

**U.S. Department of Commerce
U.S. Census Bureau
OMB Information Collection Request
Business Trends and Outlook Survey
OMB Control Number 0607-XXXX**

Supporting Statement Part A. – Justification

1. Necessity of Information Collection

The mission of the U.S. Census Bureau (Census Bureau) is to serve as the leading source of quality data about the nation's people and economy; in order to fulfill this mission, it is necessary to innovate to produce more detailed, more frequent, and more timely data products. The Coronavirus pandemic was an impetus for the creation of new data products by the Census Bureau to measure the pandemic's impact on the economy: the Small Business Pulse Survey (SBPS) (*OMB Number: 0607-1014*) and the weekly Business Formation Statistics. Policymakers and other federal agency officials, media outlets, and academia commended the Census Bureau's rapid response to their data needs during the largest economic crisis in recent American history. The Census Bureau proposes to capitalize on the successes that underlie the current high frequency data collection and near real time data dissemination that have been engineered for the SBPS. The proposed Business Trends and Outlook Survey (BTOS) will be an ongoing collection that will allow for high frequency, timely, and granular information about current economic conditions and trends as well as the impact of national, subnational, or sector-level shocks on business activity. The proposed BTOS will also allow the Census Bureau a mechanism for providing more detailed data during times of economic or other emergencies. Thus, the Census Bureau is requesting three years of approval from OMB to conduct the BTOS.

The BTOS will increase the scope of the Small Business Pulse Survey¹ to include large employer businesses (those with 500 or more employees), multi-unit businesses (those with establishments in more than one location), and nonemployer businesses (those with no paid employees); it will also include the U.S. Island Areas in addition to Puerto Rico. As with the SBPS, the BTOS will include most non-farm sectors of the U.S. economy. The BTOS will incrementally build on the success of the SBPS and will be implemented using components of the current SBPS platform. The first stage of the BTOS will be an expansion of the SBPS to include the addition of large single unit employer businesses, to be followed by the addition of multi-unit businesses, and then nonemployer businesses. The BTOS will ultimately produce high frequency statistics across most non-farm sectors of the U.S. economy, with estimates by sector, state, state by sector, sub-sector, the largest fifty Metropolitan Statistical Areas (MSA) by population size, employment size, and employer status. As with other Census Bureau data products, detailed methodology and measures of

¹ The Small Business Pulse Survey was limited to single location employer business (single-unit businesses) with fewer than 500 employees and included Puerto Rico as well as the 50 U.S. states and the District of Columbia. The BTOS will expand the coverage of the SBPS to include all the U.S. Island Areas (American Samoa, Guam, the Commonwealth of the Northern Marianas Islands, Puerto Rico, and the U.S. Virgin Islands).

quality will be published for BTOS data products. BTOS products will be based on representative samples drawn from the full universe of businesses, making them unique and the results reliable when compared to other high frequency business survey data such as those produced in the private sector.

The Census Bureau proposes an incremental path to the proposed final scope of the BTOS in order to learn at each implemented stage and to allow for modifications based on lessons learned or internal/external stakeholder feedback in prior iterations. 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 proposed survey, including the incremental scope changes discussed above.

The Census Bureau published a notice in the Federal Register on November 9, 2021 soliciting public comments on our plans to conduct the BTOS. That notice referred to the survey as the Business Pulse Survey. The name of the survey has since been changed to Business Trends and Outlook Survey with the acronym BTOS.

This collection is authorized under Title 13 U.S.C., Sections 131 and 182.

2. **Needs and Uses**

The BTOS will be a new survey with bi-weekly data collection and publication; estimates produced from the BTOS will initially be released as experimental data products. The SBPS demonstrated the ability of the Census Bureau to collect and publish high frequency, timely data during a national economic emergency. The BTOS will capitalize on this success and provide regularly occurring high frequency data products and measures of quality based on national and subnational representative samples using transparent methodology. The BTOS will produce data continuously, in part as a response to feedback on the SBPS that longer time series would have been useful to contextualize the pandemic impact. Continuous data will allow for the measurement of economic trends during all phases of the business cycle as well as during times of economic and other emergencies. The BTOS will uniquely provide the ability to produce these data and associated measures of quality.

