Small-business options: Occupational outlook for self-employed workers

Elka Torpey and Brian Roberts | May 2018

Before starting a business, you may want to research which occupations are expected to have strong growth for self-employed workers. And a good place to begin is with projections data from the U.S. Bureau of Labor Statistics (BLS).

BLS counts self-employment in different ways. By one count, there were about 9.6 million self-employed workers in 2016—and BLS projects this number to increase to 10.3 million by 2026. That's a 7.9-percent growth rate, slightly faster than the 7.4-percent rate projected for all workers.

This article highlights selected occupations that are projected to have many jobs for, or high concentrations of, self-employed workers. It compares self-employment rates for those selected occupations with the percentage of all workers projected to be self-employed in 2026.
Many new jobs
Projected growth in self-employment varies by occupational group. BLS projects service occupations, such as those in personal care and in cleaning and maintenance, to have many new jobs for self-employed workers from 2016 to 2026. (See chart 1.)

By detailed occupation, BLS projects self-employment to grow in some occupations and to decline in others. For example, the occupation of farmers, ranchers, and other agricultural managers—which had nearly 750,000 self-employed workers in 2016, the most of any occupation—is projected to lose about 21,000 jobs by 2026. But the occupations in chart 2, including childcare workers, real estate sales agents, and management analysts, are projected to have many new jobs for self-employed workers from 2016 to 2026.
Half of the occupations in chart 2 typically require no formal educational credential for entry, but they might need other qualifications. Taxi drivers and chauffeurs, for example, may need a taxi or limousine license in addition to a regular driver’s license.

**High concentration**

Of the groups shown in chart 1, the arts, design, entertainment, sports, and media group is projected to add the fewest jobs for self-employed workers from 2016 to 2026. However, 25 percent of jobs in these occupations are projected to be for self-employed workers in 2026, the highest concentration of any group.

Chart 3 shows the percentage of workers projected to be self-employed in selected occupations in the highest concentration group in 2026. The chart also shows the percentage of self-employed for all occupations projected for 2026: 6.2 percent. Although these workers focus on different tasks, all of the occupations involve creativity.
Most of the occupations in chart 3 typically require a bachelor’s degree for entry. Musicians and singers, the one occupation that typically requires no formal education to enter, does require an ability or talent that must be cultivated over several years—which is also the case for photographers and writers and authors.

**High pay for self-employed**

In all of the occupations in table 1, self-employed workers had a median annual income greater than $60,000 in 2016. That’s nearly twice $32,020, the median annual income for all self-employed workers. These high-income occupations for self-employed workers also are projected to have above-average rates of self-employment in 2026. Income data in the table were calculated from the U.S. Census Bureau’s American Community Survey.
### Table 1. Projected self-employment, 2026, and typical education and training requirements in selected occupations with high incomes for self-employed workers, 2016

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Self-employment, projected 2026</th>
<th>Percent self-employed, projected 2026</th>
<th>Median annual income, 2016</th>
<th>Typical entry-level education</th>
<th>Typical on-the-job training to attain competency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management analysts</td>
<td>169,400</td>
<td>18.4%</td>
<td>$65,090</td>
<td>Bachelor’s degree&lt;sup&gt;1&lt;/sup&gt;</td>
<td>None</td>
</tr>
<tr>
<td>Lawyers</td>
<td>163,900</td>
<td>19.1%</td>
<td>$90,460&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Doctoral or professional degree</td>
<td>None</td>
</tr>
<tr>
<td>Accountants and auditors</td>
<td>100,300</td>
<td>6.5%</td>
<td>$71,560</td>
<td>Bachelor’s degree</td>
<td>None</td>
</tr>
<tr>
<td>Personal financial advisors</td>
<td>72,200</td>
<td>23.1%</td>
<td>$100,900</td>
<td>Bachelor’s degree</td>
<td>Long-term on-the-job training</td>
</tr>
<tr>
<td>Clinical, counseling, and school psychologists</td>
<td>41,700</td>
<td>24.8%</td>
<td>$76,960&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Doctoral or professional degree</td>
<td>Internship/residency</td>
</tr>
<tr>
<td>Dentists, general</td>
<td>30,500</td>
<td>19.2%</td>
<td>$150,520&lt;sup&gt;4&lt;/sup&gt;</td>
<td>Doctoral or professional degree</td>
<td>None</td>
</tr>
<tr>
<td>Appraisers and assessors of real estate</td>
<td>19,600</td>
<td>21.3%</td>
<td>$60,540</td>
<td>Bachelor’s degree</td>
<td>Long-term on-the-job training</td>
</tr>
<tr>
<td>Chiropractors</td>
<td>16,300</td>
<td>30.6%</td>
<td>$61,930</td>
<td>Doctoral or professional degree</td>
<td>None</td>
</tr>
<tr>
<td>Veterinarians</td>
<td>11,800</td>
<td>12.5%</td>
<td>$80,050</td>
<td>Doctoral or professional degree</td>
<td>None</td>
</tr>
</tbody>
</table>

<sup>1</sup> In addition to a degree, this occupation typically requires less than 5 years of work experience in a related occupation.

