

**New Small Business Pulse Survey  
During COVID-19 Pandemic**

Request for OMB Approval

**July 23, 2020**

**Supporting Statement Section A**

**The Census Bureau is currently conducting the Small Business Pulse Survey (SBPS). We've finished conducting Phase 1 of the survey which included 9 weeks of data collection. This non-substantive change request documents our plan to conduct Phase 2 of the SBPS. Phase 2 will also occur over 9 weeks starting in August and ending in October of this year. The following supporting statement is the same document submitted originally for Phase 1. We have highlighted those areas where new or revised information is presented.**

## **1. Circumstances Making the Collection of Information Necessary**

The U.S. Census Bureau requests **an extension of the** Information Collection Request (ICR) to conduct the Small Business Pulse Survey during the COVID-19 pandemic in the U.S.

The Census Bureau can provide critically needed information in this moment as the U.S. confronts unprecedented and historic challenges with the COVID-19 pandemic and its impacts on the public and businesses. The proposed survey would provide information useful in understanding how changes in business operations, employment, hours, and the availability of consumer goods and services are impacting American life.

As a non-biased, transparent, and trusted source for official government statistics, the Census Bureau is ideally suited to provide this information. The Census Bureau has the infrastructure in place to provide large-scale coverage across all non-farm single-location employer businesses. Our proposed survey will reach nearly 1M businesses with an estimated response rate of 15-20%. By contrast, private sector sources have issued surveys focused on the COVID-19 pandemic but most provide coverage in the hundreds or thousands of businesses (for example, the *Small Business Index* published quarterly by METLife and the US Chamber Commerce the *Small Business Economic Trends* collected by the National Federation of Independent Business both have about one thousand respondents). While there is minimal burden on businesses (approximately 5 minutes) to respond to the survey, anecdotally we are hearing that businesses want a mechanism to tell the federal government what they are experiencing. This survey collection provides that vehicle.

Additionally, the Census Bureau proposes this platform as a pilot to develop a capability that can be used for future economic shocks and to provide useful information in near real time to policymakers and stakeholders during the COVID-19 pandemic. Through this process, the Census Bureau will learn valuable insights about executing a high frequency data collection and dissemination program. This survey allows us to test internal processes and systems, while also gauging external interest and understanding how businesses react to such a collection. We will also gain insights about the quality of the data in high frequency collections and how it could be improved in future iterations. This may also serve as a model for a more encompassing federal statistical community collection activity.

This is a short-term, urgent endeavor designed to maximize the federal statistical system in addressing these emergent data needs. Given the rapidly changing dynamics of this situation for American small businesses, there is an acute need for data that shed light on the situation as it is unfolding. Therefore, we cannot reasonably comply with the normal clearance process.

Specifically, the Small Business Pulse Survey (SBPS) will provide timely information during the COVID-19 pandemic on small business operations. Fundamental to the SBPS are the following concepts:

- Large sample of small businesses to support geographic detail; aiming to publish data for state level and top 50 Metropolitan Statistical Areas (MSAs) estimates by sector
- Email contact to initiate the survey; reaching ~1M businesses with known email addresses
  - The sample will be split so that ~100k different respondents are selected weekly to reduce burden and survey fatigue.
- Small survey response burden (~5 min)
  - Limited number of questions, as described in Attachment D
  - Used existing relationships with staff at the Small Business Administration (SBA), the Federal Reserve Board (FRB), the Minority Business Development Agency (MBDA), and the International Trade Administration (ITA) to gather content concepts that would be useful to those stakeholders and the businesses and policymakers that they serve
- Weekly collection of information through Census's Centurion electronic collection instrument
- Timely results issued via dashboard visualization; weekly estimates produced and released weekly; longer-term products and research to show business outcomes

Content for the phase 1 proposes to capture information on concepts such as business closings, changes in employment and hours, disruptions to supply chain, and expectations for future operations. These economic data will be used to understand how changes due to the response to the COVID-19 pandemic are affecting American businesses and the U.S. economy. See Attachment A that provides screenshots from the collection instrument of the survey content.

Content for the phase 2 SBPS proposes to capture information on concepts such as business closings, changes in employment and hours, disruptions to supply chain, re-hiring laid off employees, changes in hours worked from home, operating capacity factors, and expectations for future operations. These economic data will be used to understand how changes due to the response to the COVID-19 pandemic have and continue to affect American businesses and the U.S. economy. See Attachment A that provides the survey content.

The collection is authorized under Title 13 United States Code, Sections 131 and 182.

