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# The Rise of the Solopreneur

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weVENTURE WBC

# Small Businesses are a BIG Deal

## United States



**31.7 million** Small Businesses  
**99.9%** of United States Businesses

**60.6 million** Small Business Employees  
**47.1%** of United States Employees



**EMPLOYMENT**  
**1.6 million**  
net new jobs



**DIVERSITY**  
**5.2 million**  
self-employed  
minorities



**TRADE**  
**285,334**  
small business  
exporters

According to the SBA, from 2000 to 2019,  
Small Businesses created 10.5 million net new jobs  
while large businesses created 5.6 million.

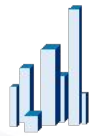






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# Small Businesses are a BIG Deal

## Small Businesses by Industry

**Table 2: United States Small Businesses by Industry and Firm Size, 2017**

				
Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	649,612	695,268	3,740,305	4,435,573
Professional, Scientific, and Technical Services	757,638	807,932	3,535,071	4,343,003
Construction	643,304	700,393	2,494,089	3,194,482
Real Estate and Rental and Leasing	295,084	308,106	2,784,753	3,092,859
Retail Trade	589,200	645,685	2,093,459	2,739,144
Health Care and Social Assistance	561,991	650,689	1,941,097	2,591,786
Administrative, Support, and Waste Management	305,247	343,791	2,143,437	2,487,228
Transportation and Warehousing	163,167	182,688	2,205,648	2,388,336
Arts, Entertainment, and Recreation	112,643	129,287	1,436,152	1,565,439
Finance and Insurance	220,285	236,657	732,196	968,853
Accommodation and Food Services	413,464	537,443	402,772	940,215
Educational Services	73,163	92,148	741,870	834,018
Wholesale Trade	253,458	294,909	399,261	694,170
Manufacturing	185,612	244,098	348,476	592,574
Information	67,876	78,430	349,905	428,335
Agriculture, Forestry, and Fishing and Hunting	21,184	22,535	250,537	273,072
Mining, Quarrying, and Oil and Gas Extraction	15,808	18,720	88,882	107,602
Utilities	4,535	5,752	13,761	19,513
<b>Total</b>	<b>5,339,918</b>	<b>5,976,761</b>	<b>25,701,671</b>	<b>31,678,432</b>



# Non-Employer Firms

Independent small businesses that have no employees and do not include C corporations. (US Census)

Gender	Race/Ethnicity	Employer Firms	Non-employer Firms
Female	Hispanic	5%	95%
Male	Hispanic	8%	92%
Female	Black or African American	3%	97%
Male	Black or African American	4%	96%
Female	Non-Hispanic White	12%	88%
Male	Non-Hispanic White	23%	77%

**Figure 2.4** Source: U.S. Census, NES-D 2019



# Contemporary Economic Data Trends

## Female Labor Force Participation Rate

Nationally, risen from 33% in 1950 to 56.8% in 2022

Majority of States now have majority female population and workforce

Driven by Baby Boom generation

Increase in white women, women with young children, and married women working outside the home.

Majority of U.S. households are now dual income

Increasing number of women file as 'Head of Household'

(U.S. Census Bureau 2023; Bick et al., 2019; Toossi, 2016; Toossi & Morisi, 2017 )

**These changes indicate a near-reversal of previous gender dynamics in the U.S. economy.**



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# Female Labor Force Participation Rate

