

1The Census Bureau plans to conduct additional research under the generic clearance for questionnaire pretesting research (OMB number 0607-0725). In September 2016 through December 2016, staff from the Data Collection Methodology and Research Branch (DCMRB) within the Census Bureau's Economic Statistical Methods Division will be working with staff from the Economy-Wide Statistics Division to conduct cognitive testing of questions for the Annual Survey of Entrepreneurs (ASE). Title 13 of the United States Code authorizes this survey and provides for mandatory responses. The program is a supplement to the U.S. Census Bureau's Survey of Business Owners (SBO), which is conducted every five years as part of the Economic Census. The ASE is collected by the Census Bureau, and co-sponsored by the Ewing Marion Kauffman Foundation and the Minority Business Development Agency (MBDA).

The ASE, along with the SBO, provides the only detailed, comprehensive, regularly collected sources of data on the status, nature, and scope of women-, minority-, and veteran-owned businesses. The ASE provides annual estimates for the number of employer firms, sales and receipts, annual payroll, and employment by owners' gender, ethnicity, race, and veteran status. Estimates will be available for the U.S., individual states and top 50 metro areas. Among other uses, the Small Business Administration (SBA) and the MBDA use results from the ASE to assess business assistance needs and allocate available program resources. More information on the ASE and SBO can be found at <https://bhs.econ.census.gov/bhs/ase/about.html>.

The ASE is collected via a self-administered questionnaire using the Census Bureau's online survey reporting system. Respondents are mailed a letter informing them of the requirement to complete the survey and providing them with access information. Paper forms are not available, but respondents can download a PDF worksheet containing the survey questions and instructions.

The questions asked on the ASE can be described in four main sections: screener questions, business owner questions, business questions, and a module of questions whose topic changes each year. The 2016 ASE will include new questions to each of these sections. The changes being tested are described below.

- The screener section of the ASE captures background information on the business in order to determine the path respondents will follow through the questionnaire. Questions in this section include number of owners and percent of ownership. A new question asking the type of business ownership will be cognitively tested.
- In the business owner section, which captures owner demographics, a question asking the field of the highest degree of education obtained by business owners will be tested.
- Questions regarding business banking relationships, trade financing, outstanding loans, and regulatory impact will be added to the business portion of the questionnaire. The business section includes question topics such as family ownership, business aspirations, funding, profitability, customer and employee characteristics, and operations.
- The 2016 ASE module topic will be business advice and planning. Business advice questions will focus on how businesses seek advice, who provides the advice, and what

was the impact of the advice given. To capture a sense of how businesses plan, a question will be asked regarding the exit strategy in place for business owners.

DCMRB staff will conduct up to two rounds of cognitive interviews to evaluate and refine these questions. A copy of a draft interview protocol and a draft questionnaire for testing purposes are enclosed.

We will recruit and conduct interviews with up to 50 respondents across two rounds of cognitive interviews. We will recruit interview participants from a list of respondents to the 2015 ASE and/or the sampling frame provided by ASE staff. The interviews will take place in Washington, D.C. as well other metropolitan areas yet to be determined by the ASE staff. Although we anticipate that we will uncover most of the issues with the questions in the first round of testing, we may conduct a second round to test any revisions made after the initial interviews. During the interviews, respondents will answer self-administered questionnaires. We will use concurrent and retrospective probes to assess respondents' understanding of the questions and the flow of the questionnaire.

Before beginning the interviews, we will inform participants that their response is voluntary and that the information they provide is confidential. We will not be providing respondents with monetary incentives to participate in this research.

We estimate that it will be necessary to interview only one participant at each business. We estimate the length of the interviews will average one hour. We also expect to make up to five recruiting calls for every interview scheduled, and each recruiting call will last an average of five minutes. Therefore, the total estimated burden for this research is approximately 71 hours ((50 interviews x 1 hour) + (250 phone calls x 5 minutes)).

The contact person for questions regarding this research is:

Michael Brennan
Data Collection Methodology and Research Branch
U.S. Census Bureau
Washington, D.C. 20233
(301) 763-6196
michael.brennan@census.gov

Enclosures

cc.:
William Bostic (ADEP) with enclosures
Nick Orsini (ADEP) with enclosures
Kevin Deardorff (EWD) with enclosures
Aneta Erdie (EWD) with enclosures

Patrice Norman	(EWD) with enclosures
Carol Caldwell	(ESMD) with enclosures
Xi Jian Liu	(ESMD) with enclosures
Carma Hogue	(ESMD) with enclosures
Diane Willimack	(ESMD) with enclosures
Amy Anderson Riemer	(ESMD) with enclosures
Danielle Norman	(PCO) with enclosures
Jeanette Greene-Bess	(PCO) with enclosures
Paul Beatty	(CSM) with enclosures
Mary Davis	(CSM) with enclosures