

## **Generic Information Collection Request: Cognitive testing for the 2021 Annual Business Survey**

**Request:** 1The Census Bureau plans to conduct additional research under the generic clearance for questionnaire pretesting research (OMB number 0607-0725). The Census Bureau plans to conduct pretesting activities for the 2020 Annual Business Survey (ABS) Work from Home questions and potential new content for the 2021 ABS.

The ABS is conducted annually as a supplement to the economic census collected by the Census Bureau and sponsored by the National Center for Science and Engineering Statistics (NCSES) within the National Science Foundation (NSF).

The ABS provides a detailed, regularly collected source of data on the status, nature, and scope of women-, minority-, and veteran-owned businesses. The ABS provides estimates for the number of employer firms, sales and receipts, annual payroll, and employment by owners' gender, ethnicity, race, and veteran status. The ABS also provides information on research and development activity and cost for businesses with 1-9 employees and includes survey questions to measure business innovation in firms of all sizes. For the 2021 ABS, estimates will be available for the U.S., states, and select metropolitan statistical areas (MSA). Among other uses, the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) use results from the ABS to assess business assistance needs and allocate available program resources. Data collected on research and development and innovation may be used to compare R&D costs across industries, determine where R&D activity is conducted geographically, and identify the types of businesses with R&D, to contribute to the Bureau of Economic Analysis (BEA) system of national accounts; to increase investments in research and development, strengthen education, and encourage entrepreneurship; and to compare US business innovation with innovation in other countries, including those in the European Union.

The ABS is primarily 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. A preview of the questionnaire is available for respondents to download to review the survey questions and instructions. For more information regarding ABS:  
<https://www.census.gov/programs-surveys/abs.html>

**Purpose:** The ABS asks questions about the business owner(s) as well as various characteristics about the business. The 2021 ABS cognitive testing will include new potential questions. The types of questions are listed below:

- **Design** – asks about design activities within the business including monetary and personnel resources.
- **Management Practices** – asks about how service and production issues are handled, key performance indicators tracked, business targets, and training.
- **Technology** – asks about which digital technologies the business uses and /or purchases.
- **Financing** – asks about how the business was originally financed, current profitability, current debt, and sources of credit.

- **Innovation** – asks if the business has introduced new or improved goods, services and business processes. These questions were previously tested during the 2019 ABS content cognitive testing.
- **Work from Home** – asks about employee ability to work from home.
- **Operational Changes as a result of the Coronavirus Pandemic** – asks about changes to businesses during the coronavirus pandemic on sales and financial assistance.

The results from the cognitive testing will be recorded and a report produced that outlines the findings of the pretest and recommendations for improvement to questions. This report will be shared with OMB ahead of the proposed information collection request for the 2021 ABS. This report will include:

- Understanding how respondents comprehend specific questions
- Identifying respondents' use of records and/or estimation strategies for answering specific questions
- Assessing the respondent's ability to answer specific questions
- Identifying difficulties in completing the questionnaire
- Recommended changes to questions and response options to be implemented in the 2021 ABS

**Population of Interest:** Sample members from the 2019 ABS. Businesses should be representative of all sized businesses (in particular small and medium) and cover a variety of industries. Therefore all businesses selected by the Federal Reserve are included on the Census Business Register and subject to sampling for the ABS.

**Timeline:** Testing will be conducted from June through September 2020.

**Language:** Testing will be conducted in English only.

**Method:** We will conduct two rounds of cognitive interviews – 20 respondents per round for a total of up to 40 respondents in order to evaluate and refine the new and revised questions. During the interviews, respondents will answer self-administered paper questionnaires (see Attachments B). We will use concurrent and retrospective probes (see Attachment A) to assess respondents' understanding of the questions and the flow of the questionnaire.

Due to the Federal, state, and local guidance on in-person gatherings in response to the Coronavirus pandemic, interviews will be conducted over the phone. A blank draft of the proposed 2021 ABS questions will be emailed to scheduled respondents prior to the interviews (see Attachment B). Interviews will be conducted by researchers from the Data Collection Methodology and Research Branch. Staff from the NCSES and Census Bureau's Center for Economic Studies (CES) and/or Economic Reimbursable Division may observe if available. Additionally, specially sworn status members of the Federal Reserve will be assisting with recruiting companies and observing interviews.

**Sample:** We plan to conduct a maximum of 40 interviews. We plan to conduct interviews with a

variety of sizes and types (i.e., industries) of businesses. This number of interviews was selected because it is a manageable number of interviews for the time period allotted, it should adequately cover target companies, and should be large enough to provide reactions to the questions in order to identify meaningful findings.

**Recruitment:** Participants will be recruited by the Federal Reserve Atlanta office from a pool of their survey respondents. Sample composition will include approximately 70% service providers and 30% goods producers (manufacturing, mining, construction). We will attempt to recruit the broadest possible range of firm sizes, demographic mix (include women and minority-owned firms), and some share of technology dependent firms. Once interviews are scheduled, researchers will send participants a confirmation email. Before beginning the interviews, we will inform participants that their response is voluntary and that the information they provide is confidential under Title 13. Researchers will confirm that the respondents have read, understand, and agree to the contents of the consent form (see Attachment D).

**Protocol:** A copy of a draft interview protocol and a draft questionnaire for testing purposes are enclosed. Cognitive interviews will be conducted over the phone. Participants will be asked to complete the draft ABS questions. Probes will be asked concurrently. We anticipate all sessions will take 60 minutes to complete, and only one participant will be interviewed at a time.

**Use of incentive:** Monetary incentives for participation will not be offered.

**Enclosures:** Below is a list of materials to be used in the current study:

- Attachment A:** Draft protocol
- Attachment B:** 2021 ABS Draft Content
- Attachment C:** 2019 ABS worksheet
- Attachment D:** Consent Form

**Length of interview:** For cognitive interviews, we expect that each interview will last no more than 60 minutes (40 cases x 60 minutes per case = 40 hours). Additionally, to recruit respondents we expect to make up to 5 phone contacts per completed case. The recruiting calls are expected to last on average 3 minutes per call (5 attempts per phone call per completed case x 40 cases x 3 minutes per case = 10 hours). Thus, the estimated burden is 50 hours (40 hours for interviews + 10 hours for recruiting).

**Contact:** The contact person for questions regarding data collection and statistical aspects of the design of this research is listed below:

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