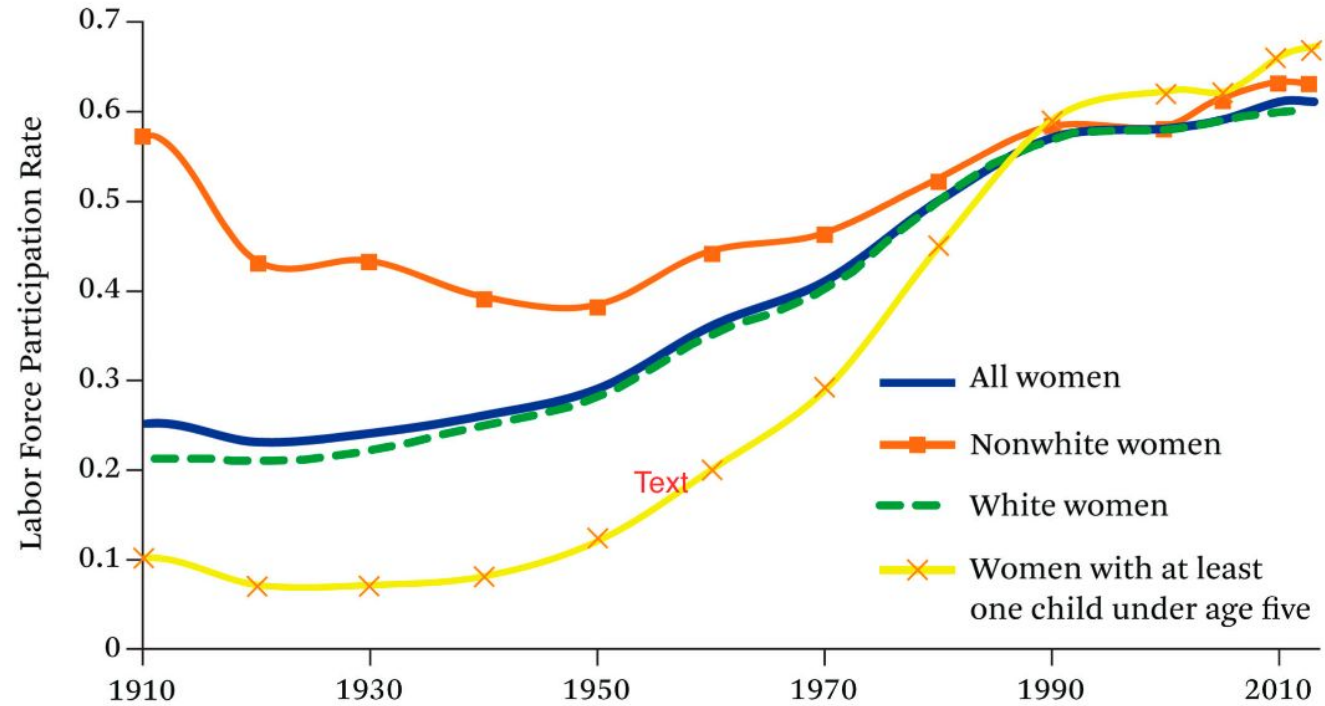


Figure 2.1

U.S. Women's Labor-Force Participation, 1910–2010

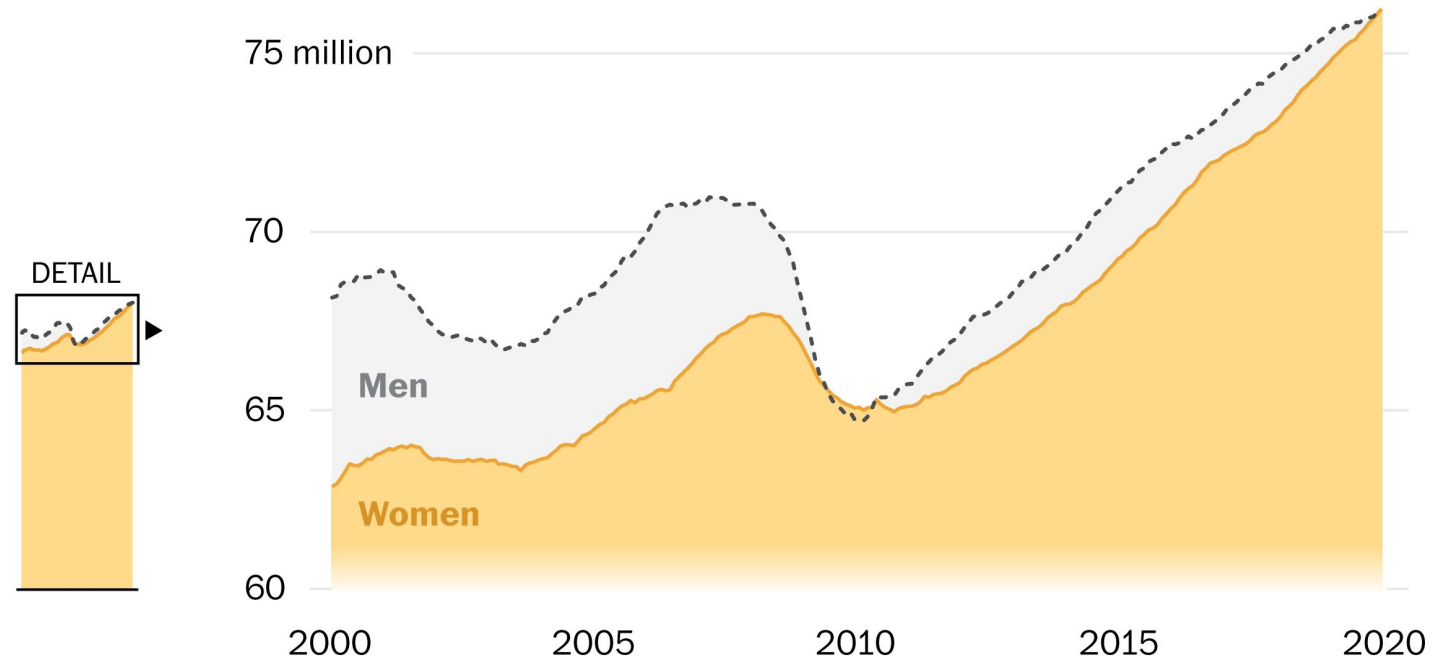
*Sources:* Authors' calculations based on decennial censuses and ACS (Ruggles et al. 2010).

