



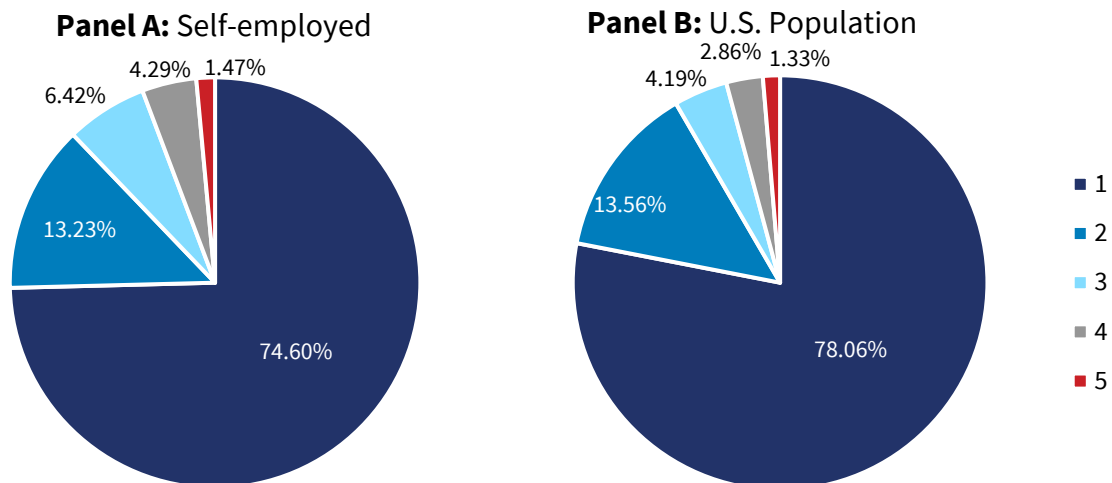
Lost in Translation: The Effects of Language on Business Ownership and Outreach

By Robert Press, Regulatory Economist
SBA Office of Advocacy

While English is the main spoken and written language in the United States it is by no means the only one. According to the 2022 American Community Survey, more than 100 languages are spoken throughout the country.¹ This fact is particularly salient for business owners, who are more likely to report speaking a language other than English at home. When conducting outreach to the small business community, it is important to communicate with owners in a language they are proficient in, otherwise important information may get lost in translation.

Among the U.S. population, 78.1 percent reported speaking English at home, while only 74.6 percent of self-employed individuals reported speaking English at home, as seen in Figure 1. Business owners are also more likely to report speaking English less than very well, with 6.4 percent speaking English well, 4.3 percent speaking English but not well, and 1.5 percent not speaking any English at all.

Figure 1: English Proficiency



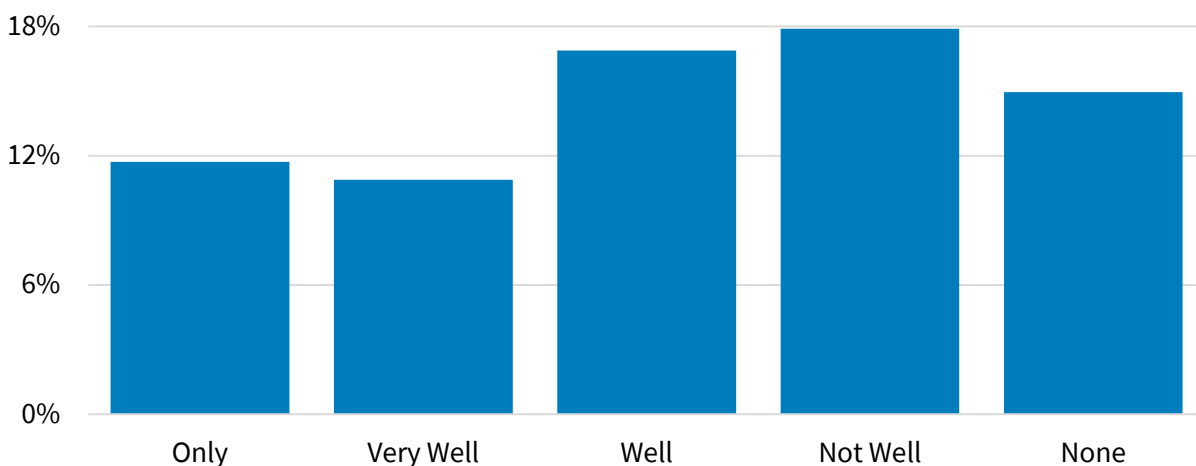
Source: [American Community Survey](#) 2022, authors calculation.

