

**Small Business Pulse Survey
During the Coronavirus Pandemic**

Request for OMB approval

March 17, 2021

Supporting Statement Section A

The Census Bureau is currently conducting the Small Business Pulse Survey (SBPS). We've finished conducting Phase 3 cycle 2 (Phase 4) of the survey, which included 9 weeks of data collection. *Note: The two previous Phases were referenced as "Phase 3 Cycle 1" and "Phase 3 Cycle 2". The Census Bureau referenced "Phase 3 Cycle 2" as Phase 4 in all instances, except for the OMB clearance. In the interest of consistency across The Census Bureau and The Office of Management and Budget we are calling this next Phase, "Phase 5" in all documentation.*

This revision request documents our plan to conduct Phase 5 of the SBPS which will also occur over 9 weeks starting on May 17th, 2021 and ending on July 18, 2021. The following supporting statement is the same document submitted originally for Phase 3 cycle 2 (Phase 4). We do not have any changes to the content from the previous Phase, aside from adding two categories for response to questions 15 and 16.

1. Circumstances Making the Collection of Information Necessary

The U.S. Census Bureau requests a revision to the Information Collection Request (ICR) to conduct Phase 5 of the Small Business Pulse Survey during the Coronavirus pandemic in the U.S.

On April 22, 2020, the Office of Management and Budget authorized clearance of an emergency Information Collection Request (ICR) to the U.S. Department of Commerce, U.S. Census Bureau to conduct the Small Business Pulse Survey (SBPS). The emergency clearance enabled the Census Bureau to collect urgently needed data on the experiences of American small businesses as the coronavirus pandemic prompted business and school closures and widespread stay-at-home orders.

The emergency clearance for the Small Business Pulse Survey expired on October 31, 2020. In anticipation of a continuing need for Small Business Pulse Survey data, the Census Bureau is putting forward this request through normal (non-emergency) clearance channels for the purposes of continuing the survey beyond the emergency clearance expiration.

The continuation of the Small Business Pulse Survey is responsive to stakeholder requests for high frequency data that measure the effect of changing business conditions during the Coronavirus pandemic on small businesses. While the ongoing monthly and quarterly economic indicator programs provide estimates of dollar volume outputs for employer businesses of all size, the Small Business Pulse Survey captures the effects of the pandemic on operations and finances of small, single location employer businesses. As the pandemic continues, the Census Bureau is best poised to collect this information from a large and diverse sample of small businesses.

It is hard to know a priori when a shock will result in economic activity changing at a weekly, bi-weekly, or monthly frequency. Early in the pandemic, federal, state, and local policies were moving quickly so it made sense to have a weekly collection. The problem is that while we are in the moment, we cannot accurately forecast the likelihood of policy action. In addition, we are not

able to forecast a change in the underlying cause of policy actions: the effect of the Coronavirus pandemic on the economy. We cannot predict changes in the severity of the pandemic (e.g., will it worsen in flu season?) nor future developments that will alleviate the pandemic (e.g., vaccines or treatments). In a period of such high uncertainty, the impossibility of forecasting these inflection points underscore the benefits of having a weekly survey. For these reasons, the Census Bureau is requesting approval to proceed forward with a weekly collection; however, the weekly collection will occur in cycles of 9 weeks at a time with breaks of at least 4 weeks in between to perform an evaluation.

For the purposes of referencing prior ICRs, we refer to the initial approval by OMB to conduct the Small Business Pulse Survey as “Phase 1” (April – June, 2020), the second approved clearance as “Phase 2” (August 2020– October, 2020), and the third as “Phase 3 Cycle 1” (November 2020 – January 2021) and “Phase 3 Cycle 2” (February – April 2021). This ICR requests regular (non-emergency) approval to conduct “Phase 5”, starting May 17, 2021 and ending July, 18 2021. Then, the Census Bureau plans for a break of at least 4 weeks to afford for evaluation of that cycle and of potential changes to and need for another cycle. The Census Bureau will perform an evaluation of the continued need and relevance of the existing content, and weigh its findings with any additional content proposed by other agencies. Because the Census Bureau’s goal is to keep the participant burden very low to encourage response, the Bureau will give priority to questions that generate data that are most suited to and consistent with the unique purpose and design of the SBPS. The Census Bureau will submit a request to OMB including 30 days of public comment announced in the Federal Register to receive approval to make any substantive revisions to the content or methods of the SBPS subsequent to the end of the first cycle proposed for Phase 5, ending July 18, 2021. In circumstances that meet the requirements for Emergency Clearance under 5 CFR 1320.13, Census may request OMB approval to receive public comment concurrent with the collection of new or revised items or methods.

