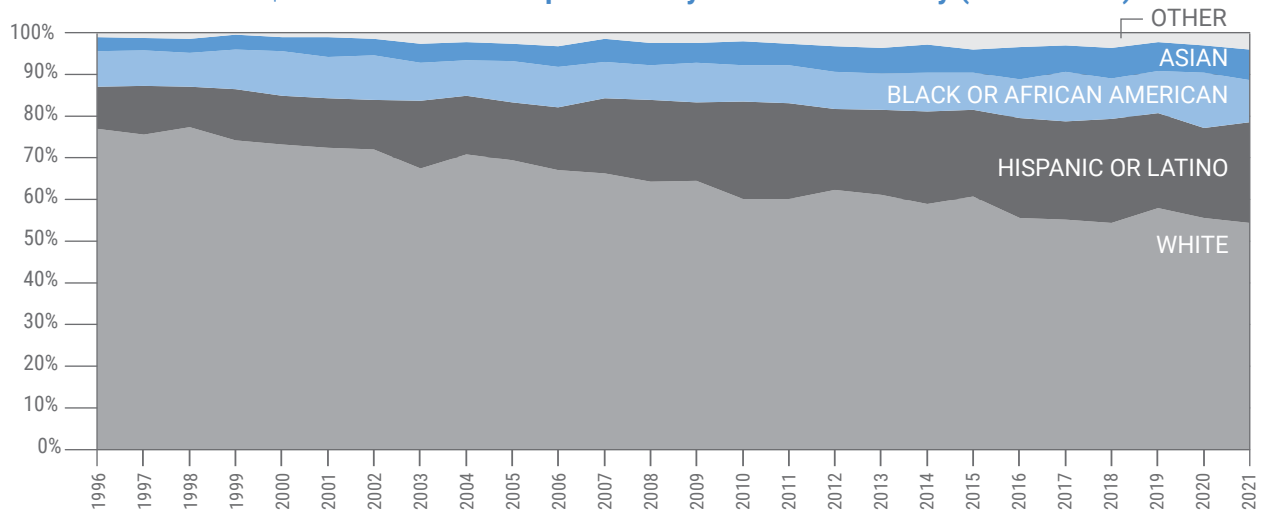
In 2021, about 1 in 10 new entrepreneurs were Black or African American, and around 1 in 14 were Asian. Nearly one quarter of new entrepreneurs were Hispanic or Latino, and more than half were white.

FIGURE 2 | Share of New Entrepreneurs by Race and Ethnicity

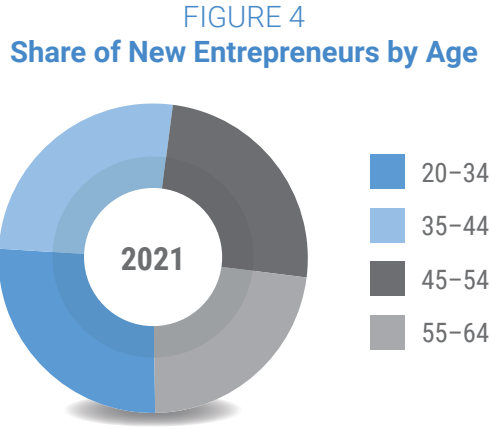


Over the last 25 years, the share of new entrepreneurs who are Hispanic or Latino more than doubled (from 10.0% to 24.2%), as did the share of new entrepreneurs who are Asian (from 3.4% to 7.3%). The share of new entrepreneurs who are Black or African American increased from 8.4% to 10.1%. The share of new entrepreneurs who are white declined from 77.1% to 54.5%.

FIGURE 3 | Share of New Entrepreneurs by Race and Ethnicity (1996–2021)



In 2021, more than 1 in 5 new entrepreneurs were between 55-64 years old.