*Notes:* Decennial censuses from 1910 to 2000 decennial censuses and ACS from 2005, 2010, and 2013. Samples are restricted to women ages sixteen and older who do not reside in group quarters. Allocated values are omitted. Historical comparisons necessitate that race categories are very crude and do not account for changes in how individuals self-identify by race or ethnicity over time.



## Women hit a workforce milestone

U.S. nonfarm payrolls, by gender



Note: Seasonally adjusted  
Source: Labor Department

THE WASHINGTON POST

January 2020 Washington Post Article re. Year end 2019 Data

# Contemporary Economic Data Trends

**Interestingly, American women have fallen behind other developed nations**

**1990, 6<sup>th</sup> highest FLFPR in the O.E.C.D.**

**2010, fell to 17<sup>th</sup>**

**2022, fell to 25<sup>th</sup>**

(Blau et al., 2012; OECD, 2022)

**I won't bore you with my dissertation... but let's just say I think the lack of National Family Policies have something to do with it!**



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# Contemporary Economic Data Trends

## Growth of Female Entrepreneurship in U.S.

- Women of diverse racial and ethnic backgrounds have been starting new businesses at a far more accelerated rate than their male colleagues (NWBC, 1991; 2019; 2021; U.S. Census Bureau, 2023).
- Women-owned businesses grew nearly three times as fast (16%) as the number of U.S. businesses overall (6%) between 1992 and 1997 (Brush et al., 1999), a trend which has continued well into the 2000s (NWBC, 1991; 2019; 2021; U.S. Census Bureau, 2023).
- 2018-2019, women started an average of 1,817 new businesses a day (State of Women-Owned Businesses Report, 2020).
- 9% of all mothers in the labor force are self-employed (Perelimeter, 2023; CPS US Census 2023) and mothers of young children, especially those under two, are more likely to be self-employed than non-mothers (Lim, 2017)
- Largest increase in Independent Contractors (IC) was among women-head of household for whom IC is primary source of income and in bottom income quartile (Lim, 2019)
- 90% of all women-owned business, are non-employer firms (U.S. Census Bureau, 2023)



# Contemporary Economic Data Trends

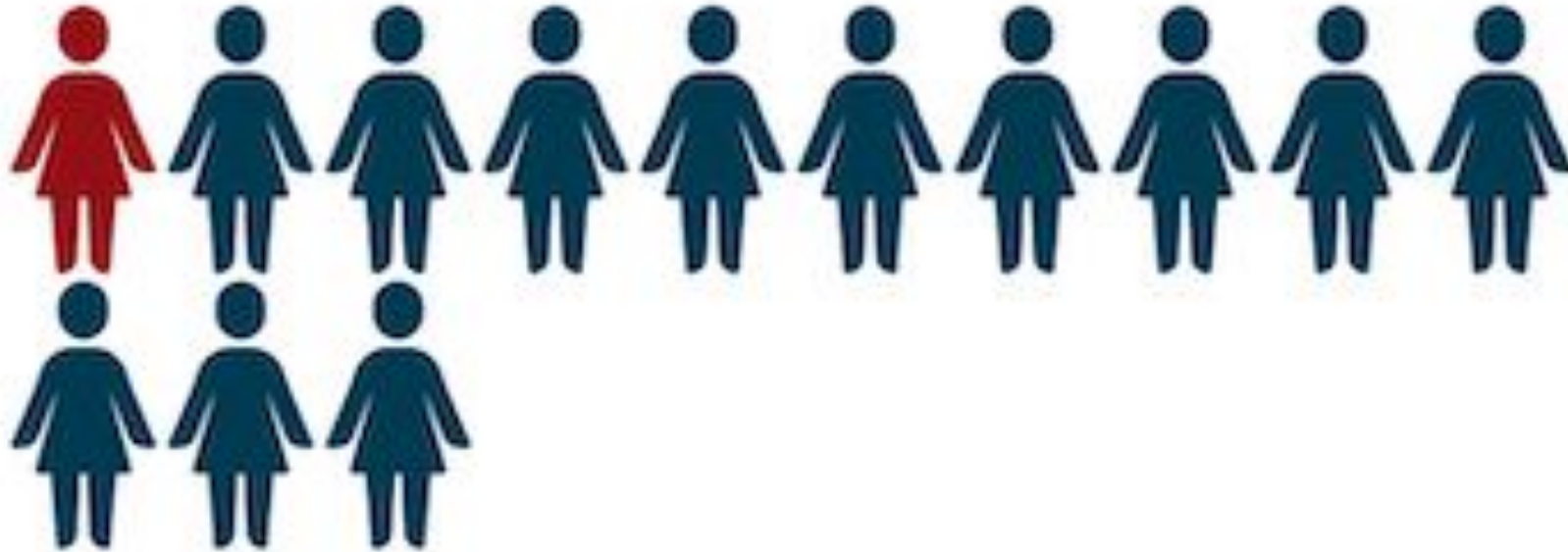
**13.1 Million Women Owned Businesses in the United States**



