

**Department of Commerce  
United States Census Bureau  
OMB Information Collection Request  
Annual Survey of Entrepreneurs  
OMB Control Number 0607-0986**

**Part B – Collections of Information Employing Statistical Methods**

1) Universe and Respondent Selection

The Annual Survey of Entrepreneurs (ASE) universe for this submission will be constructed using a combination of 2013 and 2014 Internal Revenue Service (IRS) tax return data. The final universe of businesses will be those reporting activity on any one of the following 2014 IRS tax forms: 1040 (Schedule C), “Profit or Loss from Business” (Sole Proprietorship); 1065, “U.S. Return of Partnership Income”; 941, “Employer’s Quarterly Federal Tax Return”; 944, Employer’s Annual Federal Tax Return; or any one of the 1120 corporate tax forms. Current plans will only request responses from businesses filing the 941, 944, or 1120 tax forms. Estimates for businesses filing the 1040 or 1065 tax returns will be created using statistical modeling of administrative data and will only provide data by gender, ethnicity, race, and veteran status of owners by geography, industry, and size of firm.

The estimated sample size is 290,000 employer businesses. This sample size is necessary to provide detailed comprehensive estimates for women-, minority-, and veteran-owned businesses and to produce reliable estimates at the state and metropolitan statistical area (MSA) levels.

The sample will be stratified by metropolitan statistical area (MSA), frame, and age of business and will be systematically sampled within each stratum. A standard type of estimation for stratified systematic sampling will be used. (Refer to Sampling Techniques by W.G. Cochran.) The expected response for the 2015 ASE is estimated as 65 percent. The ASE expected response rate is based on results from the 2014 ASE data collection. The Census Bureau will use an electronic reporting tool to collect the data. No questionnaires will be mailed to respondents.

Businesses will be asked questions about the gender, ethnicity, race, and veteran status for up to four persons owning the majority of rights, equity, or interest in the business. Businesses will also be asked about characteristics of their businesses and the business owners.

The target relative standard error for the total number of women-, minority-, and veteran-owned businesses will be less than 10 percent. This figure is based on the 2012 Survey of Business Owners and Self-Employed Persons and the 2014 ASE.

2) Procedures for Collecting Information

The sample of employer businesses will be selected as described in Section B.1 above. The ASE is an electronic-only collection. An initial letter that requires the respondents' completion of the online survey and provides survey access instructions will be mailed from the Census Bureau's processing headquarters in Jeffersonville, Indiana. There will be 290,000 letters mailed to employer businesses that were in business during 2015. Initial mailout will occur in June 2016, with a due date of July 27, 2016. There will be two follow-up letter mailings to nonrespondents after the due date. Closeout of mail operations is scheduled for November 2016. Upon the close of the collection period, the response data will be processed, edited, reviewed, tabulated, and released publically.

### 3) Methods to Maximize Response

This information collection will maximize response through the following means:

- Mailing materials that emphasize the mandatory and confidential nature of census reports, as provided by Title 13, United States Code;
- Designing effective electronic reporting instruments and instructions;
- Offering a toll-free telephone number for companies that have questions or need assistance in completing the electronic survey;
- Conducting systematic mail follow-ups to nonrespondents;
- Conducting nonresponse bias analysis if unit response rate falls below 60 percent.

During collection, response rates will be monitored regularly. If response rates are below 40 percent prior to the start of the first follow-up, Census Bureau analysts will conduct address research on cases that flag as undeliverable. If response rates are below 60 percent prior to the second follow-up, the Census Bureau will conduct the follow-up using certified mailings. Additionally, targeted follow-ups can be implemented based on industry and frame.

Post collection, unit response rates will be evaluated. The Census Bureau will conduct a nonresponse bias analysis if unit response rates fall below 60 percent. The nonresponse bias analysis will examine unit response rates and total quantity response rates to determine whether there is evidence of nonresponse bias to the key estimates of the survey. The analysis will focus on the differences of response rate by owner characteristics (by gender, ethnicity, race, and veteran status), industry, state-level geography, and legal form of organization. If required, the nonresponse bias analysis will be conducted following the end of the current data collection period and prior to the start of the collection period for the next survey year.

### 4) Tests of Procedures or Methods

This information collection will use procedures that are based on a considerable body of experience with economic censuses and surveys. Previous economic censuses also have been the subject of evaluation studies that have examined methodology and conceptual issues. As a result, the procedures used by the economic censuses are very well tested.

The survey questions have been successfully tested through cognitive interviews. See Attachment D, the ASE Cognitive Testing Report.

5) Contacts for Statistical Aspects and Data Collection

James W. Hunt, Chief, Financial and Business Owners Surveys Statistical Methods Branch, Economic Statistical Methods Division, U.S. Census Bureau, Washington, DC 20233 (telephone 301-763-6599), is responsible for directing the sampling, estimation, nonresponse adjustment, and disclosure avoidance procedures.

Patrice C. Norman, Chief, Island Areas and Business Owners Branch, Economy-Wide Statistics Division, U.S. Census Bureau, Washington, DC 20233 (telephone 301-763-7198), is responsible for directing the development of the ASE survey design, content, and processing.

## Attachments

- A. Initial Mailout and Follow-up Letters
  - Letters that will be mailed to respondents requesting completion of the survey and the follow-up that will be mailed to nonrespondents.
- B. ASE Worksheet
  - Worksheet provided to respondents as an information gathering tool and also allows respondents to see the questions that will be asked prior to completing the survey electronically.
- C. Electronic Instrument Screens–
  - View of the login page in the electronic collection instrument, the burden statement, collection authority description, and purpose and uses statements that are available to the respondent.
- D. ASE Cognitive Testing Report
  - Findings from cognitive testing of the ASE questions conducted by the U.S. Census Bureau.
- E. NWBC Correspondence
  - Comments provided by the National Women’s Business Council.