

**Supporting Statement for Paperwork Reduction Act Generic Information Collection  
Submissions for  
“Generic Clearance for Feedback to the SEC’s Office of the Advocate for Small  
Business Capital Formation”**

**A. JUSTIFICATION**

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

Congress established the Office of the Advocate for Small Business Capital Formation of the Securities and Exchange Commission (“the Office”) to advance the interests of small businesses and their investors.<sup>1</sup> In doing so, Congress mandated that the Office conduct outreach to small businesses and their investors “to solicit views on relevant capital formation issues.”<sup>2</sup> Congress also directed the Office to identify unique challenges with securing access to capital that minority-owned, women-owned, and natural disaster area small businesses and their investors face.<sup>3</sup> To satisfy this statutory mandate, the Office hosts various educational and outreach events with small businesses, their investors, and other market participants and provides educational materials to assist small businesses and their investors.

The Office seeks to obtain OMB approval of a generic clearance to collect feedback from small businesses and their investors to understand better the population that it is serving and their role in the small business ecosystem. The proposed collection of information will help ensure that the Office’s outreach efforts and communication materials and other program initiatives are effective and responsive to customer needs.

**2. Information Collection Purpose and Use**

The Office intends to collect feedback by means of brief questionnaires or live audience polling or similar mechanisms. These information collections will be low burden, anonymous, and entirely voluntary. Further details about the proposed collections are included below.

Collecting feedback will allow the Office to tailor its outreach efforts and communication materials to serve its customers more effectively. Collecting feedback also will allow the Office to understand better its target audience and improve outreach events and educational materials by optimizing their content and delivery, while strategizing how best to deploy the Office’s resources to

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<sup>1</sup> See SEC Small Business Advocate Act of 2016.

<sup>2</sup> 15 U.S.C. § 78d(j)(4)(E).

<sup>3</sup> 15 U.S.C. § 78d(j)(4)(C).

address issues and challenges faced by its customers.

**i. *Types of Questions Asked in Questionnaires***

The questionnaires generally will seek four categories of information: (i) demographic information about program participants, (ii) feedback on the Office's outreach and educational materials, (iii) capital formation-related questions, and (iv) issues and challenges faced by small businesses and their investors.

To understand better the audience engaged by its outreach efforts, the Office may request demographic information about participants. For example, the Office may ask for their geographic location, their professional role in the capital markets (e.g., entrepreneur, investor, government, or academia), and their identification, if applicable, as a women-owned, minority-owned, rural, and/or natural disaster area small business or investor.

The questionnaires may also request feedback on educational or informational resources that would be most helpful for the audience or input on existing educational resources that the Office provides.

The questionnaires may ask questions related to capital formation that are relevant to understanding the Office's customers and their needs, such as where they are in the capital formation life cycle, (e.g., whether the business is small and emerging, mature and later-stage, or a smaller public company) and the types of offerings or methods that the small businesses have used in the past to raise capital (e.g., exempt vs. registered offerings or angel investors vs. venture capital investors).

Finally, to help improve the Office's program initiatives, the questionnaires may request feedback on challenges and issues faced by small businesses and their investors. This could include open-ended or multiple-choice questions. For example, the questionnaires may ask respondents to rank the most significant barriers for entrepreneurs to access capital or greatest challenges for emerging and regional fund managers. They may also ask about challenges in light of economic and social changes, such as the impact of COVID-19 on small businesses. This feedback will assist the Office in tailoring its educational and outreach efforts to meet its customers' needs more effectively.

**ii. *Circumstances When Questionnaires will be Employed***

The Office may employ questionnaires in connection with educational and outreach events that occur throughout the year. Many of these events focus on specific topics, but the Office tries to reach a wide range of customers, from early-

stage start-ups raising initial capital, to later-stage private companies whose founders and investors are seeking liquidity, all the way to smaller public companies.

Feedback from participants allows the Office to assess whether the relevant event is reaching the targeted audiences and helps the Office identify the unique issues and challenges of small businesses and their investors, consistent with the Office's statutory mandate.

**iii. *Anticipated Respondents of Questionnaires (Annual Estimate)***

The Office anticipates that up to approximately 6,200 people may respond to the questionnaires on an annual basis. This estimate is based on the number of participants in the Office's educational and outreach events from June 30, 2020 to June 30, 2021.

**iv. *Use of Collected Feedback from Questionnaires***

The Office may use the collected feedback from questionnaires both internally and externally. Internally, the Office may use the collected feedback to enhance its outreach, educational and informational materials, such as by identifying issues and challenges faced by small businesses and their investors. Externally, the Office may use the collected feedback to facilitate ongoing and collaborative communications with customers and to demonstrate its outreach efforts. For example, the results may be included as context for educational materials or referenced in publications (such as annual reports) documenting the Office's engagement initiatives. When sharing externally, the Office may include both qualitative and quantitative results. Any results shared will be aggregated and anonymized and the relevant publication would make clear that the results reflect the views of program participants and are not generalizable to the broader population of small businesses and their investors. Importantly, feedback collected from questionnaires will not be used for the purpose of substantially informing influential policy decisions or recommendations.

