

Table 1: Summary Statistics

Data is from the most recent 2019 Survey of Consumer Finances (SCF) public database published by the Federal Reserve. All variables are discussed in detail in Section 3.1. All observations are self-employed (entrepreneur) households for the 1998–2019 survey years, with a total observation of 9,522 households, among which 383 are African American households.

Panel C: Mean Value Comparisons of Self-employed Households by Different Race

Name	Definition	White* (8271)	Black (383)	Hispanic (454)	Others (414)
<i>Bad_Credit</i>	Dummy variable (=1 if the respondent has bad credit, and 0 otherwise)	0.1434	0.3629	0.359	0.1884
<i>Planner</i>	Dummy variable (=1 if the respondent uses financial planner, and 0 otherwise)	0.5909	0.4935	0.4251	0.5531
<i>Female</i>	Dummy variable (=1 if the respondent is a female, and 0 otherwise)	0.0634	0.2376	0.1344	0.0628
<i>College</i>	Dummy variable (=1 if the respondent attended college, and 0 otherwise)	0.8148	0.6084	0.4405	0.8382
<i>Age</i>	The age of the respondent in the survey year	55.17	48.75	47.28	51.6
<i>Net_Asset</i>	Net worth of the respondent (in \$ millions and 2019 dollar terms)	38.021	9.991	4.908	22.324
<i>House_Income</i>	Household income of the respondent (in \$ millions and 2019 dollar terms)	2.9246	0.631	0.3865	1.6122
<i>Business_Income</i>	Business income of the respondent (in \$ millions and 2019 dollar terms)	1.6606	0.2816	0.2416	1.0971
<i>Yes_Fin_Risk</i>	Dummy variable (=1 if the respondent is willing to take financial risk)	0.09	0.0809	0.0617	0.087

Panel D: Median Value Comparisons of Self-employed Households by Different Race

Name	Definition	White* (8271)	Black (383)	Hispanic (454)	Others (414)
<i>Bad_Credit</i>	Dummy variable (=1 if the respondent has bad credit, and 0 otherwise)	0	0	0	0
<i>Planner</i>	Dummy variable (=1 if the respondent uses financial planner, and 0 otherwise)	1	0	0	1
<i>Female</i>	Dummy variable (=1 if the respondent is a female, and 0 otherwise)	0	0	0	0
<i>College</i>	Dummy variable (=1 if the respondent attended college, and 0 otherwise)	1	1	0	1
<i>Age</i>	The age of the respondent in the survey year	55	48	47	51
<i>Net_Asset</i>	Net worth of the respondent (in \$ millions and 2019 dollar terms)	4.5023	0.1483	0.2323	2.8386
<i>House_Income</i>	Household income of the respondent (in \$ millions and 2019 dollar terms)	0.3681	0.059	0.067	0.2404
<i>Business_Income</i>	Business income of the respondent (in \$ millions and 2019 dollar terms)	0.1077	0.012	0.0273	0.0838
<i>Yes_Fin_Risk</i>	Dummy variable (=1 if the respondent is willing to take financial risk)	0	0	0	0

*Note: White race refers to non-Hispanic white, according to Survey of Consumer Finances (SCF) data definition.