Twelve Facts about Self-Employed Women in California

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About LPPI

The UCLA Latino Policy and Politics Institute addresses the most critical domestic policy challenges facing Latinos and other communities of color through research, advocacy, mobilization, and leadership development to expand genuine opportunity for all Americans.

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Introduction

Entrepreneurs represent a growing share of California's economy and a powerful catalyst for economic growth.[1] While there are many ways to define entrepreneurship, in this data brief, we use self-employment as a measure of entrepreneurship. Self-employment is often an entry point to other forms of entrepreneurship and provides women with the autonomy for economic empowerment on their own terms.[2] It is also a strategy for economic survival as an alternative to underemployment or unemployment.[3]

Self-employment has become increasingly prominent among women in recent years, partially due to labor market shifts following the COVID-19 pandemic.[4] For example, lack of access to childcare[5] and greater demand for flexibility in work hours and location[6] caused many women to leave traditional employment and turn to self-employment. Self-employed women in California drive economic growth by creating jobs, boosting local spending, and fostering community development.[7] Their participation also helps close gender gaps in employment and entrepreneurship.[8]

Despite the growth in self-employment among women and their importance to the economy, there is limited research on the demographic and economic profiles of self-employed women in California, particularly across different racial and ethnic groups. While some research examines self-employment across several indicators, including sex and race, they often do not analyze the intersection of race, gender, and self-employment.[9] This data brief aims to provide an overview of self-employed women in California, examining key socioeconomic differences across racial and ethnic groups—including Latina, white, Black, and Asian American and Pacific Islander (AAPI) women.

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[1] Jose Garcia, 10 Facts About Latino-Owned Businesses in California, (Los Angeles, CA: UCLA Latino Policy and Politics Institute, August 2023), available online.

[2] Abigail Cameron and Emily Cabaniss, "Forging Their Own Path to the Labor Market: Hispanic Women Business Owners in North Carolina," Social Currents, 5(4), 369-385, October 2017, available online.

[3] Silvia Gonzalez, Julia Hernandez Nierenberg, and Paul Ong, Pandemic Impacts on Self-Employed Women in California, (Los Angeles, CA: UCLA Latino Policy and Politics Institute, July 2022), available online.

[4] Molly Weston Williamson, "Understanding the Self-Employed in the United States," Center for American Progress, September 21, 2023, available online.

[5] Annabel Utz, Julie Yixia Cai, and Dean Baker, "The Pandemic Rise in Self-Employment: Who Is Working for Themselves Now?" Center for Economic and Policy Research, August 29, 2022, available online.

[6] Victoria Gregory, Elisabeth Harding, and Joel Steinberg, "Self-Employment Grows during COVID-19 Pandemic," Federal Reserve Bank of St. Louis, July 5, 2022, available online.

[7] Marisol C. Mejia and Sarah Bohn, "Self-Employment in California," Pew Research Center, February 2025, available online.

[8] European Investment Bank, "Support for Female Entrepreneurs," accessed February 2025, available online.

[9] Mejia and Bohn, "Self-Employment in California," available online.

Data

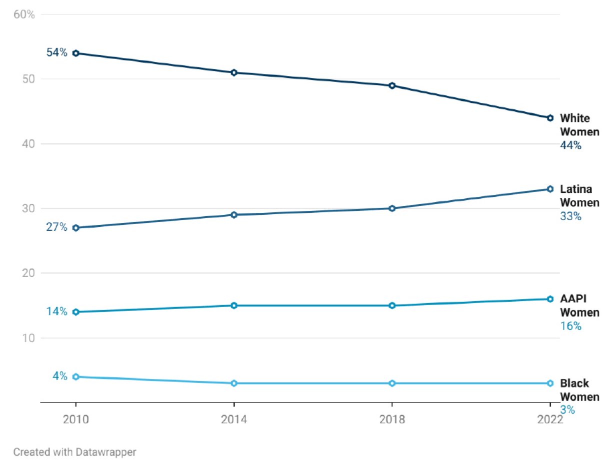
This data brief analyzes data from UCLA LPPI's Latino Data Hub (LDH), a reliable source of information about important issues Latinos face. The LDH draws from the 2022 5-Year American Community Survey (ACS) to provide information about critical issues important to Latino well-being. This resource is easy to use and offers customizable data visualizations, highlighting population disparities based on race, ethnicity, citizenship, and gender, among other factors. Visit latinodatahub.org for more information. Additionally, this data brief includes LPPI's analysis of women's self-employment rates by race and ethnicity over time using 2010–2022 five-year American Community Survey (ACS) public use microdata from IPUMS USA. The analysis mainly focuses on self-employment, which refers to individuals who work for and own their own business, professional practice, or farm, regardless of business incorporation status. In this brief, self-employed individuals and entrepreneurs are used interchangeably.