The BTOS data series will provide insight on the state of the economy, prior to and during an event (including but not limited to natural disasters or economic crises) and will assist in monitoring the recovery from the event. It will also be useful in understanding aggregate and subaggregate changes in economic trends throughout the business cycle. BTOS data may be used by elected officials, government program officials, policy makers, industry leaders, economic and social analysts, business entrepreneurs, business and economic news organizations, and domestic and foreign researchers in academia, business, and government.

The BTOS will allow for a large number of data products that are complementary to the Census Bureau's existing monthly and quarterly economic indicator programs which provide estimates of contemporaneous economic activity at the national sector level. The BTOS will produce complementary disaggregate contemporaneous data as well as data that reflect the outlook of businesses. The BTOS will be complementary to the Census Bureau's existing

annual programs, serving as a platform through which trends and data gaps may first be identified for subsequent inclusion in annual programs.

The BTOS instrument will include core and supplemental content. Core content will form the basis of the instrument and run continuously; core content will include measures of economic activity that are applicable across all non-farm sectors and are important across the business cycle and during economic or other emergencies. Supplemental content will be included on the instrument with a regular periodicity and will be designed to provide urgently needed data on an emerging or current issue.

Core concepts for the BTOS will be selected based on research and analysis conducted during the SBPS, stakeholder feedback, and the ability to collect complementary items on monthly, quarterly, annual, or census programs to provide context and benchmarking.

Attachment A provides the current draft of questions.

Initially, all data products will be accessible through the Census Bureau's [Experimental Data Products site](#). Experimental data products are clearly identified and include methodology and supporting research with their release.

Information quality is an integral part of the pre-dissemination review of the information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to the information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. Use of Information Technology

BTOS data will be collected via an electronic reporting instrument. Businesses will receive an invitation to respond via email or letter. The email will provide a direct link to the secure electronic reporting system, Centurion. The collection instrument will be optimized for mobile response to further reduce respondent burden and increase participation. The respondent will navigate through the electronic reporting instrument by responding to each screen presented. Respondents will be able to view a PDF of the questions prior to logging into the instrument. Once a respondent has completed the online survey, a PDF copy of their responses may be printed or saved for business records.

4. Efforts to Identify Duplication

The Census Bureau leveraged relationships established during the creation of the SBPS to gain insight into the usefulness of the proposed collection from program and research staffs at the Administration for Children and Families, Department of Housing and Human Services; the Bureau of Economic Analysis; the Bureau of Labor Statistics; the Bureau of Transportation Statistics; the Federal Reserve Board of Governors; the International Trade Administration; the Minority Business Development Agency; and the Small Business Administration. Generally, representatives noted the benefits provided by the SBPS as well

as provided recommendations for improvement for the new proposed program; the Census Bureau interprets these remarks as support for the proposed products of the BTOS.

The Census Bureau will continue to engage in communication with the Bureau of Labor Statistics on the Quarterly Census of Employment and Wages Business Supplement (QBS): Business Response to the Coronavirus Pandemic survey to ensure that the collection of data under that program and the BTOS remain complementary and not duplicative.

The Census Bureau has communicated to the federal statistical community through meetings of the Interagency Council on Statistical Policy of the intentions to create the BTOS using the SBPS as starting point.

5. **Minimizing Burden**

On average, the Census Bureau estimates the BTOS will take 8 minutes or less to complete. The BTOS will use the following methods to minimize respondent burden:

- Respondents will receive a letter or email invitation with a direct link to complete the survey.
- The collection instrument will be optimized for electronic response, including the option to respond from a mobile device.
- Most of the questions are qualitative, with checkbox responses to limit burden and maximize response.
- Generally, questions will not require accessing business records.
- A large panel sample will be rotated over 12 weeks so that businesses only receive one request every 12 weeks.
- A large panel sample will be split over 12 weeks so that businesses only receive one survey request every twelve weeks. Each panel sample will only be used for up to one year (52 or 53 weeks), so businesses will receive a survey request four or five times per year while in sample.

6. **Consequences of Less Frequent Collection**

The ongoing bi-weekly data collection of the BTOS will provide important measures of economic trends, business expectations, inflection points in the business cycle, and impacts of economic and other emergencies. Ongoing bi-weekly collection is necessary to ensure economic changes are captured in near real time while providing important continuous data that provides context for changes.

