Supporting Statement for Request for OMB Approval
Quarterly Census of Employment and Wages Green Goods and Services Industry Pre-testing

B. COLLECTION OF DATA EMPLOYING STATISTICAL METHODS

1a. Universe

The sample frame for the field testing will be the establishments in the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) data files received from the 50 States and the District of Columbia, Puerto Rico, and the Virgin Islands. The source of data for these 53 entities is the Quarterly Contribution Reports (QCR) submitted to State Workforce Agencies (SWAs) by employers subject to State Unemployment Insurance (UI) laws. The scope of this field testing, however, will be limited to the 50 States plus the District of Columbia. The QCEW data, which are compiled for each calendar quarter, provide comprehensive information on business name and address along with employment and wages at the six-digit NAICS level, and at the national, State, Metropolitan Statistical Area, and county levels for employers subject to State UI laws. Similar data for Federal Government employees covered by the Unemployment Compensation for Federal Employees program (UCFE) also are included.

1b. Sample size

As the measurement of the green goods and services sector economic activity is breaking new ground, it is expected that multiple iterations of the basic questionnaire will need to be field tested. The initial instrument will be tested, and then based on the findings, it will be modified for retesting. The sample size for the field testing of the form designs will be up to 4 panels of 350 establishments covering a period up to 6 months. Approximately 50 of the establishments in each panel will also be contacted for a follow-up interview.

The field testing will ascertain the types of data available for the green goods and services sector economic activities and identify issues related to data collection of green sector employment by industry and sources of information. The detailed objectives are given in Part A. Non-response prompting and edit reconciliation interviews will be conducted on each panel. In addition, follow-up interviews of respondents and non-respondents will also be conducted on each panel to gain feedback on the collection form used.

It is expected about 5% of the sample will be out-of-business or out-of-scope and an adjusted response rate by mail and follow up is expected to be 70% (only the out-of-business establishments will be removed from the denominator in the adjusted response rate calculation).

2a. Sample Design

The QCEW frame will be stratified by industry, employment size (5 size classes listed below), and type of employer (single employer vs. multi-establishment employer). The first stratification of the frame is between in-scope sectors vs. out-of-scope sectors. In-scope sectors are defined as having at least one 6-digit industry within the 2-digit industry that has potential "green" activity. These in-scope sectors will be further stratified by five size classes defined on establishment's maximum employment over the last 12 months-- employment 1-19 (size 1); 20-49 (size 2); 50-99 (size 3); 100-499 (size 4); 500 + (size 5). Any given fixed sample size (e.g., 200 or 350) will be divided by the number of stratums (industry sectors X 5 size classes). The algorithm will also explicitly account (further stratified) for single vs. multi establishment employers such that in small size classes the sample will consist of single establishment

employers; while, in the large size class the sample will consist of multi-establishment employers. The number of establishments in each stratum will be selected randomly. This algorithm may be modified for panels 2, 3, and 4 based on the findings from previous panels. The sample will also contain a selected set of businesses known to produce green goods or services. These businesses will be identified through industry associations and other resources.

A sample will be selected to provide sufficient information to finalize the appropriate questionnaire regarding data collection on green goods and services sector economic activity. This field testing study is not designed to provide reliable estimates of green sector employment by industry.

2b. Estimation Procedure

The analysis will be performed using the frequency distributions for each question and tabulation of aggregated totals of the information collected for each micro record. Unit and item non-response analysis will also be performed. A comparison of respondent and non-respondent groups on certain establishment characteristics (e.g., size, industry, location, and occupations covered) may also be conducted along with related logistic regression analyses. The analysis will examine what type of information is available; who at the establishment is the most likely source for these data; patterns of response and non-response; what can be done to improve the questionnaire, response rates, and reduce respondent burden; and any special issues that need to be addressed.

2c. Reliability

As mentioned above, the primary purpose of this field testing is to develop a set of questionnaires that can be used to measure green goods and services sector employment by industry. The field testing is not designed to produce reliable estimates of green goods and services sector employment or to test a definition.

2d. Revisions

The questionnaire/form and follow-up interview script will require revisions after each testing.

At this time, the magnitude of revisions to questionnaire/forms is unknown.

2e. Specialized Procedures

None.

2f. Data Collection Cycles

The forms design and panel testing will be conducted on a sample of up to 1,620 establishments. Phase 1 will involve feasibility interviews with 200 establishments and in-person cognitive interviews with 20 establishments to understand what information establishments maintain on goods and services. The information collected from the feasibility interviews will be used to inform the forms design. The remaining 1,400 establishments will be divided into panels and questionnaires/forms will be tested and refined based on the responses from each panel. The refined forms will be sent to the new panel and iterative procedures will be used for finalizing the forms. The process will take up to 6 months with 4 panels in FY2010. Total respondent burden will be about 920 hours in FY2010 with an assumption that the forms completion and follow-up interviews will each take 30 minutes to complete, on average (see table in Section 12 of Part A).

3. Methods to Maximize Response Rates

BLS will provide the employer with a pledge of confidentiality, an explanation of the importance of the survey, and the need for voluntary cooperation for maximizing the response rate. Non- response will be minimized through non-response prompting which will be developed along with the forms. The unit and item response rate will be maximized by follow-up telephone calls.

4. Tests

The survey's questionnaires will be developed using cognitive design techniques. BLS will conduct 200 feasibility interviews to better understand the collection environment. These interviews will focus on learning what information is available from firms and how best to formulate questions to collect information that firms maintain on their goods and services. BLS will use this information to guide the design of the survey questionnaires and minimize the burden on potential respondents in the future surveys. The tests will be conducted in accordance with OMB guidelines.

5. Statistical and Analytical Responsibility

Ms. Shail Butani, Chief, Statistical Methods Division of the Office of Employment and Unemployment Statistics, is responsible for the statistical aspects of the QCEW program. Ms. Butani can be reached on 202-691-6347. BLS will conduct this survey using the help of outside contractors.

Attachments
1. Scripts and cover letter for feasibility interviews
2. Sample cover letter and forms for panel forms testing
3. Script for non-response prompting
4. Scripts for respondent and non-respondent follow-up interviews