Key Findings

1. Over the last decade, Latina's share of state self-employment has grown more than it has for women from other racial and ethnic groups.

In 2010, Latinas accounted for 27% of self-employed women in California (Figure 1). This number steadily increased to 33% by 2022, a growth of 6 percentage points. Although the percentage of self-employed AAPI women has also increased, the share has only increased by 2 percentage points, from 14% in 2010 to 16% in 2022. In contrast, the share of self-employed Black women in California has remained steady. There has also been a decrease in the share of self-employed white women, which fell by 10 percentage points from 2010 to 2022.

Figure 1. Women's Share of California's Self-Employed Workers by Race and Ethnicity, 2010 to 2022

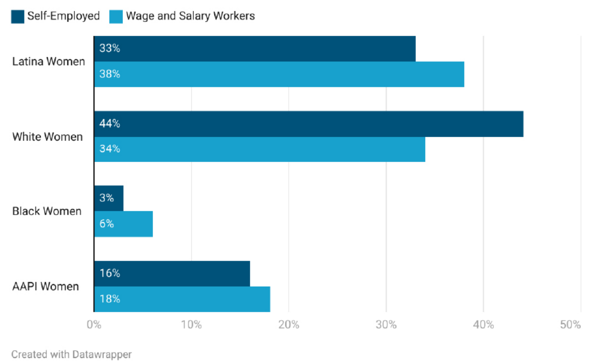


Note: Universe includes self-employed women ages 18–65.
Source: Data for 2010, 2014, and 2018 are based on the 5-year American Community Survey microdata from IPUMS USA, University of Minnesota, available online. Data from 2022 are from the Latino Data Hub, which primarily draws its data from the 2022 pooled 5-year American Community Survey (ACS).

2. Self-employment is less common for Latina, Black, and AAPI women relative to their representation among private-sector wage and salary workers.

Self-employment serves as a key pathway to entrepreneurship, yet Latina, Black, and AAPI women are underrepresented among self-employed individuals compared to their presence in the wage and salary workforce. Despite growth in self-employment shares, Figure 2 shows that Latinas are more likely to work traditional wage and salary jobs, making up 38% of these workers compared to one-third of self-employed women. Similarly, Black women made up 6% of wage and salary workers but only 3% of self-employed women. In contrast, white women have a stronger presence in self-employment relative to their share of private-sector wage and salary jobs, with a 9 percentage point difference—the largest gap among all racial and ethnic groups.

Figure 2. Self-Employed Women and Wage and Salary Women Workers in California by Race and Ethnicity, 2022



Note: Universe of analysis for share of self-employed includes self-employed women ages 18–65. Universe of analysis for the share of wage and salary workers includes all-employed women except self-employed women. Percentages do not sum to 100% as some racial/ethnic groups, including Native Americans and multiracial women are not displayed due to sample size limitations.
Source: LPPI analysis of ACS data from the Latino Data Hub.

