

Supporting Statement B
Recordkeeping and Reporting Requirements for
Employer Information Report (EEO-1)
OMB Control No. 3046-XXXX (formerly 3046-0007)

B. Collections of Information Employing Statistical Methods

1. Respondent Universe

The respondent universe for the EEO-1 survey Component 1 is defined under Title VII of the Civil Rights Act of 1964 (as amended by the Equal Employment Opportunity Act of 1972), and states that all private employers with 100 or more employees and all federal contractors with 50 or more employees who meet select criteria¹ are legally required by the EEOC regulation to submit data on the sex, race-ethnicity, and job title of their employee work force. All companies located in the District of Columbia and the 50 states that meet the criteria cited above are required to file the EEO-1 Component 1 report annually.

If the company is owned or affiliated with another company, or there is centralized ownership, control or management (such as central control of personnel policies and labor relations) so that the group legally constitutes a single enterprise, and the entire enterprise employs a total of 100 or more employees, it is also subject to EEO-1 reporting.

State and local governments,² public primary and secondary school systems,³ institutions of higher education,⁴ and labor unions,⁵ are not eligible for the EEO-1 universe, and data on these populations are collected by

¹All federal contractors (private employers), who are not exempt as provided for by 41 CFR 60-1.5, have 50 or more employees, and are a prime contractors or first-tier subcontractors, and have a contract, subcontract, or purchase order amounting to \$50,000 or more; or serve as a depository of Government funds in any amount, or a financial institution which is an issuing and paying agent for U.S. Savings Bonds and Savings Notes

² The EEO-4 survey, formally known as the State and Local Government Report, is collected in odd-numbered years from State and Local governments.

³ EEO-5, formally known as the Elementary-Secondary Staff Information Report, is collected biennially in even-numbered years.

other federal surveys. American Indian or Alaska Native tribes and tax-exempt private membership clubs other than labor organizations are exempt from reporting EEO-1 data.

There is no single source for the universe of all employers meeting the EEO-1 Component 1 filing criteria. The EEOC has maintained a frame using last year's mailing list as a starting point. Updates through commercial sources, such as Dun and Bradstreet, field investigations, and updates provided by employers are incorporated into the frame in preparation to launch the current year's collection. As of data year 2018, the EEOC estimated that approximately 87,000 establishments met the EEO-1 Component eligibility criteria.

As part of ongoing modernization efforts, the EEOC has begun work on building and maintaining a frame of eligible EEO-1 filers to ensure that the Component 1 EEO-1 frame fully represents eligible Component 1 filers. For example, in 2015, the U.S. Census Bureau's Statistics of U.S. Businesses (SUSB) estimated there were 108,943 establishments⁶ with 100 or more employees. While the methodology of the SUSBS differs from the EEO-1, in that it includes "All U.S. business establishments with paid employees,"⁷ whereas the EEO-1 excludes seasonal employees and independent contractors⁸ in determining the 100-employee eligibility threshold, the differences in how employees are counted to determine eligibility does not wholly account for the differences.

The EEOC staff will continue to utilize employment databases like Dun & Bradstreet, which is updated periodically. Currently the EEOC employs the Judy Diamond dataset to build the EEO-1 sample frame and to update Employer Identification Numbers (EIN) and NAICS codes.

Given the scope of the project, this will be a multi-year effort, but the resulting database will be actively

⁴ The National Center for Education Statistics collects data on post-secondary education through the Integrated Postsecondary Education System. See here for more information: <https://nces.ed.gov/ipeds/>

⁵ The EEO-3 Report, formally known as the Local Union Report, is a biennial survey conducted every other year in the even calendar years.

⁶ <https://www.census.gov/data/tables/2015/econ/susb/2015-susb-annual.html>

⁷ See <https://www.census.gov/programs-surveys/susb/about.html> for more information

⁸ See <https://www.eeoc.gov/employees/count.cfm> for more information

maintained through annual updates during the period between the closing of the current year's data collection and the opening of the next year's collection.

Response Rate during the Last Collection

At the start of the 2018 EEO-1 data collection, there were 80,187 eligible Component 1 filers identified. At the end of the 4-month collection cycle, the universe had increased to 87,021 eligible Component 1 filers. Of those, 80,396 completed and certified EEO-1 Component 1 data, for a final 2018 response rate of 92%.

2. Procedures for Collection of Information

The Component 1 of the EEO-1 is not a sample, and as a result does not employ sampling methods, such as weights or stratification. All employers who fit the eligibility criteria, as outlined above, are legally obligated to respond.

Eligible Component 1 employers are required to file the EEO-1 data at the company level and by establishment location. At the start of data collection, employers receive a letter from the EEOC notifying them that the Component 1 data collection has opened. The EEOC sends email blasts to EEO-1 Component 1 filers seven-to-ten days prior to the opening of the survey, notifying them of the survey's opening date. The EEOC also provides easy to follow guidance to employers to help them complete their form and submit data. In addition to the instructions provided and the materials on the website, these include an EEO-1 Survey User's Guide that contains instructions for filing via the online filing system and filing via the data upload method. The guide provides step-by-step instructions for filing for the first time, navigating the online filing system, inputting data, adding or deleting an establishment, and certifying reports.