¹ The ACS lists 113 used languages categories in 2022. Many of these group several languages together such as “Other Asian Languages”, “Other Specified American Indian Languages”, “Indian NEC”, etc. According to Census documents over 1,000 language codes exist ([Language Use in the United States](#)).

The self-employment rate² for those who speak English at home is 11.7 percent, as seen in Figure 2. Those who speak another language but with high English proficiency are less likely to be self-employed at 10.9 percent. However, those with lower English proficiency have vastly different self-employment rates. Employed individuals who reported they spoke English well were 44 percent more likely to be self-employed compared to a speaker of English at home, while those who reported they spoke English but not well were 53 percent more likely to be self-employed.

Individuals who reported to not speak English at all also had elevated levels of self-employment at 28 percent higher than those who spoke English at home, though their rate is lower than those with moderate English proficiency. This relationship suggests that individuals with lower English proficiency turn to self-employment because they may find fewer opportunities in traditional employment, though English proficiency is important as a self-employed individual in the U.S.

Figure 2: Self-Employment Rate by English Proficiency



Source: [American Community Survey](#) 2022, authors calculation. The Self-employment rate is calculated as the number of self-employed individuals divided by the number of individuals in the labor force.

The second most spoken language at home by self-employed individuals is Spanish at 14.4 percent. This is 8.2 percent higher than the rate for the general population of 13.3 percent. The next five most spoken languages by business owners are:

- Chinese³ (1.3 percent)
- Vietnamese (0.8 percent)
- Korean (0.7 percent)
- Portuguese (0.7 percent)

² Calculated as the number of self-employed individuals divided by the number of individuals in the labor force.

³ Chinese includes both Mandarin and Cantonese dialects.

- Arabic (0.6 percent).

Like Spanish, all five of these languages are overrepresented among the self-employed. However, other languages are underrepresented including Filipino (the fourth most spoken language overall), Haitian Creole (the eleventh), and Hindi (the twelfth). The top 20 most spoken languages at home by business owners are shown in Table 1. One trend that stands out is the relationship between the number of speakers and those speakers' English proficiency. Languages with fewer speakers generally have higher English proficiency, and lower self-employment rates as a result.

Language	Percent of Self-employed	Percent of Population	English Less than Very Well (%)	No English (%)
English	74.60%	78.06%	0.00%	0.00%
Spanish	14.41%	13.32%	39.80%	7.91%
Chinese	1.33%	1.11%	51.52%	8.06%
Vietnamese	0.78%	0.49%	57.27%	6.47%
Korean	0.67%	0.35%	51.18%	3.27%
Portuguese	0.66%	0.30%	35.95%	5.34%
Arabic	0.57%	0.44%	32.66%	2.46%
French	0.47%	0.38%	20.57%	0.55%
Russian	0.47%	0.31%	39.55%	3.26%
Tagalog	0.41%	0.57%	30.19%	0.63%
German	0.39%	0.27%	15.47%	0.23%
Farsi	0.26%	0.14%	35.70%	2.39%
Polish	0.25%	0.15%	37.72%	1.58%
Italian	0.25%	0.17%	24.54%	0.77%
Hindi	0.24%	0.28%	16.61%	0.84%
Urdu	0.24%	0.17%	26.86%	1.58%
Gujarati	0.20%	0.15%	31.25%	3.07%
Haitian Creole	0.20%	0.29%	37.23%	3.93%
Punjabi	0.19%	0.11%	38.24%	6.08%
Niger-Congo Region Languages	0.17%	0.19%	18.01%	0.42%
All Other Languages	3.25%	2.76%	33.04%	2.45%

Notes: The [American Community Survey](#) 2022, authors calculation. Languages are sorted by the percentage of the self-employed speaking the language at home. Those who speak English at home are assumed to speak the language very well. Chinese includes both Mandarin and Cantonese dialects.