The Census Bureau commits to continuous evaluation of the need for the continuation of the survey in response to the coronavirus pandemic in consultation with OMB. Therefore, the Census Bureau seeks a 3 year clearance, but anticipates that the clearance will not be needed for the full 3 years.

Phase 1 of the Small Business Pulse Survey was launched on April 26, 2020 as an effort to produce and disseminate high frequency, geographic and industry detailed experimental data about the economic characteristics of small businesses as they experience the coronavirus pandemic. It is a rapid response endeavor that leverages the resources of the federal statistical system to address emergent data needs. Given the rapidly changing dynamics of this situation for American small businesses, the Small Business Pulse Survey has been successful in meeting an acute need for information on changes in revenues, business closings, employment and hours worked, disruptions to supply chains, and expectations for future operations. In addition, the Small Business Pulse Survey provided important estimates of federal program uptake to key survey stakeholders.

In Phase 1, the Census Bureau worked in collaboration with six other Federal agencies to develop questionnaire content. Subsequently, the Census Bureau was approached by other

Federal agencies with requests to include additional content to the Small Business Pulse Survey for Phase 2. Understanding that information needs are changing as the pandemic continues, the Census Bureau proposed a revised questionnaire to ensure that the data collected continue to be relevant and broadly useful. Also in Phase 2, the Census Bureau refined its strategies for contacting businesses in a clear and effective manner while motivating their continued participation. Content for the Phase 3 Cycles 1 and 2 of the Small Business Pulse Survey proposed to capture information on concepts such as business closings, changes in revenue, changes in employment and hours, disruptions to supply chain, operating capacity factors, and expectations for future operations. These economic data were used to understand how changes due to the response to the Coronavirus pandemic have affected and continue to affect American businesses and the U.S. economy. Content for Phase 5 will remain the same as was previously published in Phase 3 Cycle 2 (Phase 4), with two minor additions of response categories (“Restaurant Revitalization Fund” and “Shuttered Venue Operators Grants”) added as options in questions 15 and 16.

Anticipating that businesses will continue to be affected by the pandemic, the Census Bureau plans to move forward with a Phase 5 as proposed in this ICR. The Census Bureau proposes to use the same questionnaire as in Phase 3 (see Attachment A) to provide insight into core economic concepts that remain relevant to capturing effects of the pandemic. The language we propose to use to contact respondents, including invitations to participate via email, is in Attachment B. Acknowledging that circumstances may evolve and information needs on specific topics may intensify, change or diminish over time, the Census Bureau may propose revisions to the questionnaire via the process described previously.

Federal counterparts from the Small Business Administration (SBA) and the Federal Reserve Board (FRB) have shared their continued support and need for data from the Small Business Pulse Survey. Additionally, the Minority Business Development Agency (MBDA) provided a list of questions they would like to include in future iterations of the survey, based on their own data needs. We appreciate the feedback and are looking at ways to incorporate in Phase 6.

The Census Bureau will continuously monitor the current economic climate and will use the following criteria to determine the need for additional or revised data collection: 1) is there a pandemic underway that is affecting economic conditions related to small businesses? 2) are there measures being put in place by the U.S. government (e.g., additional aid or assistance programs like the CARES Act or Main Street Lending Program) that would have an effect on small businesses? 3) are there new developments - like a vaccine or new treatments - that would have an effect on small business operations? 4) are there seasonal changes that which would have an effect on small business operations, e.g., cold weather which would limit outdoor options for restaurants and bars? 5) are there other uncertainties that would have an effect on small businesses?

Content for the Phase 5 of the Small Business Pulse Survey proposes to capture information on concepts such as business closings, changes in revenue, changes in employment and hours, disruptions to supply chain, operating capacity factors, and expectations for future operations. These economic data will be used to understand how changes due to the

Coronavirus pandemic have affected 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 May 3, 2021.

2. Purpose and Use of the Information Collection

Phase 5 of the Small Business Pulse Survey will continue in cooperation with other federal agencies to produce near real-time experimental data to understand how changes due to the response to the coronavirus pandemic are affecting American small businesses and the U.S. economy.