We are seeking approval for this collection by August 9, 2020.

## **2. Purpose and Use of the Information Collection**

The purpose of conducting the Small Business Pulse Survey is to facilitate a quick turn around collection of information on how COVID-19 is impacting American businesses and the U.S. economy. We expect to publish survey results by sector and state and for the top 50 MSAs, but this is contingent on response and the ability to meet disclosure avoidance thresholds.

The Census Bureau has developed the SBPS as an experimental endeavor in cooperation with six other federal agencies. Testing this platform during the COVID-19 pandemic will allow the federal statistical system to demonstrate proof of concept with respect to the small business pulse survey platform by providing states with weekly data about the economic impacts on business operations. The ability to understand how small businesses are modifying their business models or shuttering and whether small businesses are seeking and receiving the financial assistance they need is important. This experimental survey is designed to supplement the ability of the federal statistical system to rapidly respond and provide salient information based on a high quality sample frame, data integration, and cooperative expertise.

In response to Census Bureau outreach, content was recommended by the Small Business Administration (SBA), the Federal Reserve Board (FRB), the Minority Business Development Agency (MBDA), and the International Trade Administration (ITA). Existing relationships with staff at these agencies were used to gather content concepts that would be useful to those stakeholders and the businesses and policymakers that they serve. In addition, proposed content on the survey was shared and discussed with the Associate Commissioner for Employment and Unemployment (Julie Hatch) and the Associate Commissioner for Compensation and Working Conditions (Kristen Monaco) at the Bureau of Labor Statistics (BLS). The proposed content was also shared with Mary Bohman, Acting Director and Deputy Director for the Bureau of Economic Analysis.

For phase 2 of the SBPS, content was recommended by the Small Business Administration (SBA), the Federal Reserve Board (FRB), the Minority Business Development Agency (MBDA), Office of Tax Analysis (OTA), Bureau of Transportation Statistics (BTS), National Telecommunications & Information Administration (NTIA), and the International Trade Administration (ITA). Existing relationships with staff at these agencies were used to gather content concepts that would be useful to those stakeholders and the businesses and policymakers that they serve.

Many of the questions or concepts that will be asked on this survey have been fielded on other surveys in the past. However some are new, designed to explore potential impacts associated with the COVID-19 pandemic response.

This collection will be fielded with an expectation that there will likely be changes to the questions and weighting algorithms. The first week of data collection is designed to stress test the system and collect information about response to enable the development of the programs necessary to provide estimates that are representative at the national and state level. Between week one and week two of data collection, the programs to generate the weights will be run. Simultaneous with the first week of data collection, Census will cognitively test the identified new questions, with a focus on improving the comprehension and clarity, particularly in reference to aspects of the pandemic response. The goal is to have refined questions ready to field by week 2. It is also possible that the wording of some questions may be tweaked between weeks 2 and 3 and that new questions within the already approved question domains may be added.

Census will submit all changes to the questionnaire approved for week 1 to OMB as a non-substantive change request (memo identifying changes and basis for those changes) *before* fielding those updates.

Because this is an experimental launch of the Small Business Pulse Survey platform and approach, all results will be available on the Census' [Experimental Data Products site](#). We clearly identify experimental data products and include methodology and supporting research with their release. For further discussion of the SBPS experimental data product and how the resulting data and corresponding quality will be messaged to the public, see Attachment F. Census Bureau "Guiding Principles: Experimental Statistical Products" is also found in Attachment G.

### **3. Use of Improved Information Technology and Burden Reduction**

The only method of collecting information for this survey is electronically through the Census Bureau's online reporting system, Centurion. The collection instrument is optimized for mobile response to further reduce respondent burden. We deem this the most efficient and least burdensome way to collect the information.

### **4. Efforts to Identify Duplication and Use of Similar Information**

The Census Bureau used existing relationships with staff at SBA, FRB, BLS, MBDA, ITA, OTA USDT, NTIA DOC, BTS and BEA to gather content concepts that would be useful to those stakeholders and the businesses and policymakers that they serve.

The Census Bureau has communicated broadly across the Federal Statistical Community to discuss the concern and impact of COVID-19. The Census Bureau has shared the question content as well as the intent and usage of the data collected.

### **5. Impact on Small Businesses or Other Small Entities**

The SBPS is designed to capture information from small businesses. The SBPS uses the following methods to minimize the burden:

- The collection instrument has been optimized for electronic response, including the option to respond by smartphone. This minimizes burden, such that we estimate 5 minutes or less to respond.
- All questions are checkbox responses.
- Finally, a large sample will be split over nine weeks so that businesses only receive one request during that period.