3. Among women in California, self-employed Latinas are the least likely to be incorporated.

Among women in California, self-employed Latinas are the least likely to be incorporated. Only 23% of self-employed Latina-owned businesses were incorporated, compared to 28% of businesses owned by Black women and 31% of businesses owned by white women (Figure 3). The largest gap was between businesses owned by self-employed Latinas and AAPI women, with a 16 percentage point difference.

Incorporating a business provides numerous legal advantages, such as tax benefits and protection of personal assets, as the business becomes recognized as a separate legal entity. Incorporation also improves access to lending and loan approvals—an advantage that unincorporated small businesses often struggle to secure.[10] However, incorporating a business requires complex legal procedures and may also have a high initial cost,[11] potentially creating barriers for individuals with limited legal knowledge and less capital.

Figure 3. Business Incorporation Rates for Self-Employed Women in California by Race and Ethnicity, 2022

Note: Universe includes self-employed women ages 18–65.
Source: LPPI analysis based on the 2022 5-year American Community Survey microdata from IPUMS USA, University of Minnesota, available online.

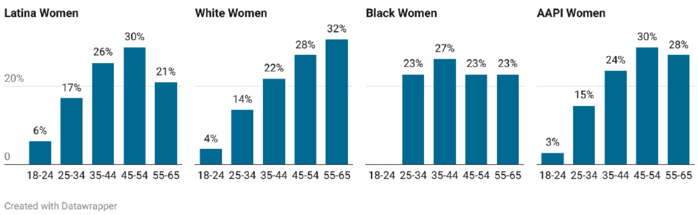
[10] Elorus Team, "Benefits of Incorporating a Business in the US," updated June 20, 2022, available online.
[11] Ibid.

4. Self-employment is more common among older age groups, except for Black women.

Self-employment is more common among older age groups, except for Black women. While self-employment rates generally increase with age for white women, this is not the case for Latinas, Black, and AAPI women (Figure 4). For white women, the highest self-employment rates were observed among those aged 55 to 65 years old (32%), suggesting a trend toward self-employment approaching retirement age. In contrast, the largest share of self-employed Latinas and AAPI women fell between the ages 45 and 54 years old (30% for both), around mid-to-late career.

However, for Black women, self-employment rates appeared more evenly distributed between the ages 25 to 65 years old, with the largest share of self-employed Black women falling between 35 and 44 years old (27%). This suggests that Black women may enter self-employment at various career stages, potentially reflecting diverse career paths or economic motivations. These differences also highlight the varied experiences of women from different racial and economic backgrounds, and their motivations to join the self-employment sector.

Figure 4. Self-Employed Women in California by Race, Ethnicity, and Age Group, 2022



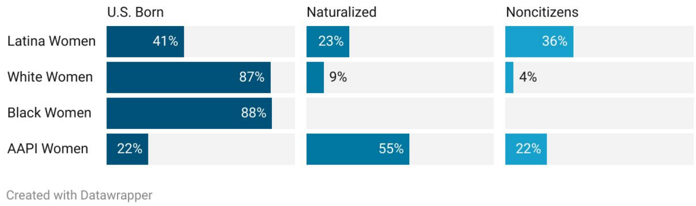
Note: Universe includes self-employed women ages 18–65. Some percentages do not sum to 100% due to sample size limitations. A value of 0 indicates a small sample size rather than the complete absence of women in this category.
Source: LPPI analysis of ACS data from the Latino Data Hub.

5. Self-employed Latinas are the most likely to be noncitizens.

About 36% of self-employed Latinas were noncitizens, 14 percentage points higher than the following group, AAPI women (Figure 5). In contrast, white and Black women were most likely to be born in the United States (87% and 88%, respectively), while self-employed AAPI women were most likely to be naturalized (55%).

Entrepreneurship can provide noncitizens with an alternative to wage and salary work, offering a pathway to income without the work authorization restrictions tied to immigration status.[12]
Additionally, noncitizens can acquire an Individual Tax ID Number allowing them to incorporate their businesses, making self-employment a viable option for earning income. However, there are many resources that noncitizens cannot access, including federal grants and loans, certain legal protections, and social security.[13]

Figure 5. Self-Employed Women in California by Race, Ethnicity, and Nativity, 2022



Note: Universe includes self-employed women ages 18–65. Some percentages do not sum to 100% due to sample size limitations.
Source: LPPI analysis of ACS data from the Latino Data Hub.

