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2019

Gig Economy and Self-Employment Report



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Foreword

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At Intuit, we believe everyone should have the opportunity to prosper. We have dedicated ourselves to helping both individuals and small businesses, which includes millions of self-employed professionals worldwide, make smarter financial decisions.

We introduced QuickBooks Self-Employed to help these global self-employed professionals better understand and manage their financial picture. Every day we ask ourselves how we can better support the self-employed workforce – and we know understanding what opportunities and challenges the self-employed are facing allows us to serve them better.

There have been many attempts at quantifying the complex U.S. self-employment market. Some people work periodically in a self-employed capacity to supplement their income, while others are consistently self-employed as their main salary source.

We commissioned the Gig Economy and Self-Employment Report 2019 from Gallup to help us better understand what success means to those who work for themselves, whether they do so full time, part time or on the side. The data illuminates what self-employment means to people in communities across the United States, and how their situation or outlook contrasts with those of traditional employees. We believe this data helps us understand not only the size and scope of the market in a particular moment in time – but will also help organizations, governments and companies like Intuit better define and understand how to adapt to a world of self-employment.

The team at Gallup has done a tremendous job compiling a breadth and depth of data from both government and proprietary sources in a characteristically insightful, original and readable report. I won't be giving away too much here by saying their conclusions make me optimistic about the long-term future for self-employment – and as determined as ever to help those who are self-employed achieve more.





Executive summary

Executive summary

Self-employment has been on the rise in the United States for decades, impacting the country's economy and attracting increased attention from both the media and politicians.

40%



Gallup estimates that only 40% of all workers (whether self-employed or not) are in good jobs.

Whether as professional consultants, real estate agents, hobbyists-turned-entrepreneurs, freelancers or, in more recent years, gig economy workers, more and more Americans are supporting themselves – in part or in full – through self-employment. At the time of our research for this report, Gallup found there are 44 million self-employed professionals in the U.S. – which demonstrates the increasing size and scope of this workforce.

It is important to note this research was conducted before the COVID-19 pandemic, which has clearly impacted the way Americans work today. When Gallup and QuickBooks embarked on this study, it was to provide an understanding not only of the sheer number of self-employed professionals, but also the opportunities and challenges facing this diverse group. While COVID-19 has affected the self-employed in 2020, the research conducted at the end of 2019 provides insight and understanding into not only what the self-employed faced then, but what they will likely face in the future.

While unemployment was remarkably low prior to the unprecedented COVID-19 pandemic, job quality and satisfaction among American workers have often been questioned. Recent research from Gallup estimates only 40 percent of workers are in good jobs, which are defined as work arrangements that confer high satisfaction ratings across 10 dimensions important to workers, such as job security, pay, access to benefits and stability of hours.

A variety of factors determine a worker's satisfaction with their work, and understanding these nuances as self-employment continues to gain in popularity can be applied across many facets, from employee benefits to healthcare to income equality.



As the impact of COVID-19 plays out in today's job market, a few well-established trends will undoubtedly continue to effect the growth of the self-employed. For example, employers have been cutting back on traditional workforce employee benefits in response to rising healthcare costs and slow productivity growth in the U.S. since 1980 (compared to the previous century)¹. Additionally, rising income inequality has translated into weak income growth for most Americans, even as the costs of many essential services like housing and education have outpaced inflation², motivating workers to look for additional income opportunities. Finally, the extraordinary growth in digital technologies makes it easier to coordinate and schedule the provision of goods and services across suppliers and customers. Web and mobile applications have allowed workers to add new revenue streams – whether it be from driving a car, conducting repairs, offering technical consulting, writing an article, or doing hair and makeup. These factors have combined to not only motivate workers to seek self-employment, but to also make it easier and more practical to do so.

In short, as employers respond to the expanding burden of health insurance benefits, weak income growth is compelling workers to seek ways to boost their earnings. At the same time, technological advancements make it easier than ever to be self-employed.

Yet, the actual size of the self-employed workforce has been hard to pin down. Conflicting reports, data sources and definitions have led even prominent scholars to make major revisions to their estimates. At the heart of the issue is that many federal surveys focus on primary jobs or work that takes up most of a person's hours. This concentration risks missing the very thing we aim to understand: the myriad ways in which people are supplementing their primary means of earning a living through self-employment.

To better understand these complexities and assess the real trends in self-employment, this report draws on a diverse mix of data sources. Traditional federal data sources are compared to a novel new survey, Gallup's 2019 Great Jobs Survey, which explicitly asks about secondary work and alternative arrangements. In addition to gaining insights on secondary work activities, this survey sheds light on various aspects of job quality associated with self-employment. These sources are, in turn, compared to IRS data on the tax filing behavior of millions of Americans. Taken together, this provides a more comprehensive overview of sole proprietors.

Self-employment estimates for recent years range from 32 million to 44 million U.S. adults.

17%

In 2017, an estimated 17% of adults (26.4 million) filed an IRS document (Schedule C) indicating they engaged in self-employment work, which is a higher percentage than at any time since the IRS started reporting in 1957. This reflects a steady but gradual increase in self-employment since its low point in the early 1980s, when it slumped below 10%. IRS data from 2016 indicate that 32.2 million adults either received a 1099 form (for self-employed work) or paid the self-employment tax. That represents an increase of 8.5 million adults since 2000 and suggests 18% of U.S. adults who are obligated to file taxes are self-employed, as are upwards of 21% of employed adults.

28%

As many as 28% (44 million) of workers report being self-employed at some time during a given week, and twice the share of self-employed workers (22%) work multiple jobs to make extra money when compared to those working for an employer (11%).



The median income of primarily self-employed people is similar to those who work for employers, but total compensation is less due to lower benefits.



Those who identify as self-employed experience slightly lower overall job quality (as defined by Gallup measures of satisfaction related to 10 job characteristics), but a greater sense of control and belief that they are regularly using their strengths.

57%

The majority (57%) of nonfarm sole proprietors work in just five sectors: professional services, repair and personal services, construction, administrative services, and retail trade. The share of sole proprietors working in these sectors is relatively unchanged since 2000, when it was 56%.

+722%

Growth in sole proprietors has been fastest in transportation services, especially taxi services, which saw 722% growth in sole proprietors from 2000 to 2017.



Using various definitions of self-employment, Florida, Georgia and Vermont have the highest rates of self-employment among all states, whereas Indiana, West Virginia and Wisconsin exhibit the lowest rates.



Self-employed workers in the District of Columbia and in several Northeastern states – New Jersey, Rhode Island, Connecticut and Massachusetts – earn the highest median incomes. Across states, the incomes of the self-employed are generally highly correlated with the incomes of traditional employees.

In summary, workers are responding to increased opportunities and incentives to become self-employed. Traditional survey data has greatly understated both the level and increase in the self-employed population by focusing only on primary work, when in fact there has been a significant increase driven by people supplementing their incomes through gig work. This upsurge presents a social challenge, in that it exposes workers to higher job insecurity and limited access to health insurance and other benefits.

At the same time, many workers seem to like the autonomy and independence of these arrangements. They benefit from the income it affords them and are engaged in the work. In fact, self-employed workers with only one job – as opposed to those juggling multiple jobs – rate their work situation higher than workers in one traditional full-time job as an employee.³ In describing and thinking about these challenges, public policy leaders, journalists and scholars will have to adapt to the more complex work relationships that are unfolding, as additional workers participate in the self-employment economy.







Literature review

Literature review

The falling costs of digital technologies have made communication and coordination cheaper and more efficient than ever. This has created new opportunities for companies and workers to sell products – including their own services – to consumers who would otherwise have had difficulty finding them, coordinating scheduling and providing payment.

54%



54% of people who are self-employed also do work as traditional employees.

It may seem obvious that the percentage of workers involved in self-employment or other forms of gig activities has increased, but the data on self-employment and gig relationships have proven to be complex and contradictory.

The Bureau of Labor Statistics (BLS) announced in 2018 that the share of workers in contingent or alternative work arrangements declined slightly from 2005 to 2017, as did the number of adults working as independent contractors (from 7.4% to 6.9%).⁴

This was surprising to many because other estimates had suggested large increases. Indeed, two prominent economists initially reported a 5 percentage point increase in the share of workers in alternative work arrangements from 2005 to 2015. But after examining new data, they concluded that they overstated the increase, which was actually only 1 to 2 percentage points.⁵

Adding further confusion is the fact that the share of tax returns filing Schedule C (Form 1040) income – income from sole proprietorships – has increased in recent decades, even as the percentage of people reporting that they are primarily self-employed on government surveys has fallen.⁶



These seemingly contradictory trends could be reconciled if it turns out that many people who are involved in self-employment work do it to supplement their earnings. Indeed, people were no more likely in 2016 to earn a full-time living through self-employment – as represented by Form 1099 income – than in 2006. This conclusion follows a recent detailed analysis by economists at the IRS, who focused on recipients of Form 1099 income.⁷ That study finds that 46% of people who filed the self-employment tax return in 2016 also filed a W-2 form, indicating a traditional employment relationship. The ratio was essentially the same in 2000 (45%).

The present study combines the strengths of both administrative data sources (from tax records) and self-reported survey evidence to better understand the trends in self-employment, as well as the advantages and disadvantages that people perceive in working for themselves.



A photograph of a boat's hull, showing a blue tarp covering the upper part and a white-painted lower part. Below the hull, there are several concrete blocks stacked on a wooden surface. The image is partially obscured by a white rounded rectangle containing the word 'Methodology'.

Methodology

Methodology

For this study, we used publicly available data from the BLS, Census Bureau and IRS, as well as data from prior Gallup research. Table 1 shows these data sources and their methods of identifying which individuals are self-employed. We believe these sources complement each other in important ways that, when taken together, provide a comprehensive picture of the self-employed workforce.

Of note is that the sources using IRS data are independent of how workers perceive themselves and the importance of self-employment to them. Rather, self-employment is defined by income source, tax filing requirements and compliance with those rules. The three sources of IRS data included in this study have increasingly restrictive methods for inclusion of individuals as “self-employed.” These criteria are: 1) having business income (filing a Schedule C); 2) having at least \$400 in business income (paid self-employment tax); and 3) having at least \$1,000 in business income (included in Census Bureau data tables).

Following research from IRS economists, we also consider a definition of self-employment that includes anyone who pays the self-employment tax or receives income from a nonemployer through Form 1099 (specifically 1099-MISC, which is for nonemployee compensation, or 1099-K, if the form of payment was made electronically). These data are not routinely published by the IRS, so we are limited to the information included in the paper.

In contrast to these administrative data sources, survey data on self-employment from the BLS, Census Bureau and Gallup rely on individuals to define themselves as “self-employed” using specific criteria described in Table 1. One advantage of these data sources is that the responses are linked to other survey questions that provide important context for understanding the wellbeing and preferences of workers.