### **6. Consequences of Collecting the Information Less Frequently**

This is a weekly collection providing survey results by sector and state and for the top 50 MSAs. The Census Bureau intends to conduct the survey over the upcoming 9 weeks. If we decide that

the survey should continue for a period longer than 9 weeks, we will submit the paperwork required to formally extend this clearance.

#### **7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5**

The collection of economic information from small businesses during the COVID-19 pandemic will be conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

#### **8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency**

A. Because this is a request for an emergency clearance, the Census Bureau asks that the 60-day comment period be waived. However, a 60-day Federal Register Notice (FRN) will be published within 30 days of OMB approval. That 60-day FRN will provide notice to the public of this emergency request and afford comment on the collection.

B. The efforts to consult outside the agency are outlined below:

The Census Bureau has consulted with other federal agencies on the need for these collections, including: SBA, FRB, BLS, MBDA, ITA, and BEA to gather content concepts that would be useful to those stakeholders and the businesses and policymakers that they serve. Likewise, academia has been supportive of this new collection that relies on the Census Bureau's robust collection infrastructure and business frame.

Leveraging an existing relationship based on program evaluation, Census Bureau staff contacted Brittany Borg, Statistical Official and Director, Analysis and Evaluation Division, Small Business Administration, on March 25, 2020. Ms. Borg suggested that the SBA would be interested in where business owners are turning to for assistance, financial and otherwise. Further, she suggested that knowing about businesses plans to reopen would be useful. Ms. Borg provided concepts, which were turned into survey questions by Census Bureau staff.

Likewise, Kristen Monaco, Associate Commissioner for Compensation and Working Conditions, Bureau of Labor Statistics, provided feedback on the new collection on April 9, 2020. Specifically, questions on hours worked by paid employees will benefit BLS's productivity program, as this new data source will help BLS assess and adjust hours worked versus hours paid. The Federal Reserve Board has also indicated their support for this collection.

Mary Bohman, Acting Director and Deputy Director for the Bureau of Economic Analysis, shared benefits of the data collection on the national, international, and regional accounts on April 15, 2020. Information on businesses requesting financial assistance, including the Payroll Protection Program, by industry is potentially extremely helpful in allocating subsidies to industries and accurately measuring value added in the national accounts. Questions on supply chain disruptions, cash on hand, loan defaults and assistance, and return to normal operations also provide insights to the national accounts. For the international and regional accounts, the results may inform BEA's estimation methodologies in the long run.

For further discussion of how the new collection would provide information for other federal agencies and policymakers for use in responding to the pandemic and its aftermath, see Attachment D and Attachment E.

**9. Explanation of Any Payment or Gift to Respondents**

There are no payments or gifts provided to respondents.

**10. Protection of the Privacy and Confidentiality of Information Provided by Respondents**

The information to be collected is protected under the confidentiality provisions of Title 13 U.S.C., Section 9 and may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Respondents are informed of the voluntary nature and extent of the confidentiality of the information they report. See initial email text in Attachment I and confidentiality language found in the electronic collection instruction in Attachment A.

**11. Justification for Sensitive Questions**

The information to be collected is not of a sensitive nature and does not concern matters that are commonly considered private.

**12. Estimates of Annualized Burden Hours and Costs**

Estimates of Burden Hours

Survey	Number of Respondents	Collection Periods	Total Number of Responses	Average Burden Per Response	Total Burden (in hours)
SBPS	940,588	1 (week)	940,588	6 min.	94,056
SBPS Cognitive Testing	40	1 (week)	26 interviews for round 1, 14 interviews for round 2	45 min	30
<b>Total</b>	<b>940,713</b>		<b>940,713</b>		<b>94,086</b>

## Estimates of Cost Burden

Survey	Total Burden Hours	Hourly Wage Rate	Respondent Cost
SBPS	94,056	34.40	3,235,526
SBPS Cognitive Testing	30	34.40	1,032
<b>Total</b>	<b>94,086</b>		<b>\$ 3,236,558</b>

The estimate of average burden per response is based on expert review of the proposed questions. The hourly wage information is taken from BLS's *Occupational Outlook Handbook* for the accountants and auditors occupation.<sup>1</sup>

### 13. Estimate of Other Total Annual Cost Burden to Respondents or Record Keepers

There are no other annual costs to respondents or record keepers.

We do not expect respondents to incur any costs other than that of their time to respond.