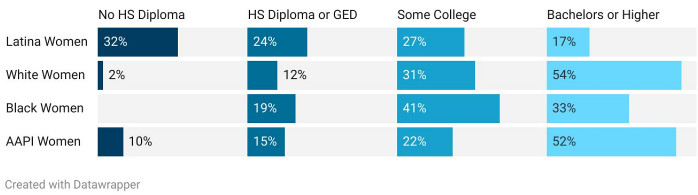
[12] TheDreamUS, "Entrepreneurship," accessed February 2025, available online.
[13] Valerie Lacarte, "Explainer: Immigrants and the Use of Public Benefits in the United States," Migration Policy Institute, October 2024, available online.

6. Among self-employed women in California, Latinas have the lowest levels of educational attainment.

Fifty-six percent of self-employed Latinas in California had a high school diploma or less, more than double the share of the next racial and ethnic group, AAPI women (25%; see Figure 6). About 19% of self-employed Black women and 14% of self-employed white women had a high school diploma or less. Conversely, about 54% of white women and 52% of AAPI women who are self-employed had a bachelor's degree or higher.

Education equips individuals with access to resources and business opportunities by providing individuals with knowledge, skills, and a network for growth.[14] Obtaining a bachelor's degree or higher allows individuals to pursue self-employment in professional and specialized fields such as healthcare and legal services which are often higher paying than jobs in the service industry.[15]

Figure 6. Educational Attainment of Self-Employed Women in California by Race and Ethnicity, 2022



Note: Universe includes self-employed women ages 25–65. Educational attainment data is for women ages 25–65 as the ACS does not provide data for individuals under 25. Some percentages do not sum to 100% due to sample size limitations.
Source: LPPI analysis of ACS data from the Latino Data Hub.

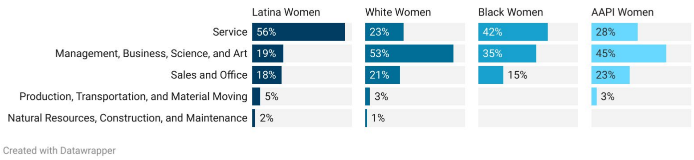
[14] Peter B. Robinson and Edwin A. Sexton, "The Effect of Education and Experience on Self-Employment Success," Journal of Business Venturing 9(2): 141-156 (1994), available online.
[15] US Bureau of Labor Statistics, "Education Pays, 2023," April 2024, available online.

7. Self-employed Latinas and Black women are more likely to work in service occupations, while White and AAPI women are more likely to work in professional roles.

Self-employed women were more likely to work in service-based roles and professional occupations (Figure 7). However, the distribution varies by race and ethnicity. Latina and Black women were more concentrated in service fields (56% and 42%, respectively), whereas higher shares of white and AAPI women were represented in professional roles.

Many jobs within these occupations allow for greater flexibility and independence. For example, individuals in service occupations may offer freelance personal care services, including estheticians, makeup artists, and massage therapists, or home maintenance services such as house cleaning and landscaping. Similarly, individuals working in professional occupations such as business may offer independent contracting in services such as financial advising or accounting. Freelancing and independent contracting offer self-employed individuals a greater degree of autonomy, allowing them to choose their clients and set their rates.[16] However, specialized jobs requiring a professional degree, such as lawyers and architects, are often higher paying than jobs in service.[17]

Figure 7. Self-Employed Women in California by Race, Ethnicity, and Occupation, 2022



Note: Universe includes self-employed women ages 18–65. Some percentages do not sum to 100% due to sample size limitations. A value of 0 indicates a small sample size rather than the complete absence of women in this category.
Source: LPPI analysis of ACS data from the Latino Data Hub.

