

**QUESTIONS AND ANSWERS REGARDING THE
2012 SURVEY OF BUSINESS OWNERS AND SELF-EMPLOYED PERSONS**

Who was eligible for this survey?

Businesses were eligible to be selected for this survey if they reported any business activity on any one of the following 2012 Internal Revenue Service tax forms:

- 1040 (Schedule C), "Profit or Loss from Business" (Sole Proprietorship). Many self-employed individuals do not consider the activity reported on their Schedule C to be an actual business (for example, babysitter, sales representative, construction contractor, real estate agent, and so forth). **Any activity reported on Form 1040 (Schedule C) meets the definition of a business for purposes of this survey.**
- 1065, "U.S. Return of Partnership Income"
- any one of the 1120 corporation tax forms
- 941, "Employer's Quarterly Federal Tax Return"
- 944, "Employer's Annual Federal Tax Return"

Why was I selected for this survey?

You were randomly selected for the SBO sample to represent businesses in your industry and geographic area. The SBO is based on a sample of business owners and self-employed persons who, like you, filed business-related tax forms for 2012. The use of sampling substantially reduces the overall reporting burden on U.S. businesses and lowers the survey cost; however, it also greatly increases the importance of receiving a report from each business selected.

Is my response to this survey required by law?

Yes. Your response to the 2012 Survey of Business Owners and Self-Employed Persons (SBO) questionnaire is required by law. Title 13 of the United States Code requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the U.S. Census Bureau. For more details, see <bhs.econ.census.gov/bhs/pages/legal.html>.

Are my survey responses kept confidential?

Yes. By law (Title 13 of the United States Code), your responses are completely confidential and may be seen only by persons sworn to uphold the confidentiality of Census Bureau information. The data are used only for statistical purposes and the responses are summarized so that the confidentiality of individual respondents and their business activities is fully protected. The law also provides that copies retained in your files are immune from legal process.

Can I complete this survey online?

Yes. To complete this survey online, go to <census.gov/sbo2012> and click on "Electronic Reporting." This link will show you how to locate your unique User Name and Password provided on the enclosed 2012 SBO questionnaire. After locating your User Name and Password, click on "Centurion."

This interactive application is designed to provide the Census Bureau with a highly secure user-friendly means of collecting survey and census information via the Internet. Directions regarding the use of Centurion are available once you enter the site. The primary requirement for using Centurion software is a Web browser capable of at least 128-bit encryption. Most browsers released since 1998 are sufficient. Once you have filed your survey form online, it is no longer necessary to send in the paper copy of your report form.

How long will it take to complete the SBO questionnaire?

Public reporting burden for this survey is estimated to average 8 to 12 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: Paperwork Project XXXX-XXXX, U.S. Census Bureau, 4600 Silver Hill Road, AMSD-3K138, Washington, DC 20233. You may e-mail comments to Paperwork@census.gov; use "Paperwork Project XXXX-XXXX" as the subject. Please DO NOT RETURN your questionnaire to this address. Use the enclosed preaddressed envelope to return your questionnaire. Response to this survey is not required unless the questionnaire displays a valid approval number from the Office of Management and Budget (OMB). The OMB eight-digit number appears in the upper right corner of the report form.

What if I don't have the information?

If your 2012 SBO form requests information that is not in your available business records, you may use estimates. The Census Bureau has found that estimates from business officials are more accurate than industry averages or other estimates and increase the reliability of statistics when combined with information from other similar businesses. If you want to clarify the survey request, discuss use of your available business records, or obtain help in preparing an estimate, please call 1-888-824-9954, Monday through Friday, 8 a.m. to 6 p.m., Eastern time.

Why does the government take this survey?

The SBO is part of the Economic Census program, which the Census Bureau is required by law (Title 13 of the United States Code) to conduct every 5 years, for years ending in "2" and "7." The Census Bureau combines data from the SBO with data from other economic surveys, economic censuses, and administrative records and presents them in American FactFinder, the Census Bureau's online, self-service data access tool. The published data include number of firms (both firms with paid employees and firms with no paid employees), sales and receipts, number of paid employees, and annual payroll; they are presented by kind of business, geographic area, and size of firm (employment and receipts). These results will also contain summary statistics on the composition of businesses in the U.S. by gender, ethnicity, race, and veteran status. Additional demographic and economic characteristics of business owners and their businesses will be included, such as: owner's age, education level, and primary function in the business; family- and home-based businesses; types of customers and workers; sources of financing for start-up, expansion, or capital improvements; outsourcing; use of Internet and e-commerce; and employer-paid benefits.

