

Expanding LED Coverage: Including the Self-Employed

Adding the Self-Employed

- Objective to add self-employed to LEHD data infrastructure and LED products
- Source: Census Business Register
- Self-employed: Sole proprietors
 - All those that file Schedule C
- Roughly 16 million sole proprietors nationally
 - 14 million are nonemployers
 - 2 million are employer sole proprietors
 - Business owner not counted as employee in UI data for sole proprietors
- Details discussed in prior state workshops (last year's presentation available upon request) so today an overview

Enhance LED products

- Enhanced statistics:
 - Job creation, destruction, accessions and separations including the self-employed
 - OTM including the activity of the self-employed
- New statistics:
 - Transitions to and from self-employment and wage and salary work
 - Beta data product shows:
 - Middle aged workers often “try” self-employment as secondary job before transiting to self-employment as only job when older

Challenges

- Integration of sole proprietors from BR feasible since they are identified via a PIK
 - Same identifier used in LEHD data infrastructure
- But substantial challenges integrating the administrative data
 - Challenges within the Census BR
 - Identifying the business owner for married filing jointly
 - Census BR has major enhancements post-2002
 - Structure of nonemployer data changes substantially in 2002
 - Challenges in integrating with LEHD data infrastructure:
 - Sole proprietor data on annual basis
 - Earnings concept differences (net receipts vs. self-employment earnings)