

Non-Substantive Change Request to OMB Approved Survey 1205-0444

The purpose of this document is to request a non-substantive change to an active OMB-approved information collection (OMB 1205-0444) that expires on 12/31/2009. ETA requests to administer OMB Approved Survey 1205-0444 to the same survey sample at 60 months after random assignment. The survey was previously administered at 6 and 18 months following random assignment. For the 60 month follow-up, the identical OMB approved survey would be administered to this population and the same methodology would be used to evaluate the results of the survey. The survey would be administered completely before the current expiration date of OMB 1205-0444 which is 12/31/2009.

Justification for 60 Month Follow-Up Survey

As part of the evaluation of Project GATE (Growing America Through Entrepreneurship), ETA successfully completed two rounds of follow-up surveys at the 6 and 18 month interval. While the Wave I (6-month follow-up) and Wave II (18-month follow-up) surveys yielded valuable information about the impact of the GATE demonstration, a Wave III follow-up survey at approximately 60 months (or 5 years) after random assignment will provide important long-term information critical to the evaluation of the overall project. Until the results of the Wave II survey were completed, ETA did not know that an additional follow-up survey would be necessary.

A long-term follow-up survey is critical for a variety of reasons:

- 1) Research suggests that many start-up businesses do not become fully operational for several years. Indeed, many new firms may start out small (i.e., few or no employees) and grow to larger firms over time. One of the major findings from the previously conducted 18-month survey of Project GATE participants was that the treatment group started businesses at a higher rate than the control group. At the 18-month survey interval, many of these treatment group businesses were still in the nascent phase. By conducting a 5-year follow-up of the Project GATE sample, ETA will be able to assess the full impact of the demonstration program on the ongoing success of new businesses.
- 2) Based on the analysis of Wave II survey data, one of the key findings of Project GATE was that individuals who received a work search waiver while receiving Unemployment Insurance (UI) benefits showed a dramatic increase in business ownership. Conducting a 5-year follow-up of Project GATE will enable ETA to determine whether this finding persists over time.
- 3) Following completion of the Wave II survey data collection, a report, "Growing America Through Entrepreneurship: Findings from the Evaluation of Project GATE," was prepared. That report provided an impact evaluation covering five major areas:

- Business ownership
- Employment from wage and salary jobs and from self-employment
- Earnings from wage and salary jobs and from self-employment
- Receipt of UI benefits
- Receipt of public assistance

The impacts estimated after the Wave II survey are considered “intermediate-term” results. The analysis of data coming up to 5 years after random assignment will be considered “long-term” program impacts.

- 4) A public use dataset will be prepared that will include data collected throughout the entire project. This dataset will be made available to future researchers and policy makers interested in investigating entrepreneurship and business formation. *Because the key questions of research interest or policy interest are unknown at this time, it is critical to maintain the continuity of all questions asked on the survey instrument.*

Burden Estimate

The total additional hour burden for information collected for this 60 month follow-up survey is 1,216 hours. This hour burden estimate is based on the 6-month and 18-month implementation of the survey which averaged 30 minutes to complete. The total burden cost to respondents of collecting this information is \$19,450. This cost represents 30 minutes to complete the survey multiplied by the number of completers (2,431) and by an estimated average hourly wage of \$16 per hour.¹ This burden cost is offset by the \$15 respondent payment.

¹ The average wage for UI recipients reported in a recent study of this population (Needels, et al. 2002) is \$16 per hour.