The source of Gallup data is the 2019 Great Jobs Survey, which was funded by the Lumina Foundation, the Bill & Melinda Gates Foundation, and Omidyar Network. Results for this study are based on mail surveys conducted from February 8-April 1, 2019, with a random sample of 9,671 adults aged 18 and older living in all 50 states and the District of Columbia. Of the 9,671 individuals who responded to this survey, 6,633 were working adults and were included in the analysis in this report. Gallup randomly selected individuals to participate in the study using an address-based sample (ABS) frame. Respondents had the opportunity to respond to the survey via web or mail. Surveys were conducted in English and Spanish. The final response rate to this survey was 14.5% (AAPOR 1). Interested readers can find more information in a companion report which summarizes findings from this survey.⁸

TABLE 1

Data Sources and Methods of Identifying Self-Employed Individuals

Data Source and Identification of Self-Employed	Years Included	Information About Inclusion
IRS: Income Source <i>Filed Schedule C (Form 1040), Profit or Loss from Business (Sole Proprietor)</i>	1957-2017 ⁹	This form must be filed by anyone operating a sole proprietorship, regardless of total income through the business. This includes people who do not consider themselves primarily self-employed but excludes people who do not meet the tax-reporting thresholds or fully comply with those standards. Does not provide any context for the experiences of self-employed individuals.
IRS: Tax Payments <i>Schedule SE, Self-Employment Tax, Payment of self-employment tax</i>	2009-2016 ¹⁰	Those whose income from their sole proprietorship is \$400 or more must complete this form to calculate their self-employment tax. This includes people who do not consider themselves primarily self-employed but excludes people who do not meet the tax-reporting thresholds or fully comply with those standards. Does not provide any context for the experiences of self-employed individuals.
Census Bureau: Nonemployer Statistics (NES) <i>IRS data processed by the census to exclude establishments with less than \$1,000 in revenue</i>	2010-2018 ¹¹	The limitation to businesses that had \$1,000 or more in revenue may include those who have additional income from an employer but excludes those who make minimal income through self-employment. We limit analysis of nonemployers to those that are sole proprietorships rather than partnerships or corporations to better match the self-employed universe. Does not provide context for the experiences of self-employed individuals.
Census Bureau: American Community Survey (ACS) <i>Self-identification as self-employed</i>	2017	Captures the status of those whose primary business or where they worked the most hours was self-employment. The survey is a good source of data for those who are primarily self-employed, and data are available by state. Unable to capture those for whom self-employment is an income source in addition to work for an employer. Does not provide context for the experiences of self-employed individuals.
Census Bureau and BLS: Current Population Survey (CPS) <i>Self-identification as self-employed</i>	2017	Captures the status of those whose primary business or where they worked the most hours was self-employment. The survey is a good source of data for those who are primarily self-employed, and data are available by both state and industry. Unable to capture those for whom self-employment is an income source in addition to work for an employer. Does not provide context for the experiences of self-employed individuals. Relies on self-identification as "self-employed," "independent contractor" or "employer."
Gallup <i>Self-identification as self-employed</i>	2019	Captures if respondents were self-employed for even one hour in prior week, regardless if they also worked for an employer. Provides context for self-employed experiences. Relies on self-identification as "self-employed" and memory/interpretation of self-employment. Includes those who don't comply with tax reporting standards that indicate self-employment work; excludes those who performed self-employment work for part of the fiscal year but not last week.

Which sources of data are most appropriate and effective at describing the state of self-employment varies based on what elements of self-employment are of interest. In many cases, considering data from multiple sources can provide a more holistic picture of self-employment in the U.S.

In cases where the element of interest is income, we believe the NES and the ACS provide the strongest data. The administrative sources allow us to calculate revenue per establishment or income per tax return. Neither of these measures account for income earned from other lines of work, whereas census wording captures income from all sources (except capital gains). Thus, for national and state-level reporting of income, we focus on ACS data.

Still, a limitation with census data is that it does not allow users to determine what percentage of revenue comes from each income source, or isolate income from self-employment. Therefore, administrative data can help parse how self-employment income has changed over time.

For circumstances where the elements of interest are the quality of work experiences among the self-employed, the strongest source of data is from the Gallup Great Jobs Survey. This data can provide essential context that better enables a more rounded understanding of what self-employed individuals find important and how their experiences may differ both within types of self-employment and also compared to those who are employed only through an employer.

Which sources of data are **most appropriate and effective** at describing the state of self-employment varies based on what elements of self-employment are of interest. In many cases, **considering data from multiple sources can provide a more holistic picture** of self-employment in the U.S.







Major findings

ABOUT THE SELF-EMPLOYED

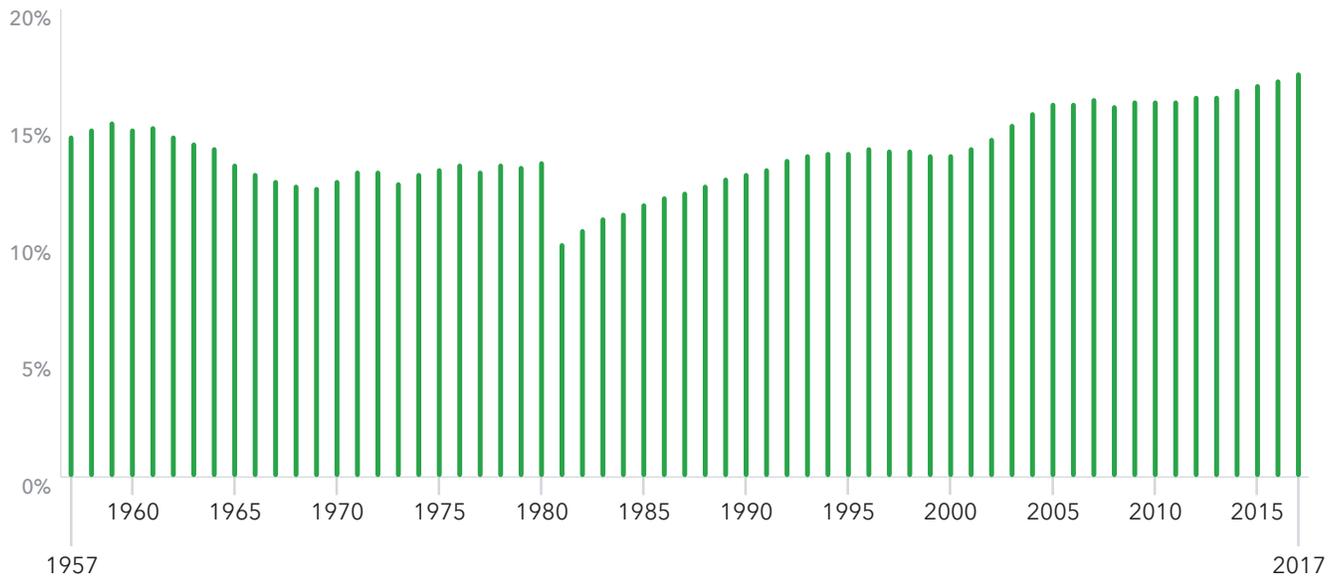
In 2017, an estimated 17% of adults engaged in self-employment work, which is a higher percentage than at any time since the IRS started reporting in 1957. This reflects a steady but gradual increase in self-employment since its nadir in the early 1980s, when it slumped below 10%.

In 1959, the number of tax returns with Schedule C filings was 15.2%, which was a level not again reached until the early 21st century. Yet, the share of returns with Schedule C filings before 1981 is somewhat overstated and therefore misleading.

Prior to 1981, multiple Schedule C forms may be associated with the same individual and yet count as multiple sole proprietorships. This processing quirk was fixed in 1981.¹² Regardless, recent decades have seen a steady increase in the share of tax returns that file sole proprietorship income, suggesting that current levels are the highest attained over the previous 60 years.

FIGURE 1
Sole proprietor returns as percent of all returns

1957-2017



Source: IRS.

Note: Starting in 1981, returns were grouped by unique individuals, avoiding double-counting in previous years.

Counterintuitively, from 1990 to 2019, the percentage of workers identifying as primarily self-employed fell (from 11.1% in 1990 to 9.7% in 2019).

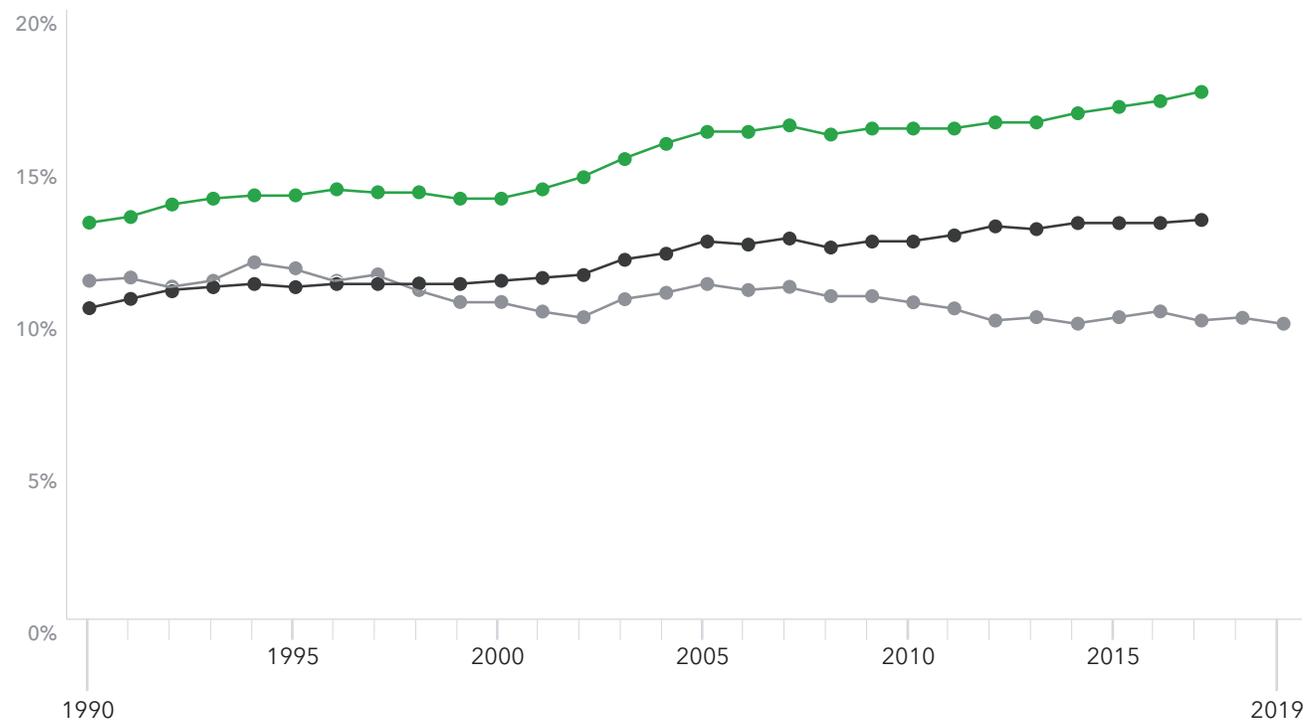
Combining these data with tax records suggests that just over half (56%) of workers with self-employment income consider themselves primarily self-employed in recent years.

