

SUPPORTING STATEMENT
U.S. Department of Commerce
Minority Business Development Agency
Survey of Minority-Owned Business Participation in Global Commerce
OMB Control No. 0640-XXXX

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

(If this collection does not employ statistical methodology, state this information. Delete the following questions.)

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g. establishments, State and local governmental units, households, or persons) in the universe and the corresponding sample are to be provided in tabular form. The tabulation must also include expected response rates for the collection as a whole. If the collection has been conducted before, provide the actual response rate achieved.

The universe of firms includes 16 million firms from the Dunn & Bradstreet (D&B) business database, of which approximately 500,000 are Minority Business Enterprises (MBEs). From that universe a sample was generated randomly stratifying for minority businesses and for company size. The sample includes 200,000 MBE and non-MBE firms in the Dunn & Bradstreet (D&B) business database. D&B constructed their database by using customers who apply for a DUNS number, through their own due diligence searching through court and state filings, and through the business registry of new businesses from all 50 states. As a result, the D&B database contains the most complete source of observations. The 200,000 firms will be split between 60,000 MBEs (4,000 of which are exporters) and 140,000 non-MBEs (35,000 of which are exporters). The D&B database provides a marker for minority business as well as exporting vs. non-exporting firms.

To ensure that the sample is representative of the population of all U.S. businesses, Minimax will run descriptive statistics and frequency analyses on the responses and based on these results, Minimax will check if the features of the sample (i.e., in terms of receipts, SIC codes, employer vs. non-employer status, MBE vs. non-MBE, etc.) match those of the known universe of firms. The population distribution of those features will be obtained from publicly available census data.

If the distribution of the sample data does not match that of the population, post-stratification weights will be applied to the data. Since more than one variable will be taken into account for the stratification (as mentioned in the previous paragraph), a raking or iterative proportional fitting procedure will be used to create the weights. These procedures assign a weight to each of the observations in a manner that the frequency distribution of the relevant variables in the weighted sample is equal to the frequency

distribution of the population. In this way, a larger weight will be given to strata that might happen to be under-represented in the sample, so that the weighted sample data will match the distribution of the population.

2. Describe the procedures for the collection, including: the statistical methodology for stratification and sample selection; the estimation procedure; the degree of accuracy needed for the purpose described in the justification; any unusual problems requiring specialized sampling procedures; and any use of periodic (less frequent than annual) data collection cycles to reduce burden.

Minimax will use the D&B database to contact the sample of MBE and non-MBE firms. Minimax does not expect that any specialized sampling procedures will be needed, and the survey will be conducted only one time (so there will be no periodic data collection cycles to take into account). The survey will be a web-based instrument and the participants will be contacted to notify them about the survey prior to sending the participation package. Follow ups will be conducted immediately. If the contact information in the D&B database is outdated for some of the potential participants so that they cannot be contacted, those participants will be assumed to be non-responses.

The target degree of accuracy required to address the objectives of this paper will be such that the bounds of 95% confidence intervals computed around the sample means are no greater than 110% or 90% of the sample mean. For nominal/count data, Minimax will target a 5% margin of error at 95% confidence. It is expected that even with a 1-2% response rate, the final sample will be large enough to attain an adequate margin of error.

3. Describe the methods used to maximize response rates and to deal with nonresponse. The accuracy and reliability of the information collected must be shown to be adequate for the intended uses. For collections based on sampling, a special justification must be provided if they will not yield "reliable" data that can be generalized to the universe studied.

It is significant to note the extreme unlikelihood of not gathering enough data, and that the projected reliability figures are well in excess of 95%, compared to the standard reliability cutoff of 70%. Non-responses will not be included in the final analysis and the response rate will be presented. Moreover, as described in question B1, frequency analyses will be conducted to determine whether the distribution of certain variables in the dataset (such as receipts, SIC codes, MBE vs. non-MBE, etc.) matches the known distribution from the population of U.S. firms. If they do not match (for example, because the response rate in some stratum was significantly higher or lower than in another one), weights will be applied to correct for strata that might be under- or over-represented in the sample. The variables that will be taken in account to weight the observations are: MBE vs. non-MBE, receipts, employer vs. non-employer, 2-digit NAICS code and exporter vs. non-exporter status.

4. Describe any tests of procedures or methods to be undertaken. Tests are encouraged as effective means to refine collections, but if ten or more test respondents are involved OMB must give prior approval.

No pilot testing will be conducted. The data collection procedure will be straightforward, and the survey items will be concise and objective, so we will not require feedback from test respondents to adjust the survey.

5. Provide the name and telephone number of individuals consulted on the statistical aspects of the design, and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

MBDA is overseeing the development and administration of the survey for the production of the research study. The contact at MBDA is Ivonne Cunarro, Chief Knowledge Officer, 202-482-2157. The contractor, Minimax Consulting, will be collecting the data. Minimax Consulting Clark Guo, Director of Government Contracts can be reached at 401-331-6360.