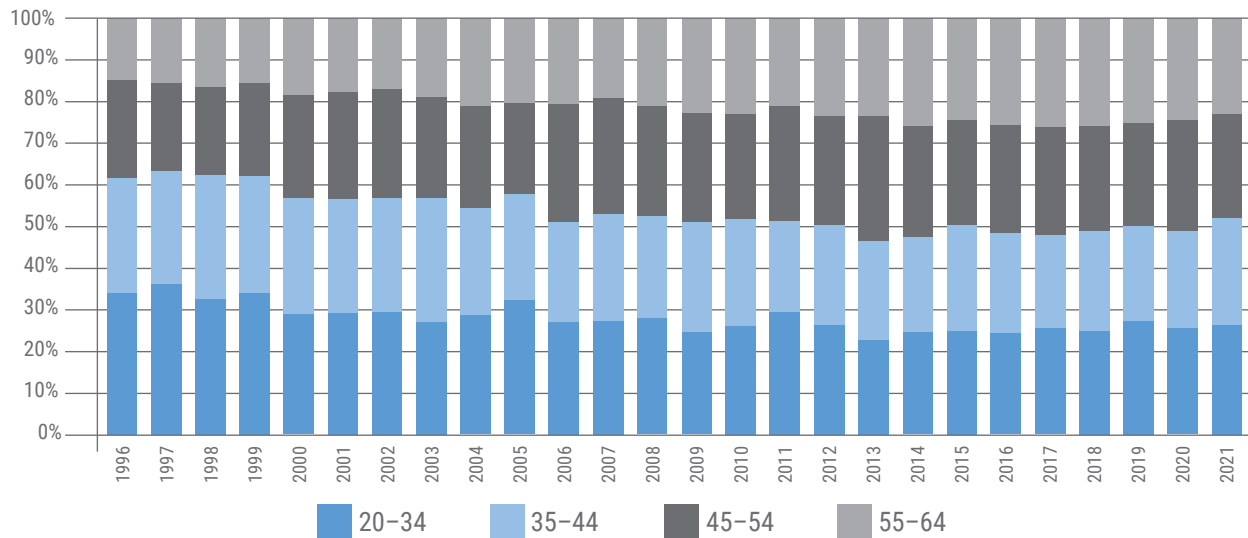


Over the past 25 years, we have seen a notable shift toward more older new entrepreneurs. In 1996, 14.8% of entrepreneurs were 55-64 years old compared to 22.8% in 2021. At the same time, we have seen a decrease in the share of younger new entrepreneurs. In 1996, 34.3% of entrepreneurs were 20-34 years old compared to 26.2% in 2021.

TABLE 3: Share of New Entrepreneurs by Age Group

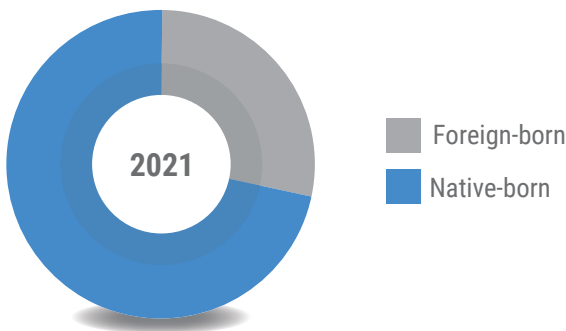
YEAR	AGES 20-34	AGES 35-44	AGES 45-54	AGES 55-64
1996	34.3%	27.4%	23.5%	14.8%
1997	36.2%	27.1%	21.3%	15.4%
1998	32.7%	29.8%	21.3%	16.3%
1999	33.9%	28.2%	22.5%	15.4%
2000	29.0%	27.9%	24.9%	18.2%
2001	29.3%	27.4%	25.7%	17.6%
2002	29.4%	27.6%	26.2%	16.8%
2003	27.1%	29.9%	24.3%	18.7%
2004	28.7%	25.7%	24.7%	20.8%
2005	32.1%	25.7%	21.9%	20.2%
2006	27.1%	24.2%	28.1%	20.6%
2007	27.2%	26.1%	27.7%	19.1%
2008	28.1%	24.5%	26.2%	21.2%
2009	24.7%	26.6%	26.0%	22.7%
2010	26.0%	26.0%	25.2%	22.9%
2011	29.4%	22.0%	27.7%	20.9%
2012	26.2%	24.2%	26.3%	23.4%
2013	22.7%	24.0%	30.0%	23.4%
2014	24.7%	22.9%	26.6%	25.8%
2015	25.0%	25.5%	25.3%	24.3%
2016	24.4%	24.0%	26.1%	25.5%
2017	25.5%	22.5%	26.0%	26.0%
2018	25.0%	24.0%	25.3%	25.8%
2019	27.2%	22.9%	24.8%	25.1%
2020	25.7%	23.0%	26.7%	24.5%
2021	26.2%	26.1%	24.9%	22.8%

FIGURE 5 | Share of New Entrepreneurs by Age (1996–2021)



In 2021, about 7 in 10 new entrepreneurs were native-born, and nearly 3 in 10 were foreign-born.