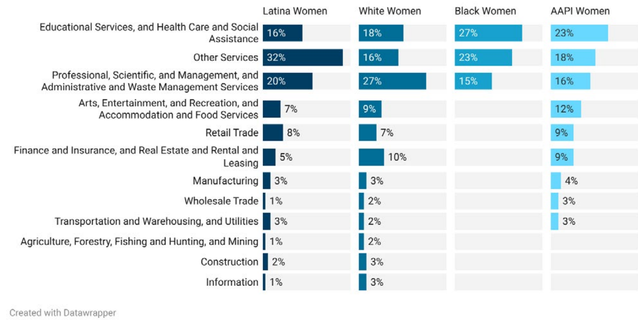
While a self-employed individual may be categorized under a specific occupation, this does not necessarily define the nature of their business. For example, a self-employed woman categorized as a "consultant" could be running a marketing agency, providing financial advisory services, or offering educational workshops.

[16] Swarnima Sen, "Freelancer vs Independent Contractor: A Guide for Employers," Asanify, May 3, 2024, available online.
[17] US Census Bureau, "Education pays, 2023."

8. Self-employed women of all racial and ethnic backgrounds are most likely to work in service industries of various kinds.

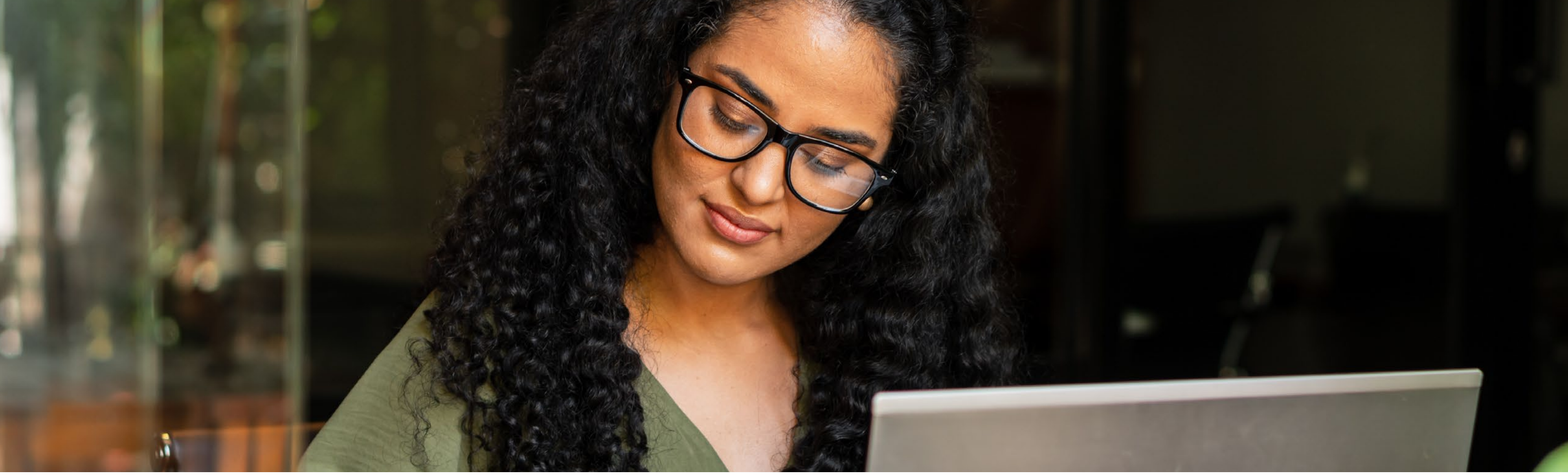
kinds. Self-employed Black and AAPI women were most likely to work in the educational services and healthcare and social assistance industries (27% and 23%, respectively; Figure 8), while self-employed White women were most likely to work in professional, scientific, management, administrative, and waste management industries (27%). Self-employed Latinas were most likely to work in "Other Services," which includes establishments in services such as repair and maintenance, personal care, laundry, advocacy, pet care, and photofinishing (32%).[18] Overall, self-employed women were least likely to work in industries such as construction and information.