FIGURE 2

Trend in percent of U.S. workers who are self-employed using various definitions

1990-2019

- Percent of returns from sole proprietors
- Percent self-identified as self-employed
- Percent of returns with self-employment tax



An analysis from economists at the U.S. Treasury Department sheds some light on why the gap may be growing between self-identification and tax records. They find that most of the increase in self-employment via tax records came from people with very few business expenses, and as of 2014, roughly 40% of people who file self-employment tax forms also earn money as traditional employees.¹³ Survey data from Gallup in 2019 finds that 53% of people who were self-employed in the previous week also reported having worked for an employer during that time.

Likewise, our analysis of IRS data shows that most of the increase (70%) in sole proprietor tax filings since 1990 came from individuals with revenues less than \$25,000. Likewise, since 2009, most of the increase (62%) came from this group. In both periods, about a quarter of the increase was driven by people making less than \$2,500, so it is not surprising that many people who file sole proprietor tax documents do not identify as having been primarily self-employed in the past week.

Other trend data is consistent with the interpretation that the rise in self-employment is primarily driven by people who do not rely entirely on self-employment income. From 1980 to 2013, the share of total business revenue attributable to sole proprietorships fell from 5.8% to 3.6%.¹⁴

TABLE 2

Share of increase in sole proprietor tax returns by revenue class

	Change from 1990-2016	Change from 2009-2016
Under \$2,500	23%	24%
\$2,500 under \$5,000	9%	7%
\$5,000 under \$10,000	12%	6%
\$10,000 under \$25,000	25%	24%
ALL UNDER \$25,000	70%	62%
\$25,000 under \$50,000	13%	12%
\$50,000 under \$100,000	9%	14%
\$100,000 AND UP	8%	12%

Source: Analysis of IRS Table 12. Number of Business Income Tax Returns, by Size of Business for Income Years, 1990-2016 [1] Expanded.

As many as 28% of workers (44 million in total) report being self-employed at some time during a given week, and twice the share of self-employed workers (22% or 9.7 million) work multiple jobs to make extra money when compared to those working for an employer (11% or 12.2 million).

When workers are allowed to identify multiple streams of work, they are far more likely to be classified as self-employed. Surveys from the Census Bureau and BLS emphasize the primary job. The ACS stipulates the following: "Describe clearly this person's chief job activity or business last week. If this person had more than one job, describe the one at which this person worked the most hours."¹⁵ This language is useful for understanding the primary form of work, but it is not helpful in understanding the complexity and variation of work activities undertaken.

In the Great Jobs Survey, Gallup provides several opportunities for workers to identify as self-employed. It asks if the respondent was self-employed even for one hour last week, regardless of whether the respondent also reported working for an employer last week. Overall, 28% of workers report being self-employed with this approach, even though 53% of them also report being employed by an employer. Altogether, only 13% of workers report being self-employed, but not being employed by an employer.

These numbers can be compared to IRS sources. The highest estimate comes from an analysis of data from IRS economist Brett Collins and his co-authors.¹⁶ Their study documents both recipients of Form 1099 income (i.e., income from nonemployers) and payments of self-employment tax. Since either one of these indicates self-employment activity, we add them together and report the number of returns that indicate self-employment as a percentage of all tax returns in 2016. That number amounts to 18.0% of filed returns. A slightly smaller share (17.3%) of returns file a Schedule C or sole proprietor return, and an even smaller share (13.1%) file self-employment taxes.

One way to reconcile the 28% survey figure for self-employment with the 18% IRS figure is that the 28% figure is limited to the working population. In contrast, the IRS figure is limited to the number of tax filers, which includes many people who do not work or would not identify as working on surveys because they did not work last week. When the Gallup sample is revised to include all adults, we find that 19.2% of adults are self-employed (and 9% are self-employed and not employed by an employer). Thus, the IRS data almost match survey data for the self-employed when using the broadest definition.¹⁷

TABLE 3

Share of U.S. population that is self-employed by various definitions

TAX DATA: Expressed as share of individual tax returns or number of establishments per worker

Data Source	Identification of Self-Employed	Share of Workers
IRS (Collins et al. 2019, Table 1)	Payment of self-employment tax or filing of Form 1099	18.0%
IRS (income source), 2017	Filed Schedule C	17.3%
NES, 2017	Sole proprietor nonemployer businesses per worker	14.3%
IRS (tax payments), 2017	Payment of self-employment tax	13.1%

SURVEY DATA: Share of workers

Data Source	Identification of Self-Employed	Share of Workers
Gallup, any self-employment work, 2019	Self-identification as self-employed last week	28.4%
Gallup, primarily independent contractors, 2019	Self-identification as independent contractor as primary job	14.4%
Gallup, self-employed only, 2019	Self-identification as self-employed last week, but did not work for an employer	13.2%
Census Bureau and BLS-CPS, 2019	Self-identification as self-employed for primary job activity	9.8%
Census Bureau-ACS, 2017	Self-identification as self-employed for primary job activity	9.8%
BLS, 2017	Independent contractors	6.9%



The self-employed stand out on other job characteristics that indicate greater variability and complexity in their work situation. Forty-eight percent of self-employed workers say their employer does not withhold their taxes from their paycheck – which is something employers are legally obligated to do unless the work is independent. This compares to only 8% of people who are traditionally employed.

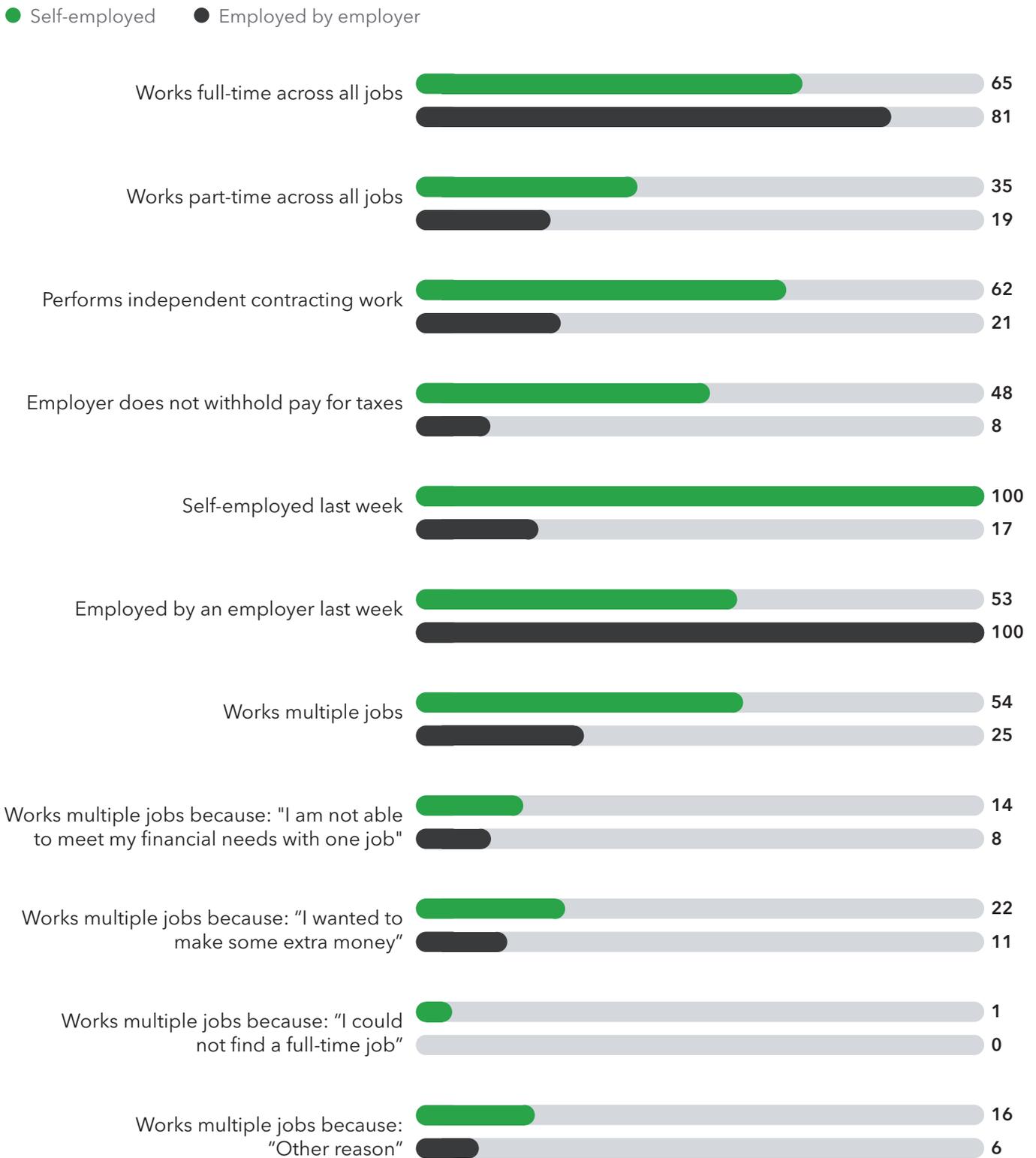
Remarkably, self-employed workers are roughly twice as likely as traditional employees to report working multiple jobs. The largest gap (22% vs. 11%) is for people who work multiple jobs because they want to earn extra money, but not out of necessity or due to difficulty finding full-time work.

A lower, but still substantial, share of self-employed workers report that they work multiple jobs out of need (14%). Again, this evidence suggests that workers pursue self-employment for many reasons, and a considerable fraction of people who generate self-employment income do so out of a desire – not a necessity – to supplement their primary source of earnings.

Importantly, IRS data match survey data in terms of the percentage of self-employed workers who also work as an employee. As shown below, this is 53% in the survey data, which is very close to the 52% whose employer withholds their taxes. Similarly, in 2016, 55% of tax filers who received a Form 1099 or filed self-employment tax also received a W-2 form, indicating they are also employed by an employer. This is virtually unchanged from 2000 when it was 53%, according to Collins and co-authors.¹⁸

FIGURE 3

Job characteristics for the self-employed and those employed by an employer



Source: Gallup Great Jobs Survey, 2019

The median income of primarily self-employed people is similar to those who work for employers, but total compensation is less due to lower benefits.