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# Contemporary Economic Data Trends

## 13.1 Million Women Owned Businesses in the United States



**.... Only about 1 Million have employees.**

(2019 NWBC Annual Report; Census NES-D data)



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# Cause for Concern

## Self- Employment is a Precarious Form of Employment

Self-employment is associated with lower wages, reduced earning potential, reduced pension and savings, and increased vulnerability to economic shock

(Besamusca, 2020; Boeri et al., 2020; Landivar, 2017; Landivar et al., 2022).

Self-Employed and IC's do not benefit from other worker protections like:

- Anti-discrimination laws
- Workplace protections like OSHA, collective bargaining, scheduling laws
- Workers Comp and Unemployment Insurance
- Example: Covid-19 Pandemic
  - Initial Round of PPP/COVID Relief did not apply to IC/solopreneurs

(EEOC, 2023; DOL, 2023)



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# Women Are Quitting: How We Can Curb The ‘She-Cession’ And Support Working Women



Dr Margie Warrell Contributor

Careers

*Margie Warrell emboldens people to live & lead more bravely.*



**2.4 Million US Women Left The Workforce in 2020.**

**100% of Net US Job Losses in December 2020 were women.**

**“The Great Resignation”**

**A record 4.4 million people quit their jobs in September 2021, and 4.3 million did so in August.**

**Women’s Quit Rate was 1.1% higher than Men’s**

**600,000 more self-employed individuals YOY March 2021-2022  
Majority of them female**



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# "She-cession"

**COVID-19 Pandemic had disproportionate impact on women.**

**Industries dominated by women hardest hit:  
Healthcare, retail, hospitality**

**27% of WOB forced to temp. close, vs. 20% MOB**

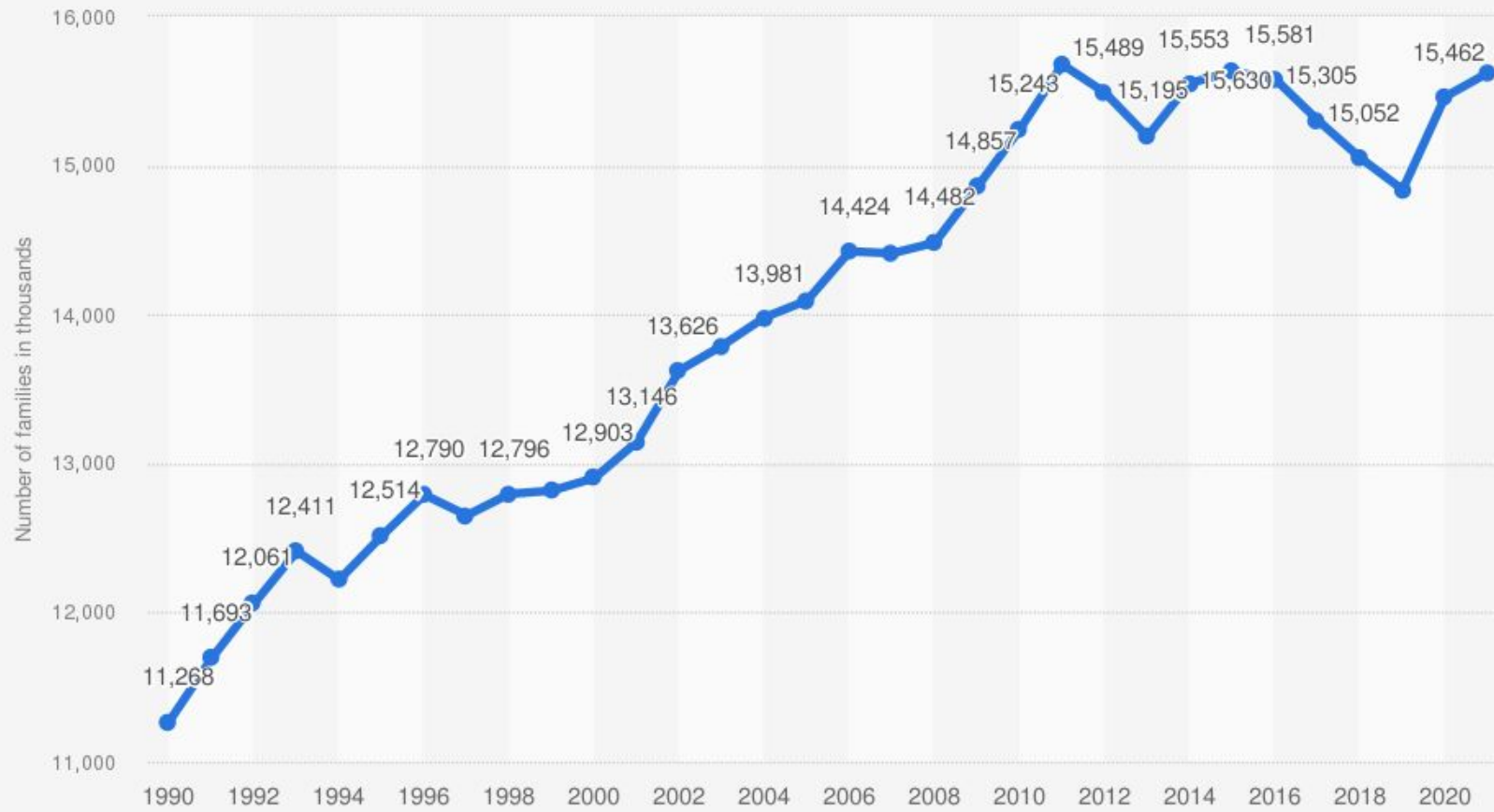
**1099 Contract Employees & Solopreneurs  
Left Out From Initial Federal Relief Programs**