7. **Special Circumstances**

There are no special circumstances.

8. **Consultations Outside the Agency**

The Census Bureau developed the BTOS content after consultation with staffs at other federal agencies about the usefulness of SBPS data products. An email was sent to Administration for Children and Families, Department of Housing and Human Services; the Bureau of Economic Analysis (BEA); the Bureau of Labor Statistics; the Bureau of Transportation Statistics (BTS); the Federal Reserve Board of Governors (FRB); the International Trade Administration; the Minority Business Development Agency; the Office of Tax Analysis, Department of Treasury; and the Small Business Administration (SBA). The inquiry asked: which SBPS concepts were useful; which concepts rotated off the SBPS but would have been useful across all phases; what useful concepts were not collected on the SBPS; and whether a scope expansion to include large employers, non-employers, or multiunits businesses would be helpful. The inquiry also asked which data product detail was of greater importance, additional geographic or industry detail. The Census Bureau received responses from the SBA, the FRB, the BTS, and the BEA.

The Census Bureau published a Federal Register notice on November 9, 2021 (86 FR, pg.62150-62151) inviting comment on plans to request approval for the BTOS. The Census Bureau has not received comments in response to the notice.

9. Paying Respondents

The Census Bureau will not pay or offer gifts to BTOS respondents

10. Assurance of Confidentiality

The information collected in this survey is confidential under Title 13, United States Code, Section 9. Respondents are informed in the initial email and letter that responses are confidential, and their responses are voluntary.

11. Justification for Sensitive Questions

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

12. Estimate of Hour Burden

The Census Bureau estimates that for the average respondent this survey will take approximately 8 minutes to complete, including the time for reviewing the instructions and answers. The estimate of 8 minutes is based on an analysis of data from the Centurion collection system for similar SBPS survey instruments. The Federal Register notice published November 9, 2021 included an estimate of 6 minutes to complete the survey. We have since revised that estimate.

The Census Bureau will be contacting approximately 200,000 respondents every two weeks and anticipates receiving approximately 45,000 responses; this estimate of responses is based on an average response rate from the SBPS. Burden hours calculations are based on the number of anticipated responses per week, not the total number of respondents contacted. Therefore, the total annualized burden estimate for the BTOS is 156,000 (45,000 (responses

in two weeks) x 26 (two-week periods/year) x .13 hours = 156,000 hours/year). The estimate of total annualized cost of the respondents' time to complete this survey is \$5,366,400 (156,000 hours x \$34.40 per hour).

| Bi-weekly Responses | Total annual Responses | Time Per Response | Annual Burden |
|----------------------------|-------------------------------|--------------------------|----------------------|
| 45,000 | 1,170,000 | 8 min. | 156,000 |

13. Estimate of Cost Burden

The Census Bureau does not expect respondents to incur any costs other than those associated with the time to respond. The information requested is of the type and scope normally known by respondents.

14. Cost to Federal Government

Costs are contingent upon the enactment of a FY22 budget as well as conditional on OMB approval.

The annualized government cost for the BTOS is approximately \$2,230,000 which will be paid from Census Bureau appropriations starting as an FY22 budget initiative. This cost may change if efficiencies are developed or improvements are made such as the addition of or changes to content, collection and processing infrastructure, security requirements, or dissemination tools.

15. Reason for Change in Burden

This collection is being submitted as a new collection.

16. Project Milestones

Project milestones are contingent upon the enactment of a FY22 budget as well as conditional on OMB approval.

| Milestone | Planned Completion Date |
|---|--------------------------------|
| Complete Sample | November 2021 |
| Complete Draft Content for Cognitive Testing | December 2021 |
| Complete Presubmission Notice in Federal Register | December 2021 |
| Complete Cognitive Testing | January 2022 |
| Send Approval Request Submitted to OMB | February 2022 |
| Finalize methodology, collection, and data products plan for single unit establishments | Summer 2022 |
| Launch data collection for BTOS – single unit establishments | Summer/ Fall 2022 |
| Publish data products for BTOS – single unit establishments | Summer/ Fall 2022 |

17. Request Not to Display Expiration Date

The assigned expiration date will be included on the collection instrument.

18. Exceptions to the Certification

There are no exceptions to the certification.