

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

Request for OMB approval

**September 9, 2021**

**Supporting Statement Section A**

**The Census Bureau is currently conducting the Small Business Pulse Survey (SBPS).**

**This revision request documents our plan to conduct data collection for SBPS Phase 7, which will occur over nine weeks starting on Monday, November 15, 2021 and ending on Sunday, January 16, 2022. The following supporting statement is the same document submitted originally for Phase 6. 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 a revision to the Information Collection Request (ICR) to conduct **Phase 7** of the Small Business Pulse Survey during the Coronavirus pandemic in the United States.

On April 22, 2020, the Office of Management and Budget authorized clearance of an emergency (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 worked with OMB to obtain a three-year approval on October 31, 2020. This request follows the terms of clearance in providing purpose to continue Small Business Pulse Survey with updated relevant content.

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 now shifts to a different stage with new business norms, the Census Bureau is still best poised to collect this information from a large and diverse sample of small businesses.

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 – October, 2020), and the third as “Phase 3” (November 2020 – January 2021) and “Phase 4 ” (February – April 2021), “Phase 5” (May 2021- July 2021), **“Phase 6” (Aug 2021- Oct 2021)**. This revision requests regular (non-emergency) approval to conduct **“Phase 7”, starting Monday, November 15, 2021 and ending on Sunday, January 16, 2022**. The Census Bureau will then break from data collection for 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 Census 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.

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 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 and later phases. 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.

SBPS Phase 3 and Phase 4 content captured 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. We continue to improve respondent materials as lessons learned are conducted after each phase.

SBPS Phase 5 content remained the same as Phase 4, with two minor additions of response categories (“Restaurant Revitalization Fund” and “Shuttered Venue Operators Grants”) by request of the Small Business Administration. These new categories were added to questions 15 and 16, which inquire about requested and received financial assistance. These economic data continued to be 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.

SBPS Phase 6 content includes core concepts as previous phases, such as overall impact, business closures/openings, revenue and employment changes, and expectations while also including questions relevant to economic recovery and new business norms. Questions 11-14 are newly developed content for Phase 6 and are subjective rather than quantitative by design. The goal is for the respondent to provide their own context based on their discretion.

In the event of a pandemic reoccurrence scenario, the Census Bureau would shift to utilize previous and existing content for Phase 6. In anticipation that recovery questions will be

utilized, we completed two rounds of cognitive testing, starting on May 3, 2021 and ending on May 25, 2021. OMB approved the Phase 6 cognitive testing on April 30, 2021. An additional flash round of cognitive testing was completed from Monday, June 21 – Wednesday, June 23<sup>rd</sup> to satisfy a late content request from the International Trade Administration. Please see cognitive testing attachments that were submitted to OMB via email as ROCIS was tied up with phase 5 approval.

SBPS Phase 7 content includes the core concepts seen throughout the SBPS previous phases, such as overall impact, business closures/openings, revenue and employment changes, workplace vaccine and testing requirements, and business outlook. New business norms questions 14 -16 were introduced for phase 6 and will continue to Phase 7. Based on feedback from the Department of Commerce’s chief economist, another new business norm question was developed. Question 17 was developed to capture business changes not included in question 14-16. The responses to the new question are captured through a select all that apply. Please see Attachment A for question details and cognitive testing results. Additionally, in anticipation of potential pandemic reoccurrence with economic impact on small businesses, we have included the previous cash on hand question. To balance out the questionnaire with these new additions, we removed the question inquiring about revenues from exports and the open-ended question with 1000 characters. The remarks field at the end of the survey will still be present.

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

We are seeking formal approval for Phase 7 one week prior to starting data collection, by Friday, November 5, 2021.

## 2.

## Purpose and Use of the

### Information Collection

Phase 7 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.

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), International Trade Administration (ITA), and the US Department of Health and Human Services’ Administration for Children and Families (ACF). 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 upcoming months drives the need for flexibility 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, BEA, and HHS. 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 and recovery 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 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?, will there be a variant?) 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 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. 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.

**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 3 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 5. 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 7** 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).<sup>1</sup>

**13. Estimate of Other Total Annual Cost Burden 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**

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 7 projected cost is approximately \$633,999.** This cost 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 7 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. 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

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



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".

17.

**OMB Expiration Date**

Not applicable.

**Reason(s) Not to Display**

18.

**Paperwork Reduction Act Submissions**

There are no exceptions to the certification.

**Exceptions to Certification for**

**List of Attachments**

- A. Cognitive Testing Attachments
  - a. Cognitive Testing Summary for Phase 7.docx
- B. SBPS Phase 7 questionnaire