**1 in 3 mothers with school age children  
left the workforce**



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## Number of families with a single mother in the United States from 1990 to 2021 (in 1,000s)



### Sources

US Census Bureau; Bureau of Labor Statistics  
© Statista 2023

### Additional Information:

United States; US Census Bureau; Bureau of Labor Statistics; 1990 to 2021



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# Entrepreneurial Antecedents

## Academic Insights

Two different theories among work–family scholars that help distinguish the motivations of self-employed women.

**“Mumpreneurship”** theorizes that self-employment is an attractive opportunity for women in higher social positions to reconcile career ambitions with intensive mothering ideals (Duberley & Carrigan, 2013; Ekinsmyth, 2011; Georgellis & Wall, 2005).

**“Disadvantaged Worker Thesis”** theorizes that self-employment is a precarious form of employment than those in low social positions are pushed into, often because work–family conflict makes it difficult to attain and retain jobs in standard employment (Brieger & Gielnik, 2021; Georgellis & Wall, 2005; Moore & Mueller, 2002; Newman et al., 2023).

**While the “push” and “pull” motivations are different, both theories stem from the incompatibility of worker and caregiving roles in traditional (standard) full-time employment** (Besamusca, 2020)





# **Solopreneurs Need Us To Be Their Advocates**

## **WBC's Uniquely Positioned to Help & Give Them Voice**

### **Programs Designed for Solopreneurs**

### **Meet Them Where They Are**

### **Educate The Community and Policy Makers About The Needs of and Economic Impact of Solopreneurs**

- Economic policies that provide the U.S. with sustainable growth and competitive advantage by productively engaging all workers.
- Advocate for family-friendly workplace policies and practices.
- Contribute to conversations about gender equality in the workplace and the wider economy
- Challenge traditional concepts of business valuation to recognize the contributions of solopreneurs and un-paid family caregiving work in the macroeconomy.



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# Questions & Discussion



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# Appendix Slides.... If Time



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# Entrepreneurial Antecedents

## Review of Prior Research

### Changing U.S. Economy

Decline of manufacturing

Globalization

Rise of Knowledge and Service Industries, Healthcare & Education

Technology advancements – women's entrepreneurship correlated to internet access

### Women Out-graduating Men Since 1960's

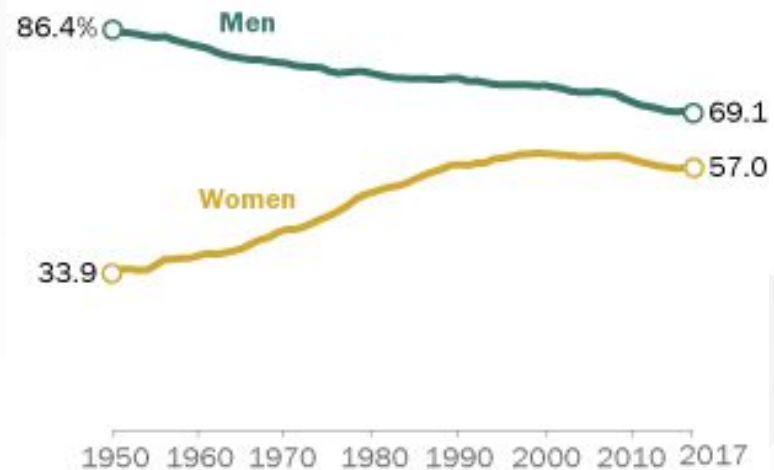
Women hold more higher education degrees since 2016