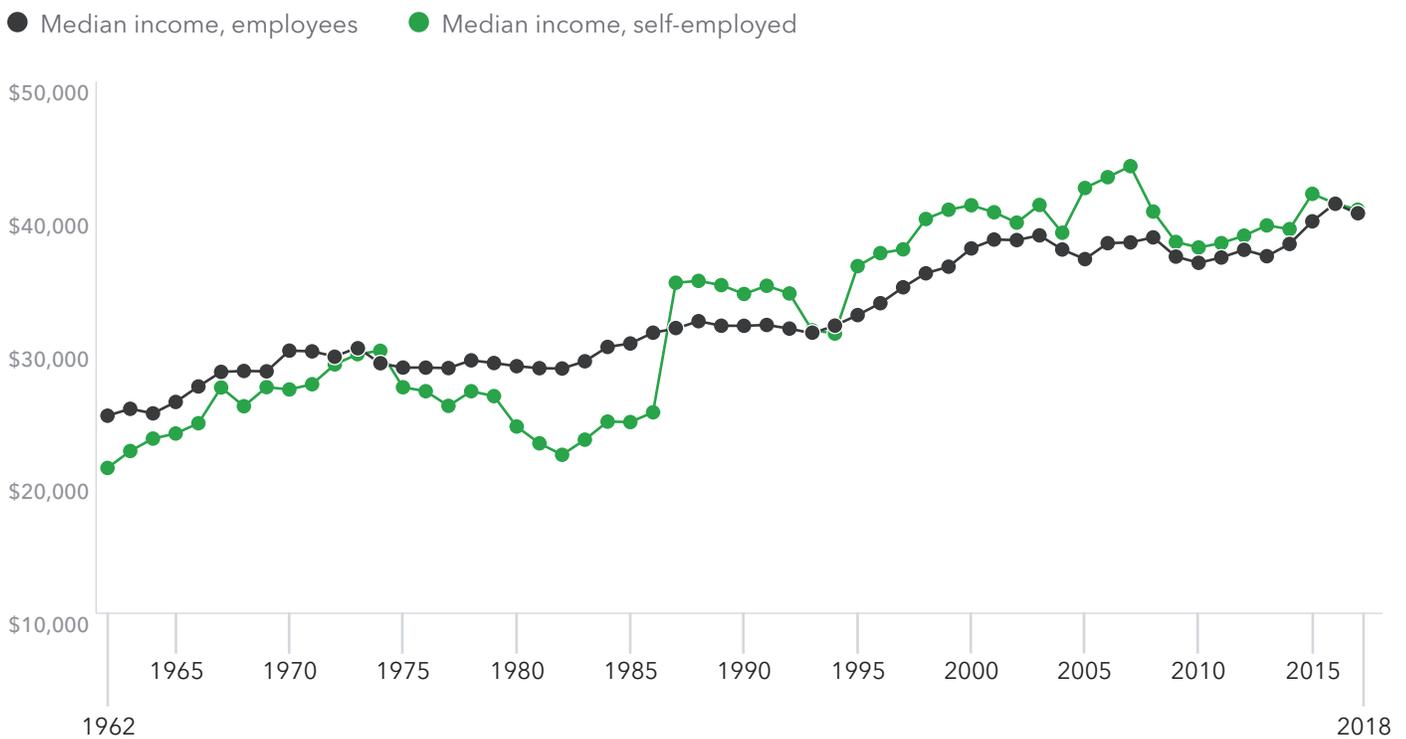
Since 1962, the CPS has collected data on worker income and class that allows for the comparison of self-employed workers to those who are traditionally employed. The two lines sometimes diverge – as in the mid-1980s – but generally move together, suggesting self-employment often pays at least as well as employment in a traditional arrangement.

Other data from tax records suggest that sole proprietorships earn less money on average. This is likely because the tax records include many people whose self-employment income is not their main source of income. Revenue data from the NES suggests that the average sole proprietorship earns only \$34,751 in 2017 revenue, which is below the median income of people who identify as primarily self-employed (\$40,800).

FIGURE 4

Median income of self-employed compared to employed workers

1962-2018



Source: CPS ASEC, income in 2018 USD adjusted with BEA PCE index



29 million

Roughly 29 million self-employed workers who also have a job through an employer lack health insurance through that employer.

Although total income is similar between the self-employed and salaried or wage workers, overall compensation is much less for the self-employed, who are far less likely to have employee benefits. Benefits are a large and increasing share of total compensation, according to data from the Bureau of Economic Analysis, and as of 2018 account for 19% of total compensation.¹⁹

Data from the Gallup Great Jobs Survey show that only 34% of self-employed people have access to health insurance through their employer. Roughly 29 million self-employed workers who also have a job through an employer lack health insurance through that employer. Meanwhile, 84% of traditional employees have access to health insurance.

Additionally, data from the Gallup Great Jobs Survey show that only 32% of people who are self-employed have access to retirement benefits through work, compared with 77% of traditional employees. Substantial gaps exist in other benefits as well, such as maternity and paternity leave and life insurance. This represents thousands of dollars in compensation that self-employed workers do not collect.

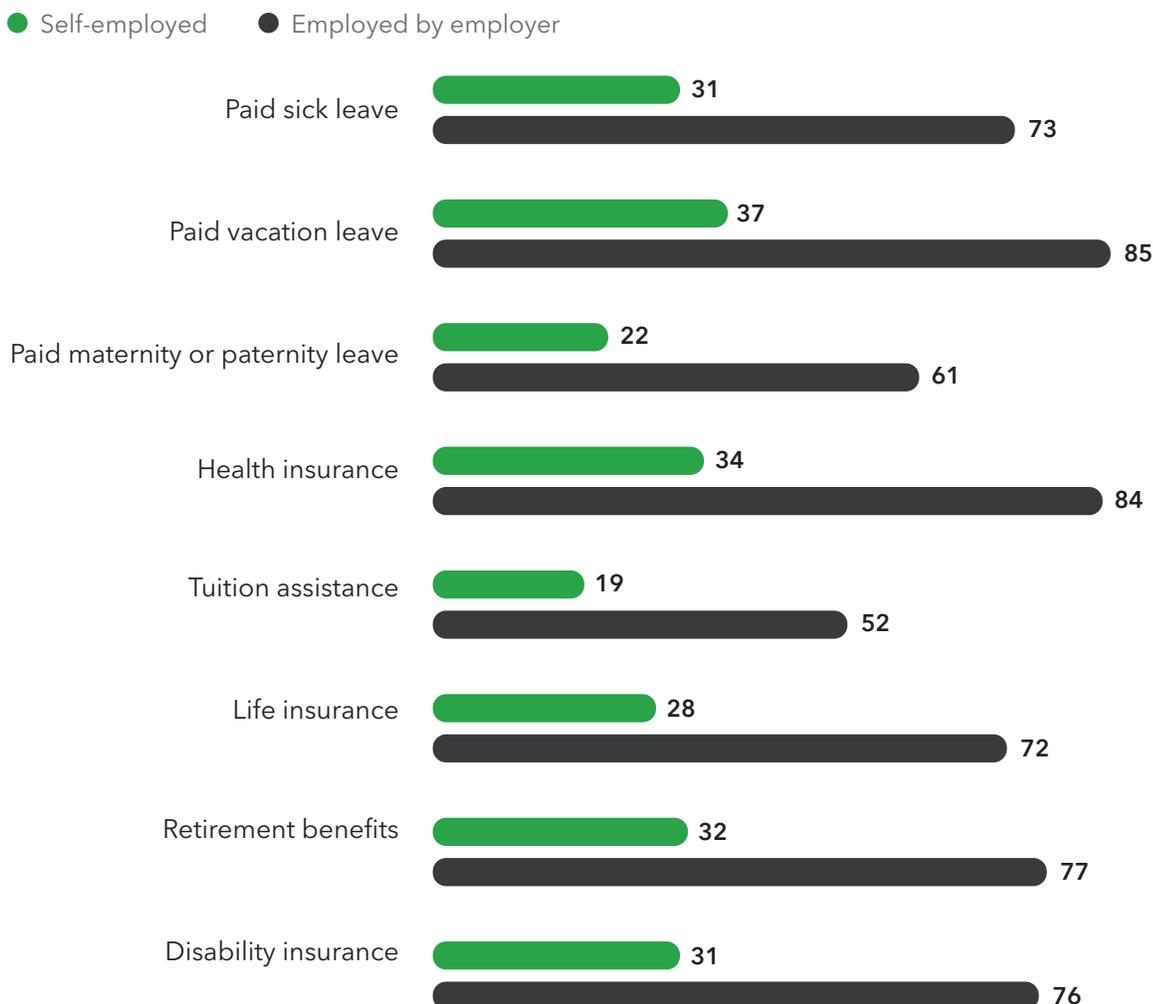
Data from the CPS shows that access to two important benefits – healthcare and retirement – has worsened for both employed workers and the self-employed.

The percentage of self-employed workers with health insurance coverage from their employer (which may be their own business) fell from 29% in 1996 to 20% in 2018. Meanwhile, for traditional employees, coverage remained higher, while falling less (from 61% to 57%). The overall gap in health insurance coverage, however, is less than the gap in employer-provided coverage, as many self-employed workers nonetheless report some form of health insurance (82% in 2019 compared to 89% of traditional employees), which they could obtain via public programs, self-finance, or through a domestic partner or spouse’s employer.