### 14. Cost to the Federal Government for 180 Days

The governmental cost to produce phase 1 of the SBPS was estimated at approximately \$336,274, all paid from Census Bureau appropriations. This estimate includes the cost for such things as data collection, processing, review of tabulated data, publication, equipment, overhead, printing, support staff, etc. Given our experience with phase 1 of the SBPS, phase 2 is estimated to cost approximately \$1,000,000.

### 15. Explanation for Program Changes or Adjustments

This collection is submitted as a new collection.

### 16. Plans for Tabulation and Publication and Project Time Schedule

The Census Bureau envisions short, medium, and longer-term applications of the SBPS data. First, in the short-term data tabulations and visualizations will be disseminated within approximately 3 weeks of the reference period and weekly beyond that. Second, in the medium term, research data products linking census, survey and/or administrative records data to SBPS responses will be created to more fully understand and provide context for the SBPS data. Last, in the long term the SBPS linked data will be used to understand the relationship between these

<sup>1</sup> <https://www.bls.gov/oooh/business-and-financial/accountants-and-auditors.htm> (accessed July 20, 2020)



types of questions and important business outcomes including employment, productivity, growth, and survival in order to understand whether this platform can be used in real time to extract meaningful, policy relevant information. In the long term is when it will also be useful to link SBPS data to any program evaluation research.

Data will be represented in a user-friendly graphical format and available at <https://www.census.gov/businesspulsedata> as a featured experimental data product. All tabulations, including those for which visualizations are not created, will be downloadable so that users may create their own reports or visualizations. Users of the tabulations and visualizations may include policy makers within the above mentioned agencies as well academic experts and the media. The first publication of visualizations will not be available until week 2, as we will not close the processing cycle for week 1 until week 2. After week 2, we will establish a weekly publication cycle. See Attachment B with mockup visualizations as an example.

Data collected through the Census Bureau's Centurion electronic instrument will be delivered as an XML file to our master control system where a PHP application parses and inserts data into an Oracle database. From there, the data are packaged into JSON file(s) that can easily be consumed by the data visualization front end. Visualizations will be updated weekly. A time stamp will be included on the visual for user reference. Other technologies used to render the data include: HTML5, CSS3, JavaScript, and several JavaScript libraries.

Research data products will potentially allow us to provide more detailed information about the businesses during the COVID-19 pandemic without creating additional reporting burden on small business owners. For example, linking the SBPS to the Annual Business Survey, which includes detailed information about the gender, race, and veterans status of business owners, will allow the Census Bureau to provide data on any differential impacts by these characteristics. Linking the SBPS to our data infrastructure will allow us to control for business size, age, access to credit before the pandemic, and other characteristics of businesses and their owners when measuring the effect of changing business conditions due to the pandemic on small businesses.

In the longer term, the Census Bureau will use the linked SBPS to understand whether low burden, high frequency collections such as the SBPS are predictive of future state business outcomes. For example, if business applied for but did not receive federal assistance is this a significant predictor of that business's future growth or survival? Because some of the business outcomes we are interested in are potentially longer term than the survey, we cannot fully evaluate the usefulness of the SBPS in the short or medium terms.

Data from this survey will be released as experimental. Experimental data products are innovative statistical products created using new data sources or methodologies that benefit data users. Census Bureau experimental data may not meet all of our quality standards. Because of this, we clearly identify experimental data products and include methodology and supporting research with their release. For further discussion of the SBPS experimental data product and how the resulting data and corresponding quality will be messaged to the public, see Attachment F. Census Bureau "Guiding Principles: Experimental Statistical Products" is also found in Attachment G.

**17. Reason(s) Not to Display OMB Expiration Date**

Not applicable.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

There are no exceptions to the certification.

List of Attachments

- A. Content from Small Business Pulse Survey
- B. Small Business Pulse Survey Data Visualization (dissemination webpage) Screenshots
- C. Small Business Pulse Survey Respondent Landing Page
- D. Crosswalk of Survey Content and Agency Requesting Item
- E. Small Business Pulse Survey Content and Uses
- F. Small Business Pulse Survey: Communicating Data Quality and Treatment as Experimental Data Product
- G. Guiding Principles: Experimental Statistical Products
- H. Small Business Pulse Survey Methodology
- I. Small Business Pulse Survey Initial Emails - version for respondent and non-respondent
- J. Small Business Pulse Survey Due Date Reminder Emails - version for respondent and non-respondent
- K. Small Business Pulse Survey Data Landing Page