Deciding which languages to provide small business outreach in is an important decision. Policymakers must acknowledge that small business owners speak languages at different rates when compared with the general population, and some languages have a larger bilingual population than others. As such, it does not always make sense to prioritize languages based only on the number of speakers at home. Table 2 outlines the languages spoken in the United States based on the percentage of additional individuals that can be reached with that language. Table 2 includes a list of business owners and a separate list for the general population. Both lists are valuable as some small business outreach focuses on current business owners, while other outreach focuses on potential business owners who are more represented by the overall population.

The lists are quite similar, sharing 18 of the top 20 languages, though with different orderings after the top five. The general population list includes German and Hindi, while the business owner list includes Ukrainian and Amharic instead. The biggest difference is that to reach the same percentage of business owners more languages are needed as compared with the U.S. population. To ensure 98 percent of individuals could understand a message requires just six languages for the overall population but nine for business owners. To reach 99 percent requires 17 languages for the overall population but 22 languages for business owners.⁴

⁴ The outreach percentage is a lower bound as some individuals may be fluent in multiple languages besides English, which is out of the scope of the ACS questions. Languages such as French, Arabic, and Hindi are common second languages that may reach more individuals than the calculated here.

Table 2: Outreach Order of Languages

Business Owners				U.S. Population		
Rank	Language	Percent	Percent Cumulative	Language	Percent	Percent Cumulative
1	English	87.83%	87.83%	English	91.62%	91.62%
2	Spanish	7.50%	95.32%	Spanish	5.30%	96.92%
3	Chinese	0.85%	96.17%	Chinese	0.57%	97.49%
4	Vietnamese	0.53%	96.70%	Vietnamese	0.28%	97.77%
5	Korean	0.46%	97.16%	Korean	0.18%	97.95%
6	Portuguese	0.32%	97.48%	Tagalog	0.17%	98.13%
7	Arabic	0.20%	97.68%	Arabic	0.14%	98.27%
8	Russian	0.19%	97.87%	Russian	0.12%	98.39%
9	Polish	0.13%	98.00%	Portuguese	0.11%	98.50%
10	Tagalog	0.12%	98.12%	Haitian Creole	0.11%	98.61%
11	French	0.11%	98.23%	French	0.08%	98.69%
12	Farsi	0.09%	98.32%	Polish	0.06%	98.75%
13	Panjabi	0.09%	98.41%	Bengali	0.06%	98.80%
14	Haitian Creole	0.08%	98.49%	Japanese	0.05%	98.86%
15	Bengali	0.08%	98.56%	Farsi	0.05%	98.91%
16	Ukrainian	0.07%	98.64%	Hindi	0.05%	98.95%
17	Urdu	0.07%	98.71%	Gujarati	0.05%	99.00%
18	Gujarati	0.07%	98.78%	Urdu	0.05%	99.05%
19	Amharic	0.07%	98.84%	Punjabi	0.04%	99.09%
20	Japanese	0.07%	98.91%	German	0.04%	99.13%

Notes: [American Community Survey](#) 2022, authors calculation. The English percentage is the number of speakers who report either speaking English at home or speaking it very well. For all other languages, the percentage is of all individuals who speak that language and do not speak English very well. Chinese includes both Mandarin and Cantonese dialects.

Effective outreach is essential to ensure small businesses can adapt to changing conditions and remain competitive. The diverse languages spoken by business owners are a potential advantage in reaching niche customers, but it can also be a hindrance if programs designed to support them are blocked by a language barrier. Hopefully, care will be taken to speak to small business owners in a language they understand.