In 2022, 70% of High School valedictorians were female

# Changing Gender Economics

## Labor force participation rate has risen for women, fallen for men

U.S. labor force participation rate (%)



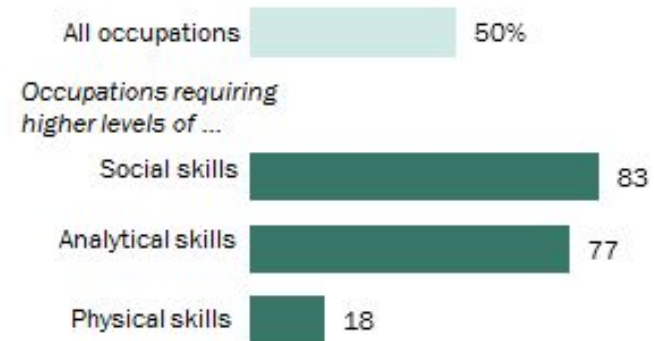
Note: Labor force participation rate is the share of the working age population (ages 16 and older) working or looking for work.

Source: Bureau of Labor Statistics historical data.

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## Employment growth is more rapid in occupations requiring higher social or analytical skills

% change in employment, 1980-2015



Note: Based on employed civilians ages 16 and older. Occupations requiring a higher level of a skill set are those with average to above-average ratings in the importance of the skill set to job performance. Because an individual occupation may require higher levels of more than one skill, the three categories of occupations are not mutually exclusive.

Source: Pew Research Center analysis of O\*NET and monthly Current Population Survey data (IPUMS).

"The State of American Jobs"

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# Entrepreneurial Antecedents

## Review of Prior Research

### Gender Pay Gap

After decades of significant narrowing, since 1990 pay convergence has slowed and is now almost flat, moving from 72% in 1990 to 77% in 2000 and 83% in 2010, where it remains today (Blau & Kahn, 2016; Bailey & DiPrete, 2016; *Equal Pay Day* 2023, 2023).

Increase in female “Side-entrepreneurship” in response to lower pay at their place of employment, especially for racial and ethnic minority women (NWBC 2019 Annual Report)

Two largest contributors to the total growth in ICs are female primary earners with primarily IC earnings in bottom income quartile and female primary household earners for whom IC income is a secondary income source (or side-entrepreneurship), (Lim, 2019)



