

Becoming a Business Owner Who Employs Others Is an Uncommon but Rewarding Path to Wealth

Gallup survey supported by JPMorganChase and the Kauffman Foundation finds that working for a parent's business is one of the strongest predictors of becoming an owner-employer later in life.

WASHINGTON, D.C., May 12, 2025 — Gallup's latest report, [*The Narrow Pathways to Wealth: Family Businesses and Employer-Business Ownership*](#), reveals that business owner-employers report greater net worth and life satisfaction than other workers — yet just 2% of working adults currently own a business with employees. The new data also finds that one predictor of becoming an owner-employer may be early exposure to entrepreneurship, especially working for a parent's business.

The nationally representative study builds on the Year 1 survey, *Entrepreneurial Insights: Owning and Employing as a Pathway to Wealth and Wellbeing*. The latest research draws on responses from nearly 12,000 working adults and over 3,500 business owners to examine their work arrangements, wellbeing, income and wealth — and to answer new and outstanding questions about the entrepreneurial journey.

Owner-Employers Enjoy Greater Wealth and Wellbeing

Although relatively few working adults own a business that employs others, those who do report dramatically higher financial and personal outcomes. Median net worth for adults who remained owner-employers from Year 1 to Year 2 of the study was \$670,000 — more than seven times that of non-employer business owners (\$90,000). Owner-employers also report thriving in wellbeing at a higher rate than their non-employer owner counterparts (71% vs. 60%). Respondents who report that they were employees only in both study periods with no other income had a median net worth of just \$38,000 and report a lower rate of thriving at 52%.

Becoming and Staying an Employer Is Difficult

Despite the benefits of being an owner-employer, only 2% of working U.S. adults report owning a business that employs others, and roughly one-third (36%) of those owners who were employers in Year 1 report they were no longer employers in Year 2. This varied by racial and ethnic group, with 41% of Black or Hispanic owner-employers remaining as such, compared to 68% of White owner-employers and 71% of owner-employers who identify as multiracial or other racial or ethnic groups.

Among all working adults, less than one percent of respondents transitioned into owner-employer status from Year 1 to Year 2 (0.8%). Non-employer owners were the most likely to become owner-employers (5%), followed by those who were self-employed (2%).

Family Business Experience Predicts Entrepreneurial Outcomes

Work experience in a parent's business stands out as a powerful determinant of becoming an owner-employer. Just 1.8% of adults whose parents did not own a business say they went on to become owner-employers. The rate more than doubles (4.7%) for those whose parents did and who also worked for the business. In contrast, those who had business-owning parents but did not work for them show only a modest increase in ownership rates (2.1%).

The impact is strongest among those who worked full-time for at least one year in a parent's business: Their owner-employer rate rises to 11.4%. White and Asian working adults are about twice as likely as Black working adults to report that one or more parents owned a business when the respondent was a child, and they are also more likely to have worked for their parent's business.

Owner-employers are also significantly more likely to plan to leave their business to a family member or someone else compared to non-employer owners (38% vs. 21%).

METHODOLOGY

The methodology closely follows that used for the Year 1 Pathways to Wealth Survey, except that it includes previous Year 1 survey participants who provided recontact permission. Members of the Gallup Panel™ provided the largest source of data for Year 1 (9,279 responses). They had previously agreed to be part of Gallup surveys and provided their email addresses. Of these, 6,711 participated in the Year 2 survey.

Additionally, Gallup recruited participants in Year 1 through mail sent to Paycheck Protection Program (PPP) funding recipients. Of the 549 total respondents recruited through this mechanism, 368 agreed to recontact and provided their email addresses. Of these, 104 participated in Year 2.

To increase the sample size for Year 2, Gallup recruited another 4,813 respondents from the Gallup Panel and 367 from mail-based surveys to recipients of Small Business Administration (SBA) funding.

The final sample of 11,891 working U.S. adults included 3,589 “owners,” defined as anyone who received at least some income in the prior month from a business they own. Among these owners, 1,149 reported that they employed at least one employee other than themselves. Surveys were completed between Sept. 20 and Oct. 28, 2024.

About Gallup

Gallup delivers analytics and advice to help leaders and organizations solve their most pressing problems. Combining more than 80 years of experience with its global reach, Gallup knows more about the attitudes and behaviors of employees, customers, students and citizens than any other organization in the world.

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