The Phase 5 survey proposes to carry forward questionnaire content from Phase 3 Cycle 2 (Phase 4). Content has been provided by the Census Bureau (Census), Small Business Administration (SBA), Federal Reserve Board (FRB), Minority Business Development Agency (MBDA), Office of Tax Analysis (OTA), Bureau of Transportation Statistics (BTS), National Telecommunications and Information Administration (NTIA), Bureau of Labor Statistics (BLS), and International Trade Administration (ITA). Domains include business closings, changes in employment and hours, disruptions to supply chain, changes in capacity, finances, and expectations for future operations.

The historical circumstances of the pandemic and uncertainty about how it may or may not continue to affect businesses over the period of Phase 5 drives the need for flexibility in Phase 5 of the SBPS. If needed, the Census Bureau would revise, remove or add questionnaire content during this phase to remain relevant in guiding the nation's response and recovery and seek approval from OMB through the process described previously.

All results from the Small Business Pulse Survey will continue to be disseminated as U.S. Census Bureau Experimental Data Products (<https://portal.census.gov/pulse/data/>). This and additional information on the Small Business Pulse Survey are available to the public on census.gov and can be found in Attachment F.

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 leveraged existing relationships with or were contacted by interested staff at SBA, FRB, BLS, MBDA, ITA, OTA, NTIA, BTS, and BEA. These subject matter experts provided content concepts that would be useful to those stakeholders and the businesses and policymakers that they serve. Content was provided to the Census Bureau rather than the other federal agencies initiating collections of their own. Agencies report the continued need for data that provide insight into the effect of the pandemic on small businesses.

The Census Bureau has communicated broadly across the Federal Statistical Community to discuss the concern about and effects of the coronavirus pandemic. The Census Bureau has shared the question content as well as the intent and usage of the data collected.

Furthermore, while some of the content from the SBPS is collected through monthly or quarterly surveys, these surveys provide estimates of dollar volume outputs for employer businesses of all sizes. In contrast, the SBPS captures the effects of the pandemic on operations and finances of small, single location employer businesses. Data on small businesses is also captured less frequently through the Annual Business Survey.

5. Impact on Small Businesses or Other Small Entities

The SBPS is designed to capture information from small businesses. It 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 6 minutes or less to respond. Estimate is based on median time to survey completion from Centurion data.
- All questions are checkbox responses.
- Finally, a large sample will be split over the collection cycle so that businesses only receive one request over a nine week (plus 4 week gap) period.

6. Consequences of Collecting the Information Less Frequently

The effects of the coronavirus pandemic continue, and as such, it would be imprudent to cease administration of the Small Business Pulse Survey at the end of April, 2021 when the emergency clearance expires. This ICR requests regular (non-emergency) approval to conduct "Phase 5", starting May 2021. Continuing this collection helps track changes since the early days of the pandemic in the U.S. (April 2020) and inform recovery from this unprecedented experience for our country.

The Census Bureau has determined the need to collect Small Business Pulse Survey data weekly. It is hard to know a priori when a shock will result in economic activity changing at a weekly, bi-weekly, or monthly frequency. Early in the pandemic, federal, state, and local policies were moving quickly so it made sense to have a weekly collection. The problem is that while we are in the moment, we cannot accurately forecast the likelihood of policy action. In addition, we are not able to forecast the likelihood of a change in the underlying cause of this: the path of coronavirus

pandemic. We don't know paths about coronavirus pandemic itself (will it worsen in flu season?) and we don't know paths about alleviating coronavirus pandemic (vaccine, etc.). In such a period of such high uncertainty, there are benefits to having a weekly survey.

7. Special Circumstances

Relating to the Guidelines of 5 CFR 1320.5

Collection of these data is conducted in a manner consistent with the guidelines in 5 CFR 1320.5 with the exception that we request responses in fewer than 30 days. The data are needed quickly in order to provide timely statistical products on a weekly basis.

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

As a condition of receiving OMB's 180-day emergency clearance on April 22, 2020, the Census Bureau published a 60-day Federal Register Notice informing the public of the Small Business Pulse Survey on May 19, 2020. In response to this Notice, the Census Bureau received two comments from organizations and one from a private citizen. The comments are available in Attachment G, and summarized as follows:

- All three comments offered positive feedback conveying appreciation for the Census Bureau's efforts to collect near real-time data about the effects of the pandemic on small businesses, as well as recommended the collection be extended not only to provide vital information but to test innovative ways of collecting and producing high frequency data.
- One comment specifically recommended response mode and contact strategies for the SBPS to better capture responses from the Latino small business sector.
- Another comment specifically recommended including a series of ten questions about the effectiveness of the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act and PPP Flexibility payments.