(<https://www.eeoc.gov/employers/eeo1survey/upload/2018-EEO1-Users-Guide-Version-1-2.pdf>)

The EEO Survey public landing page is updated annually to reflect the current reporting requirements and current survey year. Updates includes posting the latest NAICS (North American Industry Classification System) codes, as well as the latest U.S. Postal Code lookup. The EEO-1 website also provide links to help users retrieve login information (<https://egov.eeoc.gov/eeo1/loginhelp>) and to access frequently

asked questions and answers
(<https://www.eeoc.gov/employers/eeo1survey/faq.cfm>)

The EEOC is moving toward a model where the Component 1 EEO-1 data collection will open in the first quarter of the calendar year and will collect snapshot data retrospective of the year that has just closed. The data reference period is from the last quarter of the previous calendar year. The EEOC plans to keep active data collection, or the time period between the data collection opening date and the published due date, open for 12 weeks. Once the published due date has passed, the EEOC will enter the non-response follow-up phase, where the EEOC will begin to reach out to non-responding eligible EEO-1 Component 1 filers and urge them to submit their data as soon as possible. This phase typically lasts 6 weeks past the published due date.

The EEOC plans to begin the 2019 EEO-1 Component 1 collection cycle in the second quarter of the 2020 calendar year, as soon as the Component 1 EEO-1 receives a renewed OMB clearance number.

As outlined in Statement A of this package, Component 1 EEO-1 filers are split into 2 categories, Type 1 and Type 2 filers. Type 1 filers represent single establishment filers, or filers doing business at one location. Type 1 filers, who represent about 40% of filers and less than 2% of business establishments will file a single Type 1 EEO-1 Report.

Type 2 filers represent multi-establishment filers, or filers doing business at multiple locations. Type 2 filers submit at least three reports – a Type 2 consolidated report,⁹ a Type 3 headquarters report¹⁰ and a Type 4¹¹ establishment report for business establishments with 50 or more employees. For establishments with fewer than 50 employees, filers can submit either Type 6¹² establishment list or a Type 8 establishment list.

⁹ Type 2 ‘Consolidated Report’ must include all employees of the company categorized by race, gender and job category.

¹⁰ The Headquarters Report must include employees working at the main office site of the company and those employees that work from home that report to the corporate office. Employment data must be categorized by race, gender and job category. A separate EEO-1 report for the headquarters establishment is required even if there are fewer than 50 employees working at the headquarters establishment.

¹¹ Type 4 ‘Establishment Report’ must be submitted for each physical establishment with 50 or more employees. Employment data must be categorized by race, gender and job category.

¹² Type 6 ‘Establishment List’ must provide the establishment name, complete address and total number of employees for each physical location where fewer than 50 employees

EEO-1 Component 1 filers can submit their data in one of three ways: via online form, data upload, or paper submission. The online form system is the most popular submission methods, and employers are strongly recommended to submit EEO-1 data electronically, either through the online filing system or as an electronically transmitted data file. The online system is designed to reduce filer's burden by pre-populating fields, when feasible. For example, Google geocoding, which was added in calendar year 2018 for the 2017 data collection cycle, is used to pre-populate addresses in the EEO-1. Each company is issued a company number by the EEOC. The data system also has embedded soft data checks, which encourage filers to confirm or correct data that falls outside of expected boundaries, e.g. if there is a 20% change in the data point, the filer will be prompted to check their data. Filers can also upload Component 1 EEO-1 data as an electronically transmitted data file. In data year 2018, just under five percent of companies chose to upload data, but the five percent represented 48% of the total establishment count.

Although employers have the option of requesting alternative data submission methods, specifically hardcopy forms,¹³ this method is discouraged. In recent years, paper submissions have been exceedingly rare. For the 2017 reporting year, only one employer submitted the EEO-1 on paper, and no employers submitted their Component 1 data via paper during the 2018 reporting year.

Filers that have previously filed a report for their business establishment(s) enter their establishment number into the online system, which brings up the online form for them to complete. In some instances, a company will add a new establishment in the current survey year instead of using the establishment number used in the prior year for a location. The establishment number follows the location regardless of year and parent company. Filers entering data for a new

are working.

¹³ 29 C.F.R. §1602.10 (2019) Employers exemption from reporting requirements. If an employer claims that the preparation or filing of the report would create undue hardship, the employer may apply to the Commission for an exemption from the requirements set forth in this part, according to instruction 5. If an employer is engaged in activities for which the reporting unit criteria described in section 5 of the instructions is not readily adaptable, special reporting procedures may be required. If an employer seeks to change the date for filing its Standard Form 100 or seeks to change the period for which data are reported, an alternative reporting date or period may be permitted. In such instances, the employer should so advise the Commission by submitting to the Commission or its delegate a specific written proposal for an alternative reporting system prior to the date on which the report is due.

establishment, or for establishments that they have not previously filed a report for, e.g. newly acquired establishments, can add a new establishment and complete the online form. Once the filer has completed reports for each establishment, the online system prompts the filer to review the consolidated report for accuracy, and to certify the reports. The online Component 1 EEO-1 form can only be submitted after all the applicable reports have been certified by the filer.