FIGURE 5

Access to benefits through primary job, by self-employment status

2019

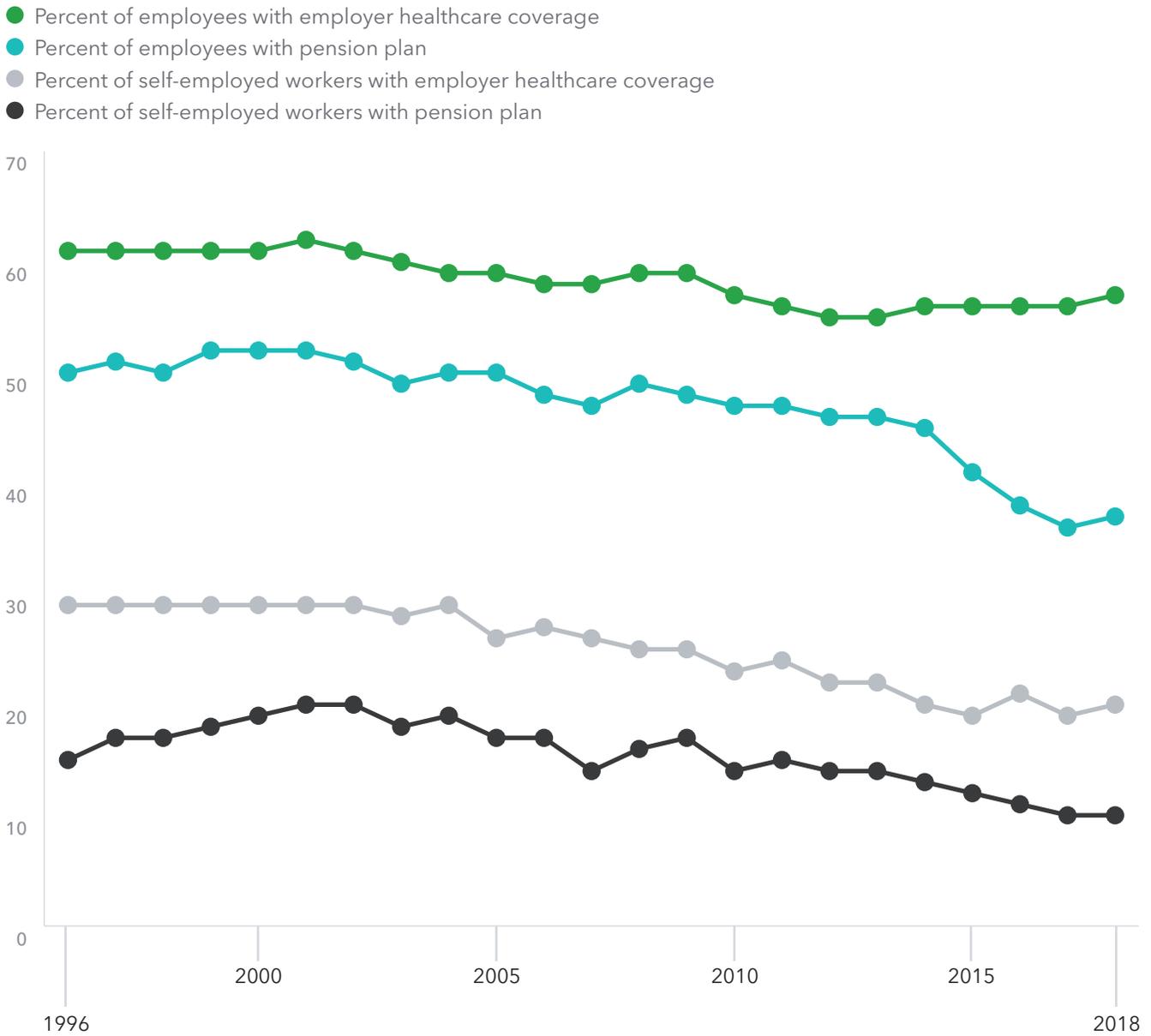


Source: Gallup Great Jobs Survey, 2019

FIGURE 6

Participation in work-provided pension and healthcare benefits for self-employed workers versus employees

1996-2018



Source: CPS



Self-employed workers experience slightly lower overall job quality, but a greater sense of control and belief that they are regularly using their strengths.

Self-employed workers are generally less satisfied with their work arrangement than traditionally employed workers, but not on every dimension.

To study job quality, the Gallup Great Jobs Survey asked workers to report their level of satisfaction on a 1 to 5 scale for each of 10 job characteristics. The table on the following page reports the share of workers in each group who responded with a 4 or 5, indicating at least moderate satisfaction.

The self-employed are far less satisfied than employees when it comes to the stability and predictability of pay (59% versus 81%) and access to benefits (39% versus 60%). There are also notable gaps in the stability and predictability of hours and job security.

TABLE 4

Percent of workers who are satisfied with each characteristic in their current employment situation

Data Source	Employee	Self-Employed	Difference Between Groups (in Percentage Points)
Stable and predictable pay	80.8%	59.1%	21.7
Employee benefits (e.g., healthcare, retirement)	60.4%	39.4%	21.1
Stable and predictable hours	77.0%	61.4%	15.6
Job security	74.9%	67.4%	7.4
Career advancement opportunities	49.1%	43.9%	5.2
Level of pay	54.9%	52.6%	2.3
Having a sense of purpose	72.3%	74.2%	-1.9
Enjoying your day-to-day work	66.5%	70.1%	-3.6
Control over hours and/or location	63.8%	70.4%	-6.7
Having the power to change things	44.3%	59.9%	-15.7

Source: Gallup Great Jobs Survey, 2019

Yet, self-employed workers are almost as likely as employed workers to express satisfaction with career advancement opportunities and the level of pay. Self-employed workers are also slightly more likely to be satisfied with their sense of purpose and enjoyment of day-to-day work. They are considerably more likely to convey satisfaction with control over their schedule and their power to change things they don't like about their work situation. These results are not surprising considering self-employed workers are, in effect, their own boss.

Self-employed workers tend to agree with employees about the importance of each of these attributes, but as one might expect, self-employed workers place greater importance on control over hours and location and having the power to change things. They also give lower importance to job security, stability and benefits.

TABLE 5

Percent of self-employed and employed workers who rate each characteristic as important for a good job, ranked by difference between groups

Data Source	Employee	Self-Employed	Difference Between Groups (in Percentage Points)
Control over hours and/or location	67.9%	74.3%	6.4
Having the power to change things	76.4%	78.9%	2.6
Having a sense of purpose	88.9%	89.0%	0.1
Enjoying your day-to-day work	90.6%	89.3%	-1.3
Career advancement opportunities	75.6%	71.4%	-4.2
Level of pay	87.1%	81.5%	-5.6
Job security	93.6%	83.9%	-9.6
Stable and predictable pay	94.4%	84.5%	-9.9
Stable and predictable hours	83.5%	73.4%	-10.1
Employee benefits (e.g., healthcare, retirement)	87.6%	76.4%	-11.2

Source: Gallup Great Jobs Survey, 2019

Following methods used in previous Gallup research, the results from these responses can be summarized into an index of job quality and then divided into good, mediocre and bad jobs based on the overall score.²⁰

Self-employed workers are somewhat less likely than employees to qualify as having a good job based on their satisfaction with important job attributes (36% compared to 41%) and are more likely to qualify as having a bad job (21% compared to 14%). They are also somewhat more likely to say their employment situation is “just a job” rather than a career, compared to employed workers.

On the other hand, self-employed workers are more likely to strongly agree that they have the opportunity to do what they do best and that their opinions count. Not surprisingly, however, self-employed workers are slightly less likely to say someone encourages their development.

These measures capture some aspects of engagement with work, and according to extensive research from Gallup scientists, positive responses on these items predict higher performing work teams, as measured on several dimensions such as productivity or lack of errors in production.²¹

FIGURE 7

Various measures of job quality for self-employed compared to employed workers

● Self-employed ● Employed by employer

Percent who strongly agree with each statement:



Do you consider your primary job to be which of the following:



Evaluation of current employment situation on 0-10 scale:



Source: Gallup Great Jobs Survey, 2019. Self-employed definition used here includes people who also have jobs as an employee. Restricting the analysis to people who are only self-employed produces similar results.

Finally, we also examined the overall quality of life for self-employed compared to traditionally employed workers. We used the Cantril Ladder, which asks people to envision a ladder with eleven steps on a 0-10 scale, where the top rung (10) is the best life they can imagine and the bottom (zero) is the worst.²² When asked to rate where they are now, self-employed workers show no statistically significant difference with traditionally employed workers. Likewise, there is no difference in health status, using a 1-5 scale of overall health. The lack of any significant difference remains after controlling for age, gender and race.

We conclude that self-employed workers enjoy the same overall quality of life as employed workers. The lower satisfaction levels with the material aspects of their job – such as benefits and the stability of pay – seem to be balanced by the satisfaction from greater autonomy and use of their strengths. These results are consistent with BLS data, which shows that 79% of independent contractors prefer their work arrangement over a traditional job.²³

Self-employed workers enjoy **the same overall quality of life** as employed workers. The lower satisfaction levels with the material aspects of their job – such as benefits and the stability of pay – seem to be **balanced by the satisfaction from greater autonomy and use of their strengths.**

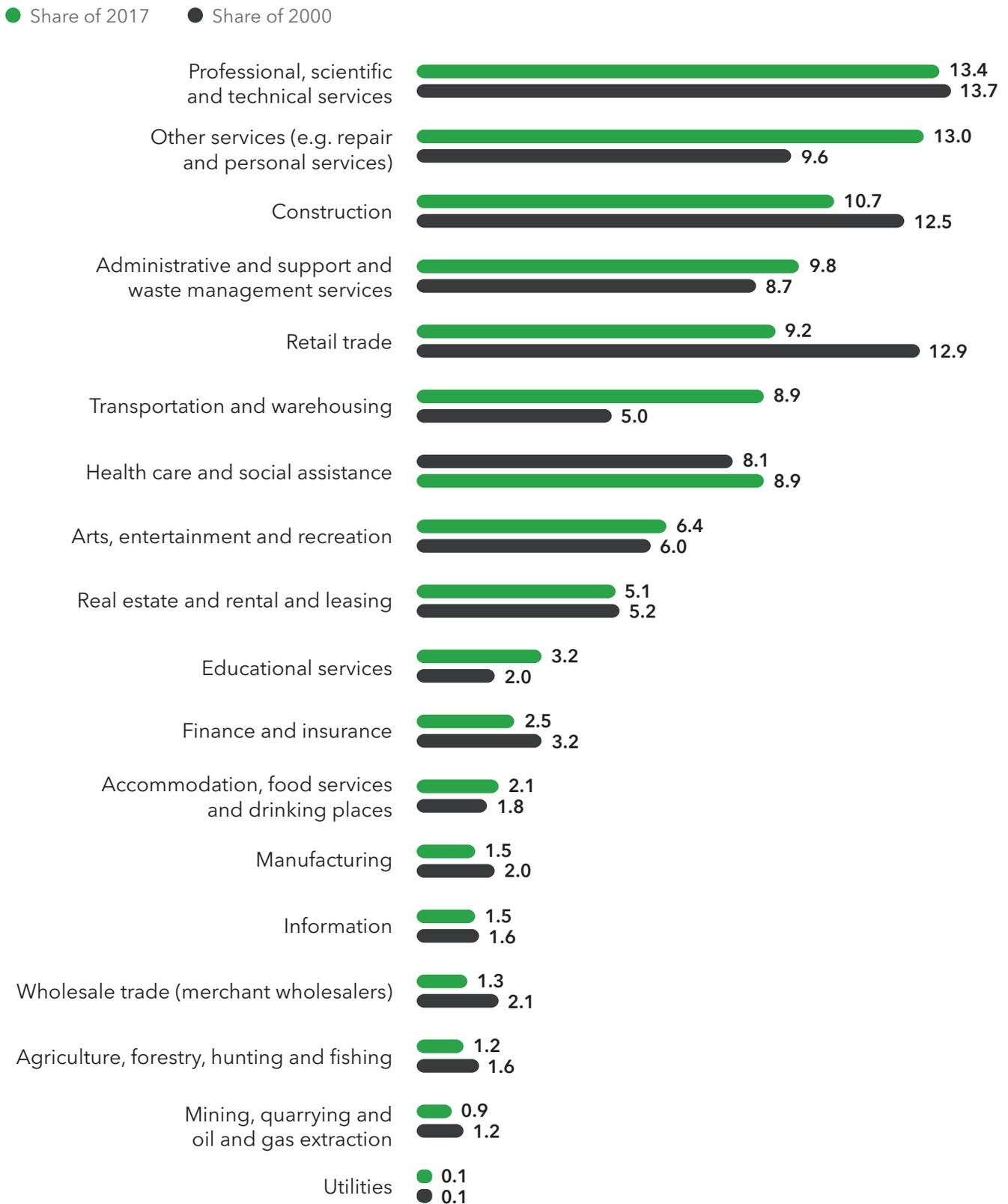
The majority (57%) of nonfarm sole proprietors work in just five sectors: professional services, repair and personal services, construction, administrative services, and retail trade. The share of sole proprietors working in these sectors is relatively unchanged since 2000, when it was 56%.