The Census Bureau appreciates the feedback received and has taken these important comments and recommendations under advisement. As indicated above, the Census Bureau proposes to use the same instrument for Phase 5 as it used for Phase 3 Cycle 2 (Phase 4), with the addition of two new response categories for questions 15 and 16. The Census Bureau commits to continue evaluation of the proposed content and the collection, design, and dissemination methods, and will take the information from these comments under advisement during those evaluations. It is the goal of the Census Bureau and its Federal agency partners contributing to this effort that the survey continues to meet as broad a range of data needs as possible while managing respondent burden. Any additions or revisions to the content, collection, or design will be requested through the process described previously.

The burden hours that we presented in May 19, 2020 have since been refined to 73,920. See Section 12 for more details.

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 B and confidentiality language found in the electronic collection instruction in Attachment A.

11. Justification for Sensitive Questions

The Census Bureau does not deem any content to be of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

The Census Bureau estimates that, for the average small business respondent, this survey will take about 6 minutes to complete, including the time for reviewing the instructions and answers. In its efforts to ensure questionnaire items are sound and remain relevant, the Census Bureau estimates an additional 120 burden hours for cognitive testing/web probing.

We anticipate contacting approximately 100,000 respondents per week and receiving approximately 22,500 responses per week for up to a maximum of 36 weeks of collection each year. Our estimate of number of responses per week is based on an average response rate from Phase 3. We have based our burden hours calculations on the number of anticipated responses per week, not the total number of respondents contacted. Therefore, we estimate the total annualized burden for Phase 5 to be 81,000 hours (22,500 x 36 x .1 hours = 81,000). We estimate the total annualized cost of the respondents' time to complete this survey to be \$2,786,400 (81,000 hours x \$34.40 per hour).¹

Respondents	Annual Responses	Time per Response	Total Burden Hours
810,000	810,000	6 minutes	81,000

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

¹ <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (accessed October 26, 2020)

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

14.

Cost to the Federal

Government

The maximum annualized government cost for this continuation of the Small Business Pulse Survey is approximately \$2,000,000 paid from Census Bureau appropriations. Costs for the survey have been refined since the onset of the survey in April 2020. The cost for nine weeks of data collection in Phase 1 was understated at \$336,274, while the cost for Phase 2 was estimated at \$1,000,000. As we developed more precise cost estimates using internal operational data, we have refined the estimates. **The Phase 5** projected cost is an annual operations and maintenance cost, which may fluctuate slightly if we develop efficiencies or make improvements such as the addition of or changes to content, collection and processing infrastructure, security requirements, or dissemination tools.

15.

Explanation for Program

Changes or Adjustments

The Census Bureau seeks to conduct **Phase 5** of the Small Business Pulse Survey in recognition of the continued pandemic and the degree to which the data have been used to understand small business experiences during this period. **Phase 5 will continue using the same approach as in Phase 3 Cycle 2 (Phase 4), with the two additional response categories mentioned earlier.** However, this survey remains experimental and changes to content, collection methods, design, and dissemination can be expected as the Census Bureau continues to learn and refine its methods. Data are expected to be collected for 7 days, and released on a weekly cycle.

The Census Bureau, its partner agencies or data users may determine that changes in content, contact strategies or methodology are warranted – to make the data more useful, or to make the survey more efficient and/or less burdensome. In this case, the Census Bureau will propose the change(s) to OMB through the process described previously. The Census Bureau is committed to continuous improvement through the life of the survey, and ensuring that data remain informative and relevant as communities manage dimensions of life impacted by the pandemic.

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 weekly within approximately 1 week of the reference period. 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 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 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.

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 coronavirus 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 sex, race, and ethnicity of business owners, will allow the Census Bureau to provide SBPS estimates by these owner 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, including Census Bureau "Guiding Principles: Experimental Statistical Products," see Attachment E.

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. Small Business Pulse Survey Questionnaire
- B. Small Business Pulse Survey Respondent Landing Page, Initial Emails, and Due Date Reminders
- C. Small Business Pulse Survey Content and Uses
- D. Small Business Pulse Survey Methodology
- E. Small Business Pulse Survey Communicating Data Quality and Treatment as Experimental Data Product
- F. Small Business Pulse Survey Data Landing Page and Visualizations
- G. Comments in Response to the Federal Register Notice