

## **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 gender, ethnicity, race and veteran status of the business owners for survey reference years 2017-2021.

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 non-employer businesses (previously undertaken by the SBO survey) will now be accomplished through a separate nonemployer effort: the annual Nonemployer Statistics by Demographics series or NESD. Drawing from existing individual and business level administrative and census records (AR) and data linkage expertise, the NESD 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 NESD for 2017 reference year will include race, Hispanic origin, gender, and veteran status. The 2017 estimates will be released by the end of December 2020 and annually after the initial release. 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.