**b. *Internal Procedures to Ensure Compliance***

The Office will employ the following internal procedures to ensure that the specific collections comply with the PRA, applicable regulations, and the terms of the generic clearance.

The Office will only submit a collection for approval under this generic clearance if it meets the following conditions:

- Information gathered will be used consistent with Section A.2.a.iv. of this supporting statement;
- Information gathered will not be used for the purpose of substantially informing influential policy decisions;<sup>4</sup>
- Information gathered will yield quantitative and qualitative information; the collections will not be designed or expected to yield statistically reliable results or used as though the results are generalizable to the population of study;
- The collections are voluntary;
- The collections are low-burden for respondents (based on consideration of total burden hours, total number of respondents, or burden-hours per respondent) and are low-cost for both the respondents and the Federal Government;
- The collections are non-controversial and do not raise issues of concern to other Federal agencies;
- Any collection is targeted to the solicitation of feedback from respondents who have experience with the Office's programs or may have experience with those programs in the near future; and
- Personally identifiable information is collected only to the extent necessary and is not retained.

If these conditions are not satisfied, the Office will submit an information collection request to OMB for approval through the normal PRA process.

To obtain approval for a collection that meets the conditions of this generic clearance, the Office will submit a standardized form to OMB with supporting documentation (e.g., a copy of the questionnaire or polling questions) and communicate any particular timing constraints. The Office understands that OMB will do its best to meet the Office's timing constraints and generally will respond within 14 days but that some flexibility may be necessary on both sides.

### **3. Consideration Given to Information Technology**

If appropriate, the Office will collect information electronically and/or use online collaboration tools to reduce burden.

### **4. Duplication**

No similar data are gathered or maintained by the Office or are available from other sources known to the Office.

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<sup>4</sup> As defined in OMB and agency Information Quality Guidelines, "influential" means that "an agency can reasonably determine that dissemination of the information will have or does have a clear and substantial impact on important public policies or important private sector decisions."

## **5. Reducing the Burden on Small Entities**

The collections will target small businesses and their investors. The Office will minimize any burden associated with the collections by asking for readily available information and using short, easy-to-complete information collection instruments.

## **6. Consequences of Not Conducting Collection**

Without these types of feedback, the Office will not have information to tailor its outreach and educational programs to meet customer needs.

## **7. Special Circumstances**

There are no special circumstances. The information collected will be voluntary and will not be used for statistical purposes.

## **8. Consultations with Persons Outside the Agency**

In accordance with 5 CFR §1320.8(d), a 60-day notice for public comment will be published in the Federal Register.

## **9. Payment or Gift**

The Office will not provide payment or other forms of remuneration to respondents of its various forms of collecting feedback.

## **10. Confidentiality**

If a confidentiality pledge is deemed useful and feasible, the Office will only include a pledge of confidentiality that is supported by authority established in statute or regulation, that is supported by disclosure and data security policies that are consistent with the pledge, and that does not unnecessarily impede sharing of data with other agencies for compatible confidential use. If the Office includes a pledge of confidentiality, it will include a citation for the statute or regulation supporting the pledge.

## **11. Sensitive Nature**

No questions will be asked that are of a personal or sensitive nature.

## **12. Burden of Information Collection**

A variety of instruments and platforms will be used to collect information from respondents. The annual time burden requested is based on the number of

collections we expect to conduct over the requested period for this clearance.

Estimated Annual Reporting Burden				
Type of Collection	No. of Respondents	Annual Frequency per Response	Time per Response	Total
Online Form, Email Survey, Registration Questionnaire, Post-Event Survey, etc.	6,200	1	5 Minutes	517 Hours

### **13. Costs to Respondents**

No costs are anticipated.

### **14. Costs to Federal Government**

The anticipated cost to the Federal Government is approximately \$43,000 annually. These costs are comprised of contractor unit cost per survey response (\$6.92).

### **15. Reason for Change**

Not applicable. This is a new collection.

### **16. Information Collection Planned for Statistical Purposes**

Feedback collected under this clearance provides useful information, and, for details on how the Office may make use of the feedback, please see Section A.2.a.iv above. While the collected feedback will include qualitative and quantitative information, this information will not be generalizable to the overall population because it will be specific to respondents to the collections, and no complex analytical techniques will be used.

Finally, the Commission may receive requests to release the information (e.g., congressional inquiry and Freedom of Information Act requests). The Commission will disseminate the information when appropriate, strictly following the Commission's "Guidelines for Ensuring the Quality of Information Disseminated to the Public," and will include specific discussion of the limitation of the information discussed above.

### **17. Approval to Omit OMB Expiration Date**

The Office is seeking approval to omit the expiration date. The Office believes that the public interest will be better served by not including an expiration date for the collections because the Office uses electronic means to collect the information that does not allow for inclusion of the expiration date (e.g., third party software for questionnaires). Including the expiration date would increase the costs of the collection due to the resources and time needed to create a new form.

#### **18. Exceptions to Certification**

These activities comply with the requirements in 5 CFR §1320.9.

#### **B. Statistical Methods**

The collections do not employ statistical methods.