# Economic Landscape: Gender Pay Gap

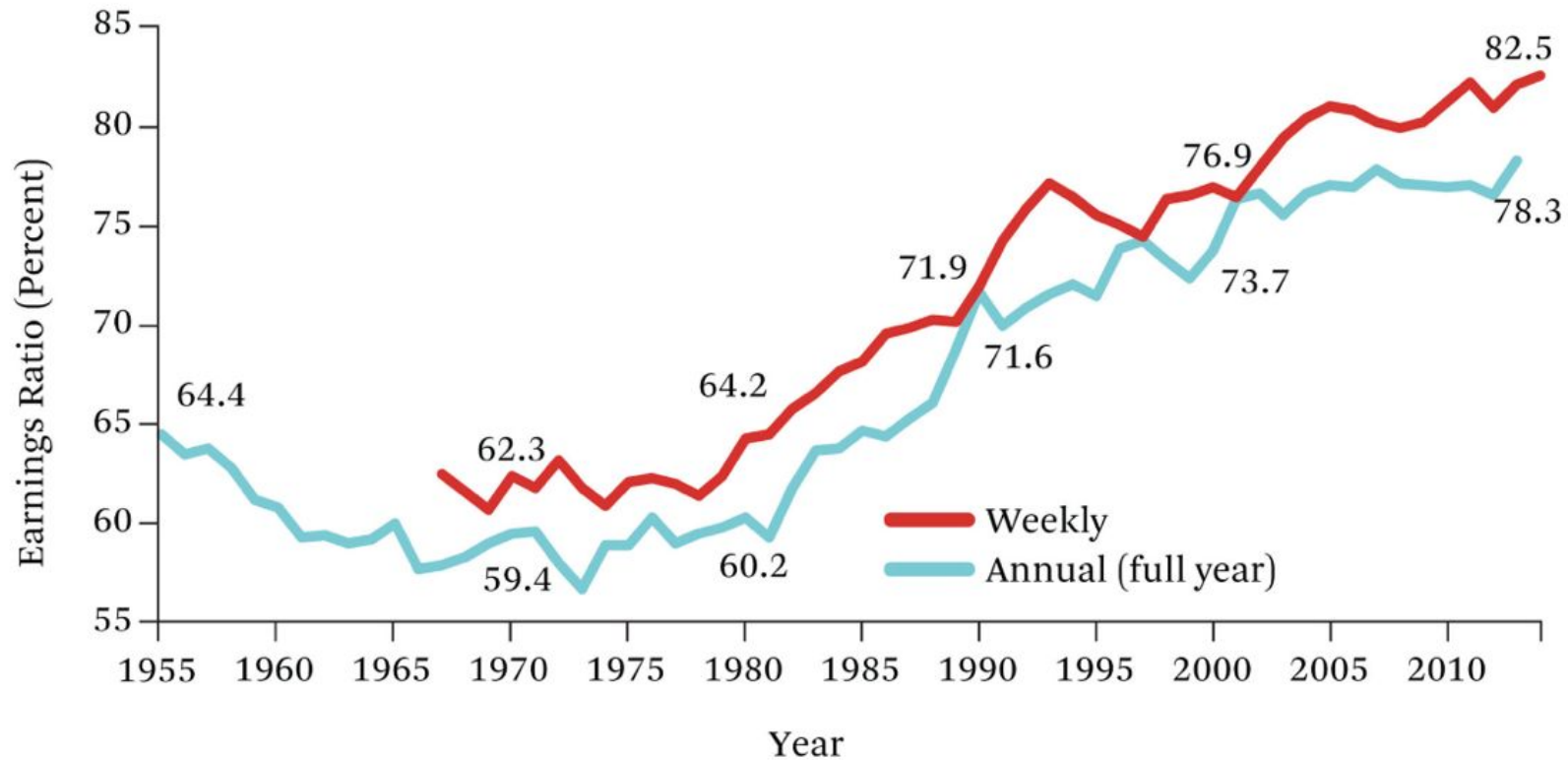


Figure 2.2

Gender Earnings Ratios of Full-Time Workers, 1955–2014

Source: Authors' compilation based on CPS (Blau and Kahn, forthcoming).

FIGURE 1

## The gender wage gap is more significant for most women of color

Comparing 2018 median earnings of full-time, year-round workers by race/ethnicity and sex



Notes: The gender wage gap is calculated by finding the ratio of women's and men's median earnings for full-time, year-round workers and then taking the difference. People who have identified their ethnicity as Hispanic or Latino may be of any race.

Sources: For all groups except American Indian and Alaska Native women, the Center for American Progress calculated the gender wage gap using data from U.S. Census Bureau, "Current Population Survey: PINC-05. Work Experience—People 15 Years Old and Over, by Total Money Earnings, Age, Race, Hispanic Origin, Sex, and Disability Status: 2018," available at <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> (last accessed March 2020). Specific tables used are on file with the author. CAP calculated the gender wage gap for American Indian and Alaska Native women using U.S. Census Bureau, "Table B20017C: American Indian and Alaska Native alone population, non-Hispanic or Latino population 16-years and over with earnings in the past 12 months, 2018 American Community Survey (ACS) 1-Year Estimates," available at <https://www.census.gov/programs-surveys/acs/> (last accessed March 2020); U.S. Census Bureau, "Table B20017H: White alone, non-Hispanic or Latino population 16-years and over with earnings in the past 12 months, 2018 American Community Survey (ACS) 1-Year Estimates," available at <https://www.census.gov/programs-surveys/acs/> (last accessed March 2020).



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# Entrepreneurial Antecedents

## Review of Prior Research

### Limited Opportunities for Career Advancement

Women choose self-employment to escape the “glass ceiling” that limits their advancement in traditional employment (Blau & Ferber, 1986; Blau & Winkler, 2022; Brush et al., 1999; Martínez-Rodríguez et al., 2022)