<sup>2</sup> Data are for self-employed lawyers and judges, magistrates, and other judicial workers.

<sup>3</sup> Data are for all types of self-employed psychologists.

<sup>4</sup> Data are for all types of self-employed dentists.

Source: U.S. Bureau of Labor Statistics, Employment Projections program (employment data; education, experience, and training analysis) and authors’ calculations from 2016 American Community Survey Public Use Microdata (income data).
All of the occupations in table 1 typically require a bachelor’s, doctoral, or professional degree for entry. Nearly half of them also require people to have work experience in a related occupation in order to enter or require workers to get on-the-job training to attain competency.

**Explore further**

There are many options for self-employment. For more inspiration, see table 2 to find some other occupations in which BLS projects at least 30,000 self-employed workers in 2026.
### Table 2. Projected self-employment for workers in selected occupations, 2026

#### More than 100,000 self-employed workers, projected 2026

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Self-employment, projected 2026</th>
<th>Percent self-employed, projected 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-line supervisors of retail sales workers</td>
<td>355,200</td>
<td>22.8</td>
</tr>
<tr>
<td>Construction managers</td>
<td>182,800</td>
<td>36.3</td>
</tr>
<tr>
<td>Heavy and tractor-trailer truck drivers</td>
<td>154,300</td>
<td>7.8</td>
</tr>
<tr>
<td>Property, real estate, and community association managers</td>
<td>140,600</td>
<td>40.2</td>
</tr>
<tr>
<td>Food service managers</td>
<td>113,200</td>
<td>33.7</td>
</tr>
<tr>
<td>Automotive service technicians and mechanics</td>
<td>104,300</td>
<td>13.1</td>
</tr>
<tr>
<td>Personal care aides</td>
<td>102,100</td>
<td>3.7</td>
</tr>
<tr>
<td>Janitors and cleaners, except maids and housekeeping cleaners</td>
<td>101,200</td>
<td>3.9</td>
</tr>
<tr>
<td>Insurance sales agents</td>
<td>100,200</td>
<td>18.2</td>
</tr>
</tbody>
</table>

#### Less than 100,000 but more than 50,000 self-employed workers, projected 2026

<table>
<thead>
<tr>
<th>Occupation</th>
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</tr>
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<tbody>
<tr>
<td>Self-enrichment education teachers</td>
<td>80,000</td>
<td>19.4</td>
</tr>
<tr>
<td>Light truck or delivery services drivers</td>
<td>77,900</td>
<td>7.7</td>
</tr>
<tr>
<td>Door-to-door sales workers, news and street vendors, and related workers</td>
<td>74,800</td>
<td>90.7</td>
</tr>
<tr>
<td>Chief executives</td>
<td>74,400</td>
<td>25.1</td>
</tr>
<tr>
<td>Massage therapists</td>
<td>73,200</td>
<td>35.7</td>
</tr>
<tr>
<td>Plumbers, pipefitters, and steamfitters</td>
<td>64,300</td>
<td>11.6</td>
</tr>
<tr>
<td>Electricians</td>
<td>57,600</td>
<td>7.9</td>
</tr>
<tr>
<td>Sales representatives, wholesale and manufacturing, except technical and scientific products</td>
<td>55,800</td>
<td>3.6</td>
</tr>
<tr>
<td>Nonfarm animal caretakers</td>
<td>53,200</td>
<td>17.7</td>
</tr>
</tbody>
</table>

#### Less than 50,000 but more than 30,000 self-employed workers, projected 2026

<table>
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<th>Occupation</th>
<th>Self-employment, projected 2026</th>
<th>Percent self-employed, projected 2026</th>
</tr>
</thead>
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<tr>
<td>Barbers</td>
<td>45,800</td>
<td>71.6</td>
</tr>
<tr>
<td>Nursing assistants</td>
<td>41,600</td>
<td>2.5</td>
</tr>
<tr>
<td>Manicurists and pedicurists</td>
<td>39,500</td>
<td>27.6</td>
</tr>
<tr>
<td>Driver/sales workers</td>
<td>39,200</td>
<td>8.5</td>
</tr>
<tr>
<td>Fitness trainers and aerobics instructors</td>
<td>36,000</td>
<td>10.9</td>
</tr>
<tr>
<td>Roofers</td>
<td>32,600</td>
<td>20.1</td>
</tr>
<tr>
<td>Heating, air conditioning, and refrigeration mechanics and installers</td>
<td>32,300</td>
<td>8.4</td>
</tr>
<tr>
<td>Web developers</td>
<td>31,300</td>
<td>16.7</td>
</tr>
<tr>
<td>Coaches and scouts</td>
<td>30,300</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Learn about the occupations mentioned in this article, along with hundreds of others, in the Occupational Outlook Handbook (OOH). The OOH describes what workers do, what wage and salary workers are paid, what it takes to enter an occupation, and more.

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