Professional, scientific and technical services is the single largest sector of work for sole proprietors, accounting for 13.4%. These workers are classified as sole proprietors based on their filing of Schedule C. Many could be considered consultants. Within professional services, management and consulting services is one of the largest industries (accounting for 4% of all sole proprietors), but miscellaneous professional services account for even more (7%). Business activities in this group include real estate appraisers, weather forecasting services, pipeline inspectors and arbitration services. This suggests many professional sole proprietors have trouble classifying their services into the listed categories, which include computer design, legal, engineering and accounting services. These tend to be relatively high-paying, as the average tax return in this category reports \$35,000 in income after expenses, which is above the average of \$21,000 for all sole proprietors.

The next largest group of sole proprietors (accounting for 13%) consists of people working in personal and repair services, which are grouped under the larger sector of "other services." Just under one quarter of workers in this group repair automobiles, computers, consumer electronics or other machines. The largest portion (69%) provides personal services, including beauty care, massage, dry cleaning, pet care and funeral services. These jobs tend to be low-paying, based on the average income reported, which is just \$13,000 after expenses.

FIGURE 8

Composition of sole proprietors by sector in 2000 and 2017



Source: IRS.

Just under 11% of sole proprietors earn income through construction – primarily in the specialty trades, which include plumbers and electricians. People filing these returns report income at roughly the average for all sole proprietors.

Another large group of sole proprietors (9.8%) is composed of those in administrative services. Relevant activities include security services, janitorial services and landscaping. The average net income tends to be below the returns in this industry (\$14,000).

TABLE 6

Mean net income per tax return for sole proprietors by sector, 2017

Finance and insurance	\$55,075
Real estate and rental and leasing	\$40,667
Professional, scientific and technical services	\$35,102
Wholesale trade (merchant wholesalers)	\$30,545
Healthcare and social assistance	\$29,585
Manufacturing	\$22,263
ALL SOLE PROPRIETORS	\$21,395
Construction	\$20,552
Utilities	\$19,935
Accommodation, food services and drinking places	\$19,893
Information	\$18,328
Agriculture, forestry, hunting and fishing	\$17,377
Retail trade	\$15,332
Arts, entertainment and recreation	\$14,151
Administrative and support and waste management services	\$13,776
Other services	\$13,354
Transportation and warehousing	\$12,745
Educational services	\$9,433

Source: IRS Table 1. Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll and Net Income, by Industrial Sectors, Tax Year 2017. Sample is limited to returns with net income statements (74% of total).

Many professional sole proprietors **have trouble classifying their services** into the listed categories, which include computer design, legal, engineering and accounting services. These tend to be relatively high-paying, as **the average tax return in this category reports \$35,000 in income after expenses**, which is above the average of \$21,000 for all sole proprietors.



Growth in sole proprietors has been fastest in transportation services, especially taxi services, which saw 722% growth in sole proprietors from 2000 to 2017.

Nearly 11% of the overall change in sole proprietors since 2000 is attributable to the taxi industry, likely as a result of Uber and Lyft drivers. The average tax return in this industry reports just over \$7,500 in net income, suggesting that this is supplementary work for most. In 2000, only 126,000 sole proprietor tax returns were filed under taxi services, whereas in 2017, that number had swelled to a million. Taxi services are part of the transportation and warehousing sector, which in total accounted for 17% of the increase in sole proprietors since 2000.

Despite the rapid growth of sole proprietors in transportation, the largest source of increase (20%) from 2000 to 2017 came from other services, namely repair and personal services. The number of sole proprietors in this sector doubled from 1.7 million to 3.4 million. Education services, which include child and daycare services, also displayed rapid growth (143%) over the period.

TABLE 7

Growth in sole proprietor tax returns filed by sector

2000-2017

	Change	Growth Rate	Share of Change
Other services (e.g., repair and personal services)	1,704,169	99%	20%
Transportation and warehousing	1,465,367	165%	17%
Professional, scientific and technical services	1,091,498	45%	13%
Administrative and support and waste management services	1,052,623	68%	12%
Arts, entertainment and recreation	620,475	58%	7%
Construction	587,520	26%	7%
Healthcare and social assistance	535,803	34%	6%
Educational services	504,308	143%	6%
Real estate and rental and leasing	416,629	45%	5%
Accommodation, food services and drinking places	230,340	71%	3%
Retail trade	115,592	5%	1%
Information	102,130	36%	1%
Finance and insurance	89,969	16%	1%
Manufacturing	49,236	14%	1%
Agriculture, forestry, hunting and fishing	31,719	11%	0%
Mining, quarrying and oil and gas extraction	11,747	6%	0%
Utilities	-750	-5%	0%
Wholesale trade (merchant wholesalers)	-37,827	-10%	0%
ALL SOLE PROPRIETORS IN NONFARM INDUSTRIES	8,521,675	48%	N/A

Source: IRS SOI Tax Stats – Nonfarm Sole Proprietorship Statistics

Using various definitions of self-employment, Florida, Georgia and Vermont have the highest rates of self-employment among all states, whereas Indiana, West Virginia and Wisconsin exhibit the lowest rates.

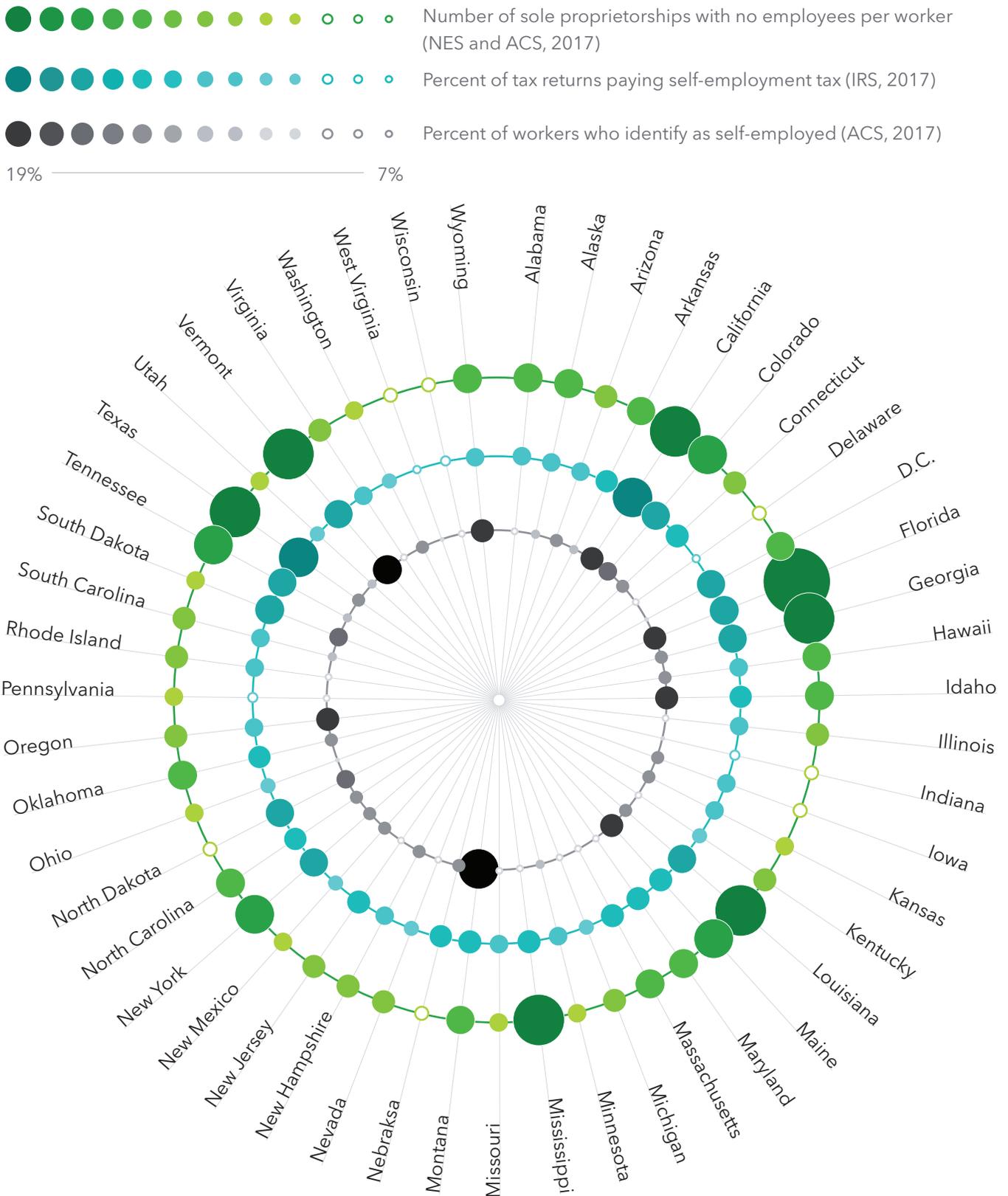
Florida, Georgia and Vermont have the highest number of nonemployer sole proprietor establishments relative to the working population. The rates are 19.1%, 16.8%, and 16.8%, respectively. These states also have high rates of tax returns with self-employer taxes (over 14%) and a higher percentage of workers who identify as being primarily self-employed (ranging from 10.1% in Georgia to 13.6% in Vermont).