Why ask now about 2012?

The SBO requests 2012 information now because the survey sample cannot be selected until all business income tax returns are available for 2012. The use of tax records delays the survey start until records are available, but reduces the number of survey questions and survey costs.

Why ask about gender, ethnicity, race, and veteran status?

The SBO is the only source of statistics about the demographic characteristics of the owners of approximately 27 million American businesses, including their business organizations and activities. SBO statistics have been produced every 5 years since 1972 and have proven useful in helping to understand changes taking place in our dynamic and growing economy. SBO results have helped to profile census-to-census changes in business performance, highlight conditions of business success and failure, and compare minority-/nonminority-, women-/men-, and veteran-/nonveteran-owned businesses.

Who establishes the Hispanic or Latino origin and race categories listed on the form?

The Hispanic or Latino origin and race categories listed on the SBO questionnaire are consistent with those mandated by the Office of Management and Budget. These standards were developed by both the Executive and Legislative Branches of the Federal Government.

The **Hispanic or Latino origin** category is:

A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

The **race** categories are:

American Indian or Alaska Native. A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

Asian. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black or African American. A person having origins in any of the black racial groups of Africa, including those who consider themselves to be "Haitian."

Native Hawaiian or Other Pacific Islander. A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White. A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.

Some other race. This category includes all other responses not included in the “American Indian or Alaska Native,” “Asian,” “Black or African American,” “Native Hawaiian or Other Pacific Islander,” and “White” race categories described above.

Who uses the survey data?

Government program officials, industry organization leaders, economic and social researchers, and business entrepreneurs routinely use the SBO statistics. Examples of data use include those by:

- The Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) to assess business assistance needs and allocate available program resources.
- Local government commissions on small and disadvantaged businesses to establish and evaluate contract procurement practices.
- Federal, state, and local government agencies as a framework for planning, directing, and assessing programs that promote the activities of disadvantaged groups.
- A national women-owned business trade association to assess women-owned businesses by industry and area and to educate other industry associations, corporations, and government entities.
- Consultants and researchers to analyze long-term economic and demographic shifts, and differences in ownership and performance among geographic areas.
- Individual business owners to analyze their operations in comparison to similar firms, compute their market share, and assess their growth and future prospects.

When and how will the results of the 2012 Economic Census and the 2012 SBO be available?

The first 2012 Economic Census results will be available in December 2013 with the release of the Advance Report. All results will be issued via the Internet within the following two years.

The 2012 SBO results will be released on a flow basis beginning in November 2014 with an advance employer business report and will be available on the Census Bureau's website at <census.gov/econ/sbo> and through American FactFinder (AFF), the Census Bureau's online, self-service data access tool.

What existing data can I get from the SBO and/or the Economic Census?

You can use the following Census Bureau websites to access the previous SBO and the Economic Census results:

<census.gov/econ/sbo> contains:

- geographic profiles and complete reports from the 2007 SBO;
- data that include number of firms, sales and receipts, number of employees, and annual payroll.

<census.gov/econ/census07> contains:

- complete details about the North American Industry Classification System (NAICS) and other topics;
- geographic profiles and complete reports from the 2007 Economic Census.

<factfinder2.census.gov> contains:

- detailed statistics from the 2007 Economic Census and Surveys;
- data sets by geography, industry/product, or data item.

How can I get more information?

- Call **1-888-824-9954** Monday through Friday, 8 a.m. to 6 p.m., Eastern time. Our telephone staff can answer questions about the survey as well as provide you with additional forms and instructions.
- Si usted habla español y necesita ayuda para completar su cuestionario, llame sin cargo alguno al **1-888-824-9954**, entre las 8 a.m. y 6 p.m., hora del este, de lunes a viernes.