FIGURE 6
Share of New Entrepreneurs by Nativity

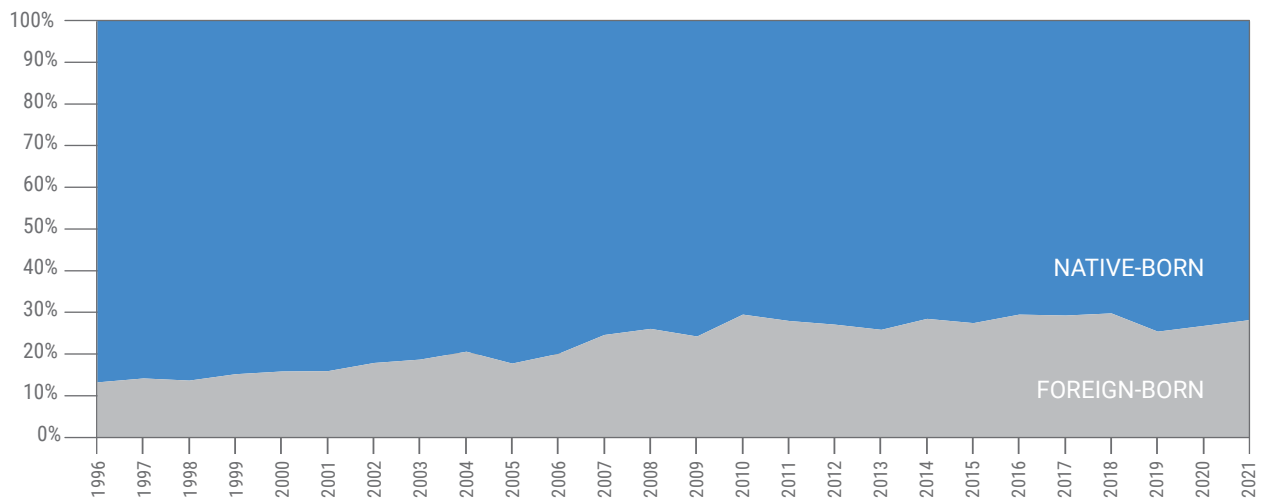


In the last 25 years, the share of new entrepreneurs who are foreign-born has more than doubled.

TABLE 4: Share of New Entrepreneurs by Nativity

YEAR	FOREIGN-BORN	NATIVE-BORN
1996	13.3%	86.7%
1997	14.2%	85.8%
1998	13.7%	86.3%
1999	15.2%	84.8%
2000	15.9%	84.1%
2001	16.0%	84.0%
2002	17.9%	82.1%
2003	18.7%	81.3%
2004	20.6%	79.4%
2005	17.8%	82.2%
2006	20.1%	79.9%
2007	24.6%	75.4%
2008	26.1%	73.9%
2009	24.3%	75.7%
2010	29.5%	70.5%
2011	28.0%	72.0%
2012	27.1%	72.9%
2013	25.9%	74.1%
2014	28.5%	71.5%
2015	27.5%	72.5%
2016	29.5%	70.5%
2017	29.3%	70.7%
2018	29.8%	70.2%
2019	25.4%	74.6%
2020	26.8%	73.2%
2021	28.2%	71.8%

FIGURE 7 | Share of New Entrepreneurs by Nativity (1996–2021)



About the Data

New entrepreneurs represent entrepreneurial activity broadly defined, including employers and non-employers and incorporated and unincorporated businesses. The rate of new entrepreneurs reflects the adult, non-business owner population that starts a business each month. It is a yearly average, and it measures business owners regardless of business size, origin, growth potential, or intentions.

The **share of new entrepreneurs** reflects the share of individuals engaged in new entrepreneurial activity who belong to a particular demographic group. The data is compiled by Robert Fairlie using a special panel of the Current Population Survey (CPS).

In this piece, we use the racial and ethnic terms that correspond with those used in the CPS. Racial categories in the CPS consist of white, Black or African American, Asian, Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, and multiple races. Native Hawaiian or other Pacific Islander are included in the Asian category in the estimates presented here. American Indian or Alaska Native (AIAN) and multiple races are combined into an “other” category as there are not enough observations to report AIAN numbers separately. People who identify as Hispanic or Latino may be of any race.

For more information on the Kauffman Indicators of Early-Stage Entrepreneurship, visit indicators.kauffman.org

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