On the opposite end, Wisconsin has fewer sole proprietor businesses as a share of total workers (10.2%). Fewer than 10% of tax returns in Wisconsin pay self-employment taxes and only 8.2% of the state's workers report being primarily self-employed. West Virginia also has low rates of self-employment, with a 10.7% rate of sole proprietor establishments per worker, only 9.1% of tax returns filing self-employment tax and only 6.9% of workers reporting being self-employed. Indiana also scores comparatively low on each of the three measures, especially the percentage of workers who report being self-employed (7.6%), which is second-to-last behind West Virginia.

Many of the states with the highest current percentage of tax returns filing self-employment tax also experienced large percentage point increases since 2000. The District of Columbia saw the largest increase over the period (4.5 percentage points), moving from 9.8% of tax returns in 2000 to 14.3% in 2017. Maryland, Louisiana, Georgia, Florida, New Jersey and Nevada all experienced at least a 3-percentage point increase. Nine states saw a drop in the share of returns filing self-employment tax, including sizable decreases in North Dakota (1.7 percentage points) and South Dakota (1.3 percentage points).

FIGURE 9

Estimated share of workers who are self-employed by state, using various definitions



Note: For a full list of percentages, please see the appendix.

FIGURE 10

States ranked by change in percentage points of tax returns filing self-employment taxes

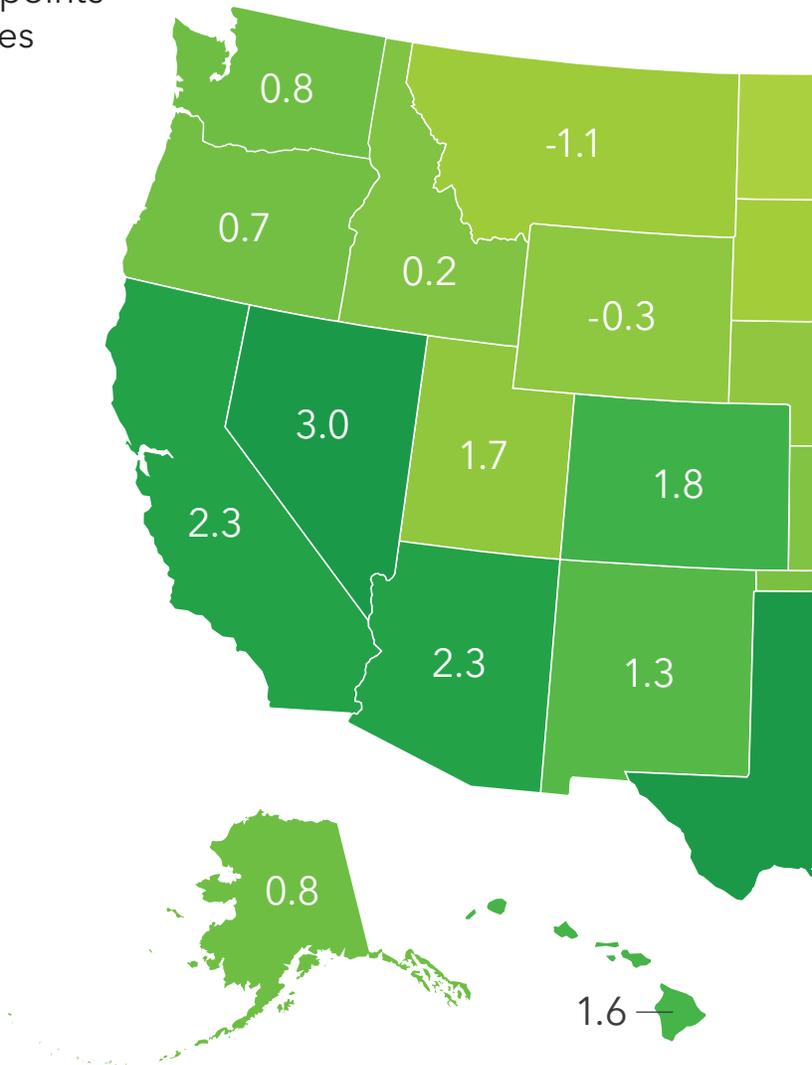
2000-2017

Change in percentage points of returns paying self-employment tax:

- -1.0
- 0.0
- 1.0
- 2.0
- 3.0
- 4.0

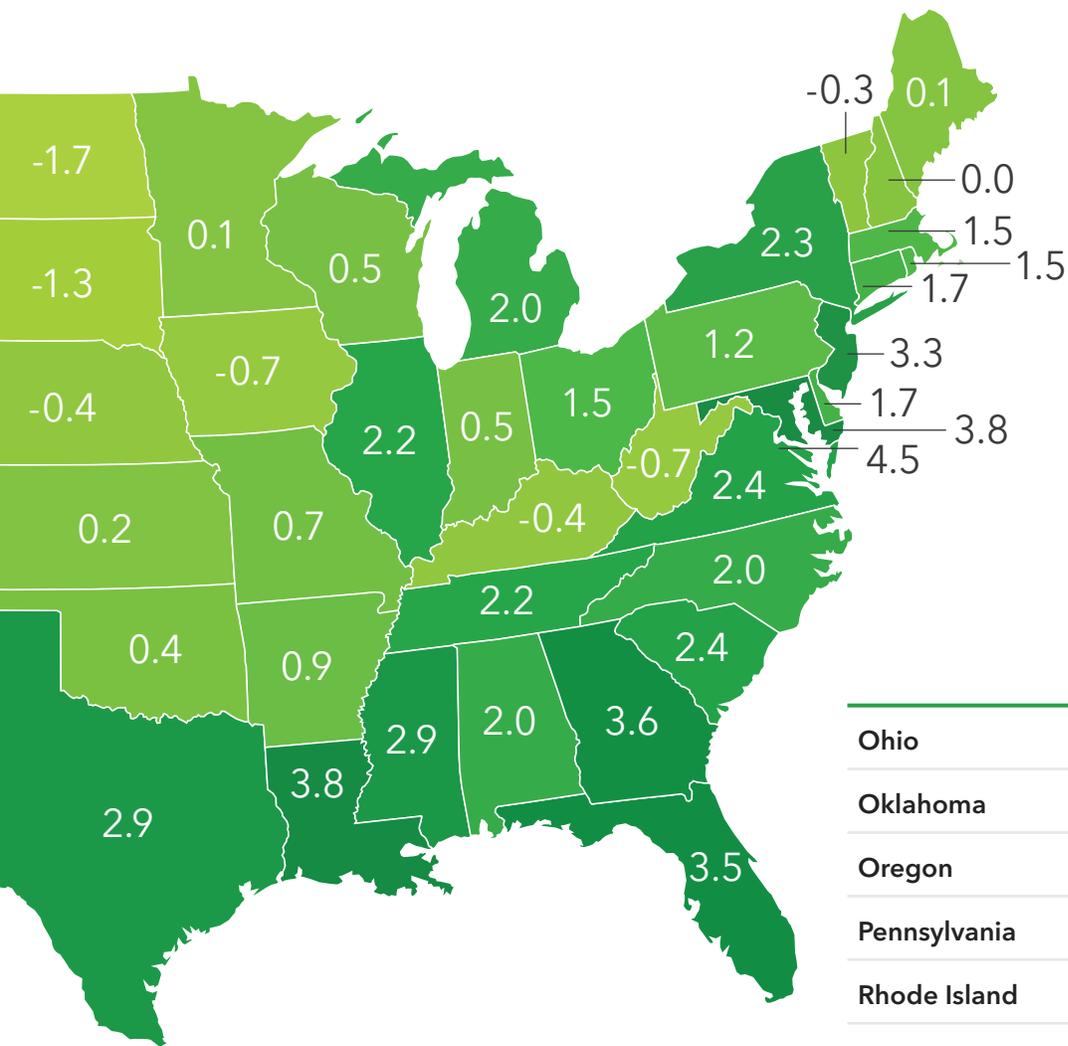
Percent of tax returns paying self-employment tax (IRS)

	2000	2017
Alabama	10.2%	12.2%
Alaska	11.7%	12.6%
Arizona	9.8%	12.0%
Arkansas	12.1%	13.0%
California	12.9%	15.1%
Colorado	12.6%	14.4%
Connecticut	11.7%	13.4%
Delaware	8.1%	9.7%
District of Columbia	9.8%	14.3%
Florida	11.1%	14.5%
Georgia	10.7%	14.4%
Hawaii	10.3%	12.0%
Idaho	12.6%	12.8%
Illinois	10.1%	12.3%
Indiana	10.0%	10.5%
Iowa	13.3%	12.6%
Kansas	12.4%	12.6%



	2000	2017
Kentucky	12.0%	11.6%
Louisiana	10.3%	14.0%
Maine	13.3%	13.5%
Maryland	9.8%	13.6%
Massachusetts	11.8%	13.3%
Michigan	9.3%	11.3%
Minnesota	11.9%	12.0%
Mississippi	10.6%	13.5%
Missouri	11.0%	11.8%

Note: Change calculations may be +/- .1 due to rounding



	2000	2017
Montana	14.6%	13.5%
Nebraska	13.2%	12.8%
Nevada	8.2%	11.2%
New Hampshire	12.4%	12.4%
New Jersey	9.9%	13.1%
New Mexico	9.5%	10.8%
New York	11.8%	14.1%
North Carolina	10.9%	12.8%
North Dakota	16.0%	14.3%

	2000	2017
Ohio	9.2%	10.7%
Oklahoma	12.5%	13.0%
Oregon	11.6%	12.3%
Pennsylvania	9.4%	10.6%
Rhode Island	10.5%	12.0%
South Carolina	9.6%	11.9%
South Dakota	15.9%	14.6%
Tennessee	12.1%	14.3%
Texas	12.1%	15.1%
Utah	10.0%	11.7%
Vermont	14.5%	14.2%
Virginia	9.7%	12.1%
Washington	10.1%	10.9%
West Virginia	9.9%	9.1%
Wisconsin	9.4%	9.9%
Wyoming	12.9%	12.6%



Self-employed workers in the District of Columbia and in several Northeastern states earn the highest median incomes.

Median income for self-employed workers is above \$42,000 in four states: Massachusetts, Connecticut, Rhode Island and New Jersey – as well as in the District of Columbia. It is below \$30,000 in four states: West Virginia, Vermont, Mississippi and New Mexico. Overall, there is a strong correlation between self-employment income and income from employed workers.