Figure 8. Self-Employed Women in California by Race, Ethnicity, and Industry, 2022



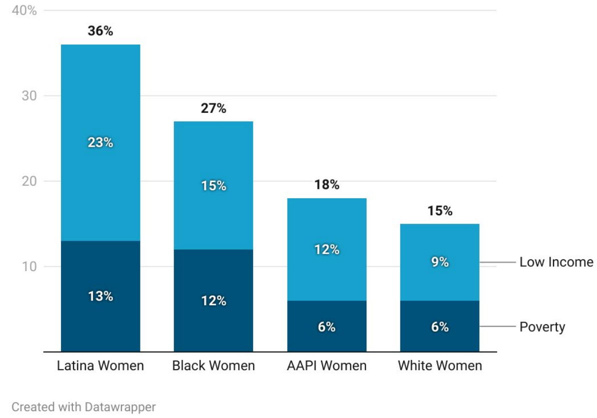
Note: Universe includes self-employed women ages 18–65. Some percentages do not sum to 100% due to sample size limitations. A value of 0 indicates a small sample size rather than the complete absence of women in this category.
Source: LPPI analysis of ACS data from the Latino Data Hub.

[18] US Bureau of Labor Statistics, "Industries at a Glance: Other Services (Except Public Administration)," February 19, 2025, available online.



9. Self-employed Latinas are significantly more likely to live in poverty or low-income conditions than their peers of other racial and ethnic groups. Self-employed Latinas and Black women were twice as likely to live in poverty (13% and 12%, respectively) than White and AAPI women (6% for both). However, self-employed Latinas were more likely to live in low-income conditions (23%) than other self-employed women. In sum, 36% of Latinas live in poverty or low-income conditions, almost 10 percentage points higher than the following group.

Figure 9. Percentage of Self-Employed Women in California Living in Poverty or Low-Income by Race and Ethnicity, 2022



Note: Universe includes self-employed women ages 18–65. Poverty refers to the percentage of people (or families) who are in poverty. The Census Bureau's poverty threshold varies depending on the number of adults and children in a family. Refer to the website for more information. Low income refers to a family income that falls under 200% but meets or exceeds the federal poverty threshold.
Source: LPPI analysis of ACS data from the Latino Data Hub.

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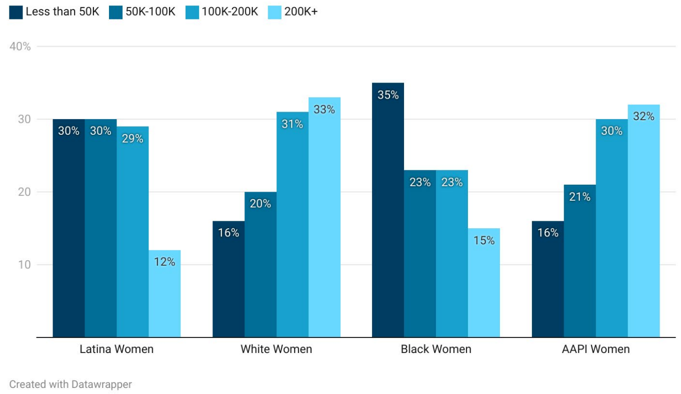
10. Self-employed Black women are most likely to live in households with an income less than $50,000. More than one in three of self-employed Black women lived in households with an income of less than $50,000, followed by 30% of self-employed Latinas (Figure 10). While 60% of self-employed Latinas and 58% of self-employed Black women lived in households with an income of less than $100,000, self-employed white and AAPI women were more likely to reside in higher-income households. Approximately a third of each group resides in a household with an income above $200,000. Living in high-income households provides greater access to capital and also underscores the varied socioeconomic experiences of self-employed women of different racial and ethnic groups.