3. Methods to Maximize Response Rates

Employers have been submitting EEO-1 data for decades. They are familiar with the EEOC website and are accustomed to watching the website for notices and updates about the EEO-1 data collection as the EEOC frequently posts project updates on the website.

In addition to communication with filers through postings and routine updates on the Component 1 EEO-1 survey page, the EEOC encourages filers to participate through a series of prompts occurring throughout the collection cycle. The first prompt begins at the start of data collection when the EEOC sends letters to filers announcing the opening of data collection. This letter contains a unique log in ID (employer number) as well as a temporary password. Once they access the online system, they change the password to provide additional security. The letter also contains information about how filers can reach the EEOC if they need to report changes to their organizational structures, e.g. spinoffs,¹⁴ acquisitions¹⁵ or mergers,¹⁶ or if they need technical assistance.

Once the data collection period opens, employers receive periodic email blasts (eblasts) reminding them to complete their report. The EEOC website contains reminders and also includes links to specific instructions as well as Frequently Asked Questions. The EEOC makes a concerted effort to continue to reach out to employers via hard copy mail and email as the deadline for data submission approaches.

Historically, the EEOC worked with the survey contractor to send eblasts to filers who require technical assistance or other forms of assistance. The eblasts were typically generated after the filers submitted reports that they were unable to certify.

¹⁴ A type of divestiture, a spin-off is the creation of an independent company through the sale or distribution of new shares of an existing business or division of a parent company.

¹⁵ An acquisition is a corporate action in which a company buys most, if not all, of the target company's ownership stakes in order to assume control of the target firm.

¹⁶ A merger is a legal consolidation of two entities to form a new entity.

The EEOC also mailed ‘failure-to-file’ notices to non-responding filers. The failure-to-file notices were sent to non-respondents after the filing deadline. In the past, these notices were first sent within 45 days after the survey deadline, again within 75 days, and finally, 110 calendar days after the survey deadline.

For data collection year 2018,¹⁷ the EEOC adopted a more vigorous follow-up schedule for nonresponding filers. In addition to sending eblasts during active data collection, the EEOC adopted a model that included sending paper letters and eblasts within the 6-week period prior to the Component 1 due date (May 31, 2019).

The first wave of eblasts prompting filers to submit and certify their data began about 2 weeks prior to the published Component 1 due date. The first eblast was sent on May 20th, and it reminded filers that there were approximately 2 weeks left before the Component 1 EEO-1 data was due. The second was sent on May 27th to remind filers that the Component 1 data was due at the end of that week. The third was sent on June 3rd to notify filers that the due date for the Component 1 had passed, and filers should submit their data as soon as possible.

On June 4th, the first failure to file letter was mailed to nonresponding Component 1 filers. It mirrored the content of the June 3rd eblast prompt in that it notified filers that the Component 1 due date had passed, and they should submit their data as soon as possible. The second failure to file letter was mailed on June 21st and reiterated the information in the first failure to file letter. The final failure to file letter was mailed on July 5th, and it notified nonresponding filers that they were 30 days past the due date and they should submit their data as soon as possible.

Three more eblasts were sent between June 28 and July 10 of 2019. The June 28th eblast was directed at nonresponding filers who had previously requested an extension to submit their data. This eblast notified these filers that the extension period had expired, and they needed to submit their Component 1 data as soon as possible.

The second eblast prompting nonresponding filers to submit their Component 1 data as soon as possible was sent on July 1st.

¹⁷ The 2019 data collection opened on March 18, 2019 and closed on July 15, 2019.

The third and final prompt to nonresponding filers was emailed on July 10th. The July 10th eblast notified nonresponding Component 1 filers that the file was closing on July 15th and any data received after that date would not be incorporated in the data file.

Finally, the EEOC staff called the largest 100 nonresponding filers starting on July 10th to prompt them to submit their data by July 15th.

The follow-up procedures and schedule outlined above will become standard practice for the EEO-1 Component 1 data collection moving forward.

4. Procedures or methods undertaken

There have not been tests of procedures or methods on the EEO-1 in recent years. The EEOC is in the process of evaluating the processes and design of the EEO-1 through its modernization effort, and it will include both qualitative and quantitative research to assess the impact on burden of any revisions to the form or content. The EEOC will submit a separate request to OMB to outline any modernization plans that will impact burden. In addition, the evaluation seeks to modernize the online tool and identify improved methods for reporting that should ease the burden on employers in the future.

Since sampling methods are not used in this collection, a non-response bias analysis has not been performed. As a part of the modernization effort, the EEOC will undertake a non-response bias analysis in the coming years, in an effort to better understand the coverage of the existing frame in terms of the potential eligible universe.

5. Contact Information.

The following individuals were consulted on the statistical aspects of the EEO-1 survey:

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