As mentioned above, we believe the ACS provides the most useful income data because it includes income from all sources, allows one to calculate the median (which ignores outliers, like very lucrative hedge funds), and uses income instead of revenue – which does not count expenses. Nevertheless, we provide data on the average revenue of sole proprietors for comparison and as another way to understand self-employment opportunities across states. The two measures are largely correlated, nearly as strongly as the relationship between employee median income and self-employed median income.

FIGURE 11

Median earnings of primarily self-employed workers and average revenue of sole proprietorships, by state (2017)

	Median Earnings of Self-Employed (ACS)	Median Earnings of all Workers (ACS)	Average Revenue of Nonemployer Sole Proprietorships (NES)
District of Columbia	\$53,246	\$60,252	\$35,367
New Jersey	\$44,348	\$45,655	\$41,707
Rhode Island	\$43,126	\$40,240	\$34,928
Connecticut	\$42,960	\$45,234	\$46,166
Massachusetts	\$42,649	\$46,294	\$40,594
North Dakota	\$40,685	\$38,313	\$34,727
Alaska	\$40,472	\$41,926	\$36,830
Minnesota	\$39,739	\$40,722	\$35,285
Colorado	\$39,276	\$40,330	\$35,587
Wyoming	\$39,156	\$36,783	\$31,637
Hawaii	\$39,155	\$40,095	\$38,501
Delaware	\$38,924	\$40,347	\$36,758
South Dakota	\$38,307	\$33,420	\$34,860
Utah	\$38,301	\$32,986	\$28,548
Maryland	\$38,163	\$46,338	\$32,812
Washington	\$37,770	\$41,867	\$38,280
New Hampshire	\$37,733	\$41,201	\$47,462
California	\$36,985	\$38,170	\$39,348
Illinois	\$36,751	\$39,198	\$28,848
New York	\$36,524	\$40,913	\$34,173
Nebraska	\$36,486	\$36,156	\$32,047
Virginia	\$36,176	\$41,160	\$33,194
Pennsylvania	\$35,851	\$37,709	\$36,944
Alabama	\$35,091	\$32,267	\$32,058
Georgia	\$34,695	\$35,324	\$29,251
Iowa	\$34,314	\$36,437	\$34,438

FIGURE 11 CONTINUED

	Median Earning of Self-Employed (ACS)	Median Earnings of all Workers (ACS)	Average Revenue of Nonemployer Sole Proprietorships (NES)
Oregon	\$34,308	\$35,926	\$36,283
Wisconsin	\$34,300	\$37,173	\$36,647
Nevada	\$34,285	\$35,063	\$34,072
Arizona	\$34,095	\$34,759	\$34,117
Texas	\$33,185	\$35,660	\$37,903
Michigan	\$33,127	\$35,517	\$31,579
Kansas	\$33,094	\$35,618	\$34,506
Maine	\$32,907	\$35,093	\$36,773
Louisiana	\$32,762	\$32,346	\$32,132
Missouri	\$32,725	\$34,249	\$34,576
Ohio	\$32,666	\$35,585	\$33,793
Tennessee	\$32,410	\$32,409	\$38,646
Montana	\$31,685	\$31,237	\$34,651
Oklahoma	\$31,660	\$32,226	\$34,121
North Carolina	\$31,652	\$33,815	\$31,544
Kentucky	\$31,354	\$32,565	\$33,547
Florida	\$31,160	\$31,797	\$27,040
Indiana	\$31,009	\$35,515	\$31,036
Arkansas	\$30,825	\$31,663	\$32,242
South Carolina	\$30,589	\$31,591	\$33,106
Idaho	\$30,231	\$31,035	\$32,897
West Virginia	\$29,714	\$31,753	\$30,007
Vermont	\$29,662	\$35,122	\$34,080
Mississippi	\$29,176	\$31,366	\$31,357
New Mexico	\$28,255	\$30,890	\$31,079

Source: Analysis of NES (divided by state workforce population from the ACS); the 2017 ACS

Overall, there is a **strong correlation** between self-employment income and income from employed workers. Median income for self-employed workers is **above \$42,000 in four states:** Massachusetts, Connecticut, Rhode Island and New Jersey – as well as in the District of Columbia. It is **below \$30,000 in four states:** West Virginia, Vermont, Mississippi and New Mexico.







Conclusion

Conclusion

Traditional federal government survey data suggests that self-employment is at relatively low and steady levels of around 10% of the workforce (or 15 million workers). This seems to be a fairly accurate estimate of the percentage of workers who are primarily self-employed or who make a living off of self-employment without any other income source. Still, it fails to reflect important changes in working relationships.

We find that a higher percentage of workers are engaged in self-employment activity than at any time in U.S. history since 1957. Our preferred trend estimate suggests an increase from 10% in 1980 to 17% in 2017, in terms of the percentage of people engaged in self-employment work. These estimates, however, leave out some people who do not file Schedule C forms, likely due to minimal amounts of self-employment income.

As far as the level of self-employment, our preferred survey estimates (from early 2019) suggest 19% of the U.S. adult population and 28% of workers engage in self-employment activities during any given week, amounting to 44 million people. By comparison, IRS records from 2016 show that 32 million people (18% of those with tax records) either filed a self-employment tax or received a Form 1099-S from an organization that paid them for independent work. If we assume that 2016 to 2019 growth in self-employment activity advanced at the same rate as growth from 2000 to 2016, then IRS records in 2019 would show 34 million self-employed people who met criteria for initiating the formal documentation of that work.

The gap between people who say they engage in self-employment activity and the number revealed in tax records could be explained by the fact that many people who do self-employment work would legitimately neither receive a 1099 (which does not have to be filed for personal services or services for a business that amount to less than \$600 per year) nor incur a self-employment tax (required for work exceeding \$400 per year). Moreover, some people may fail to adhere to reporting standards.

The evidence from both survey data and tax records suggests that about half of people engaged in self-employment activity are also employees of an employer, which explains why the percentage of people who identify self-employment as their primary work is roughly half of our preferred estimate.

Self-employed workers are much less likely to receive the valuable benefits that often come with a more traditional employer relationship. This creates potential problems for dealing with the rising cost of health insurance, saving enough for retirement and missing out on the other benefits commonly provided by larger firms. Self-employed workers are also more likely to work part time than traditional employees, and part-time workers score lower on job satisfaction and quality measures than full-time workers do. This combination of a lack of benefits, variability in hours and pay, and the greater level of part-time work likely leads to lower levels of satisfaction and poorer overall job quality for the self-employed, though the differences are small. Moreover, people who are self-employed and working only one job are much more satisfied than those who are self-employed with multiple jobs.



The negative attributes associated with self-employment, however, appear to be offset by advantages, since we find no differences in how the self-employed and employed evaluate their life or health. The advantages of self-employment include higher levels of satisfaction with aspects of autonomy and independence. Moreover, the self-employed are far more likely to agree that they use their strengths daily and that their opinions count. These are important indicators of engagement in productive work.

The complexities associated with self-employment in the 21st century call for humility when it comes to policy and research on the topic. Beyond the scope of this report, we believe that sweeping generalizations about the motivations and trade-offs related to self-employment and gig work could lead to counterproductive laws. One of the clearest findings here is that employment relationships are becoming increasingly nuanced with overlapping roles. It follows that policy and analytical frameworks must recognize the fluidity between business ownership and labor.

Appendix

FIGURE 9

Estimated share of workers who are self-employed by state, using various definitions

	Number of Sole Proprietorships With No Employees per Worker (NES and ACS, 2017)	Percent of Tax Returns Paying Self-Employment Tax (IRS, 2017)	Percent of Workers Who Identify as Self-Employed (ACS, 2017)
Florida	19.1%	14.5%	11.9%
Vermont	16.8%	14.2%	13.6%
Georgia	16.8%	14.4%	10.1%
Louisiana	16.4%	14.0%	9.9%
Texas	16.3%	15.1%	9.9%
Mississippi	16.2%	13.5%	8.8%
California	16.0%	15.1%	11.8%
Maine	15.4%	13.5%	12.7%
Tennessee	15.4%	14.3%	9.6%
Colorado	15.1%	14.4%	11.5%
New York	14.8%	14.1%	9.9%
Alaska	14.6%	12.6%	9.5%
Hawaii	14.6%	12.0%	10.3%
Montana	14.6%	13.5%	15.1%
District of Columbia	14.5%	14.3%	7.7%
Alabama	14.3%	12.2%	8.6%
Maryland	14.2%	13.6%	8.5%
Idaho	14.2%	12.8%	12.1%
Oklahoma	14.1%	13.0%	10.4%
North Carolina	14.0%	12.8%	9.7%
Arkansas	14.0%	13.0%	9.5%

FIGURE 9 CONTINUED

	Number of Sole Proprietorships With No Employees per Worker (NES and ACS, 2017)	Percent of Tax Returns Paying Self-Employment Tax (IRS, 2017)	Percent of Workers Who Identify as Self-Employed (ACS, 2017)
Massachusetts	13.8%	13.3%	8.6%
Wyoming	13.7%	12.6%	11.7%
South Carolina	13.6%	11.9%	9.2%
Nevada	13.6%	11.2%	8.2%
Arizona	13.5%	12.0%	9.9%
Connecticut	13.4%	13.4%	10.4%
Illinois	13.3%	12.3%	8.3%
Michigan	13.3%	11.3%	8.6%
New Jersey	13.2%	13.1%	8.4%
Rhode Island	13.1%	12.0%	8.5%
Virginia	13.0%	12.1%	8.5%
Oregon	13.0%	12.3%	11.9%
New Hampshire	13.0%	12.4%	9.9%
Kentucky	12.9%	11.6%	8.6%
South Dakota	12.6%	14.6%	11.5%
New Mexico	12.6%	10.8%	9.8%
Missouri	12.6%	11.8%	8.8%
Ohio	12.4%	10.7%	7.8%
Utah	12.3%	11.7%	9.4%
Kansas	12.2%	12.6%	9.7%
Minnesota	12.0%	12.0%	9.2%
Pennsylvania	12.0%	10.6%	8.5%
Washington	11.7%	10.9%	9.9%
Nebraska	11.6%	12.8%	9.7%

FIGURE 9 CONTINUED

	Number of Sole Proprietorships With No Employees per Worker (NES and ACS, 2017)	Percent of Tax Returns Paying Self-Employment Tax (IRS, 2017)	Percent of Workers Who Identify as Self-Employed (ACS, 2017)
Indiana	11.4%	10.5%	7.6%
North Dakota	11.3%	14.3%	11.6%
Iowa	11.3%	12.6%	9.7%
Delaware	11.2%	9.7%	8.6%
West Virginia	10.7%	9.1%	6.9%
Wisconsin	10.2%	9.9%	8.2%

Source: Analysis of NES (divided by state workforce population from the ACS); the 2017 ACS

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