

MEMORANDUM

Date: May 25, 2012

To: Shelly Wilkie Martinez, Desk Officer
Office of Management and Budget

From: John Gawalt, Acting Division Director
National Center for Science and Engineering Statistics

Via: Suzanne Plimpton, Reports Clearance Officer
National Science Foundation

Subject: Notification of pretest under generic clearance

This memorandum is to inform you of NSF's plans to pretest a preliminary version of the data collection instrument under the generic clearance for survey improvement projects (OMB number 3145-0174). This research will focus on the ability of very small companies (less than 5 employees) to answer research and development (R&D) and innovation related questions. This activity is associated with the planned NSF Microbusiness Innovation Science and Technology Survey. The Microbusiness Innovation Science and Technology (MIST) Survey, if fully implemented, is expected to collect R&D and innovation related data from a nationally representative sample of U.S. based companies with fewer than five employees.

Background

The National Center for Science and Engineering Statistics (NCSES) of NSF is broadly tasked with measuring the role of science and technology (S&T) in the United States' economy and abroad. A major component of this activity is its sponsorship of the Business Research and Development (R&D) Innovation Survey (BRDIS), which collects information annually on research and development and related activities performed within the United States by industrial firms. However, businesses with fewer than five employees are excluded from this survey.

The National Academy of Sciences' Committee on National Statistics (CNSTAT) reviewed NSF's portfolio of R&D surveys and in 2004 recommended that NSF explore ways to measure firm innovation and investigate the incidence of R&D activities in growing sectors, such as small business enterprises, not currently covered by BRDIS.

As a result, NSF is exploring the possibility of a survey of R&D and other innovation-related items among very small (i.e., micro), independent U.S. businesses with fewer than five employees. In addition to general business information -- primary business activity (NAICS code), year business was formed, and number of employees -- this survey is exploring the feasibility of collecting data on R&D, innovation, funding, employment, measures of these small firms' entrepreneurial effectiveness, and demographic characteristics of the entrepreneur.

NSF has conducted cognitive work towards the development of a questionnaire and conducted cognitive interviews (OMB Control Number - 3145-0174, ICF Reference number - 201006-3145-002) with 38 U.S. based small businesses with fewer than five employees.

As the next step in exploring the feasibility of a larger scale pilot survey we propose to conduct a pretest to gather data to refine our questionnaire items. We plan a pretest for a sample of no more than 125 microbusinesses. A pretest will allow us to administer our survey to a wider set of respondents from more industry sectors than we can in the cognitive interviews.

Research Plan

The information obtained from this effort will be used to revise and refine the MIST questionnaire. We are working on the design of the MIST survey with Westat, a company we have worked with on other NSF projects. We will use IRS data for sample development for this pretest. The IRS data will provide the name and address of the microbusiness. The pretest will allow us to test the feasibility of using the IRS data before doing the larger scale pilot survey. We will not be offering payment to respondents.

Starting sometime in Summer 2012, we plan to mail (both paper or electronically) our questionnaire to no more than 125 microbusinesses. We have tested the amount of time required to complete the questions and estimates run between 13 and 15 minutes for companies with R&D. With a desired response rate of 80% we estimate a total of 25 hours (100 interviews x 15 minutes = 25 hours) to complete the survey. We will also contact, via telephone, approximately two-thirds of the 125 potential respondents to obtain e-mail addresses. These phone calls will result in an additional 4.25 burden hours (85 microbusinesses * 3 minutes = 4.25 hours). Thus, we estimate a total burden of no more than 29.25 hours for this phase of our research.

The contact person for questions regarding this research is:

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