Figure 10. Household Income Distribution for Self-Employed Women in California by Race and Ethnicity, 2022



Note: Universe includes self-employed women ages 18-65. The median household income in California for 2022 was $91,905. Data USA, "California," 2025, available online. Some percentages do not sum to 100% due to sample size limitations.
Source: LPPI analysis of ACS data from the Latino Data Hub.

11. Self-employed Latinas and Black women have lower homeownership rates than white and AAPI women.

About 65% of self-employed white women and 70% of self-employed AAPI women were homeowners, compared to 45% of self-employed Latinas (Figure 11). Self-employed Black women were the least likely to be homeowners (38%) compared to other racial and ethnic groups. This gap in homeownership may suggest that self-employed Latinas and Black women have less access to capital and fewer assets to leverage for business investment.

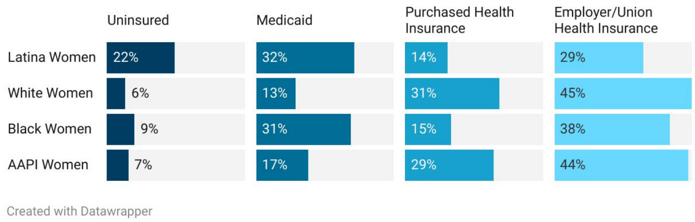
Figure 11. Homeownership Rates of Self-Employed Women in California by Race and Ethnicity, 2022

Notes: Universe includes self-employed women ages 18–65.
Source: LPPI analysis of ACS data from the Latino Data Hub.

12. Self-employed Latinas and Black women are more likely to rely on Medicaid for health insurance, and Sself-employed Latinas are most likely to be uninsured compared to their peers.

About 32% of self-employed Latinas and 31% of self-employed Black women relied on Medicaid for health insurance, roughly two times the rate for self-employed White and AAPI women (see Figure 12). Self-employed Black, white, and AAPI women were more likely to have employer or union health insurance than other forms of coverage. Self-employed individuals can access employer-based health insurance through a family member's plan, a group plan such as a social organization, or from a secondary job.[19] In contrast, Latina women were the least likely among all racial and ethnic groups to have employer/union health insurance or privately purchased health insurance. Instead, 22% of self-employed Latinas were uninsured, the highest rate across all groups. Self-employed Latinas and Black women were more reliant on public programs, and many Latinas were uninsured, increasing their financial vulnerability and reflecting a broader gap in access to social resources.

Figure 12. Health Insurance Coverage for Self-Employed Women by Race and Ethnicity, 2022



Note: Universe includes self-employed women ages 18–65. Some percentages do not sum to 100% due to sample size limitations.
Source: LPPI analysis of ACS data from the Latino Data Hub.

[19] Elizabeth A. Dobis and Jessica E. Todd, "Self-Employed Workers Are Less Likely to Have Health Insurance than Those Employed by Private Firms, Governments," Economic Research Service: US Department of Agriculture, July, 5, 2022, available online.

Conclusion

This data brief highlights disparities among self-employed women in California, particularly among Latinas and Black women. While self-employment rates among women have risen in recent years, access to resources varies across racial and ethnic groups. Lower household income, homeownership rates, and educational attainment limit their access to capital, professional networks, and business growth opportunities. Many self-employed Latinas also lack citizenship, restricting their access to state and federal small business resources. Latina and Black women remain underrepresented in professional industries and overrepresented in service industries. In contrast, White and AAPI women are more likely to attain higher levels of education, own homes, have private health insurance, and come from financially secure households, offering them greater economic stability. White and AAPI women are also more likely to incorporate their businesses, granting them access to personal asset protection, tax benefits, and loan approval advantages that unincorporated small businesses may not have.

These findings emphasize the need for further research on the underlying causes of these disparities and targeted programs and policies that address the unique challenges faced by self-employed women, particularly Latinas and Black women. Women-owned small businesses are a critical and growing component of California's economy, and the state must continue to invest in their success and sustainability.

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