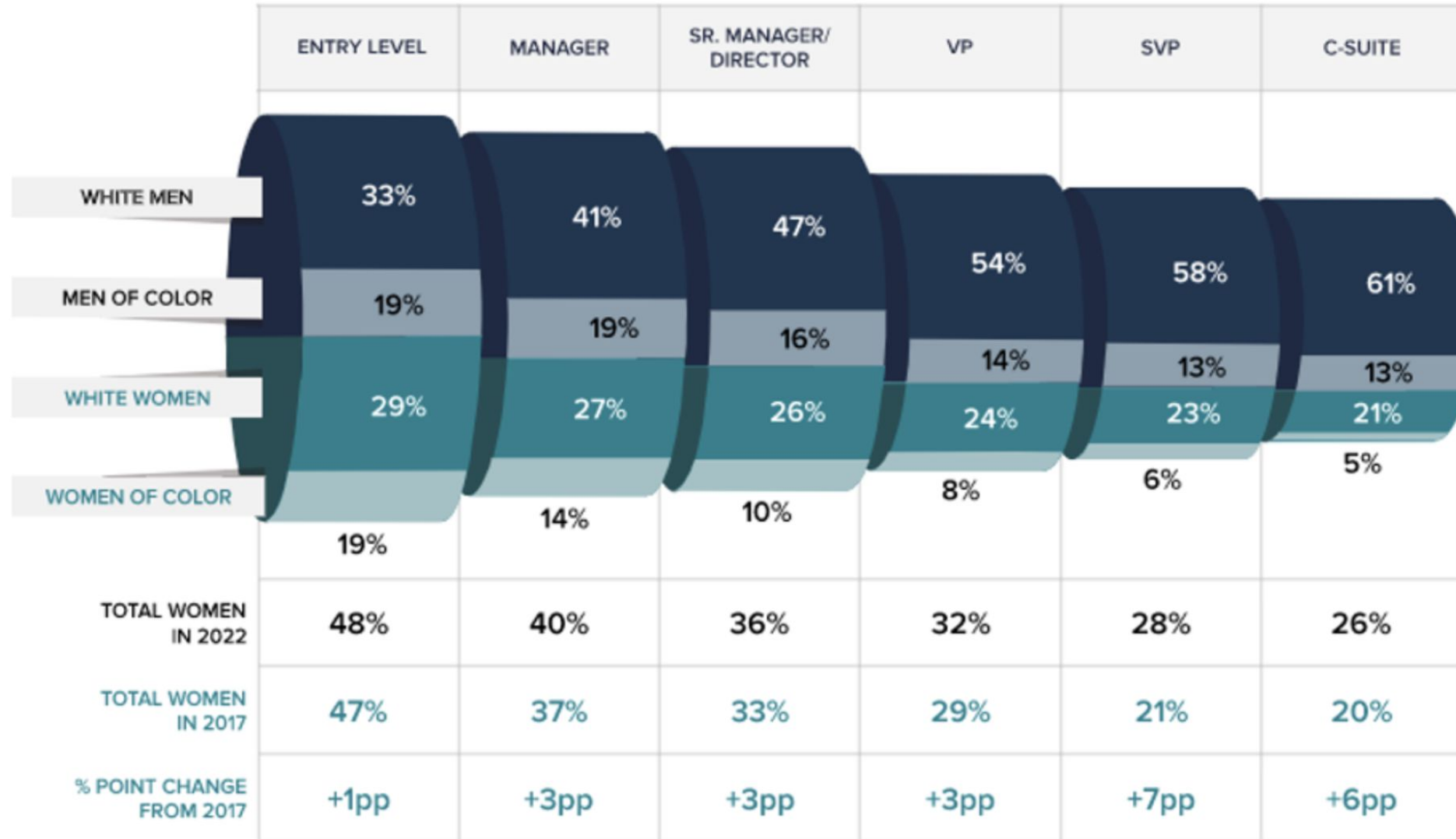
Lacking open and equal career opportunities due to discrimination, marginalization, or other "blocked opportunities" pushes many racial, ethnic, and gender minorities into entrepreneurship (Aldrich & Waldinger, 1990; I. Light, 2007; P. C. Light, 2009; Newman et al., 2023; Rajjman & Semyonov, 1997).

Figure 2.3

REPRESENTATION IN THE CORPORATE PIPELINE BY GENDER AND RACE<sup>B</sup>

■ MEN ■ WOMEN

% of employees by level at the start of 2022



Source: 2022 Women in the Workplace Study, Lean In McKinsey

# Entrepreneurial Antecedents

## Review of Prior Research

### Flexibility, Autonomy, and Control

Studies have found a disparity in financial performance between male- and female-owned businesses (Hisrich & Brush, 1983, 1987; Cuba, Decenzo, & Anish, 1983; Welsch & Young, 1983; Longstreth, Stafford, & Mauldin, 1987 as cited by Kent et al., 1982)

Women 10% more likely than men to be solo-preneur (Lim, 2019)

Numerous studies have found women chose self-employment for the flexibility it affords them to manage family responsibilities (Besamusca, 2020; Bowen & Hisrich, 1986; Bradford et al., 2013; Brush, 1992; Cebula & Williams, 2006; Duberley & Carrigan, 2013; Hisrich & Brush, 1985; Landivar, 2017; Landivar & deWolf, 2022).

Such findings suggest female entrepreneurs may value the increased flexibility, autonomy, and control that entrepreneurship provides over the opportunity for increased profit and growth.

Frequently reported motivation for women who begin home-based enterprises, which have relatively low start-up costs and overhead

(Loscocco & Smith-Hunter, 2004)



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