

Supporting Statement Part B for the Intermittent Survey of Businesses (FR 1374; OMB No. 7100-0302)

Summary

For all information collections that involve surveys or require a statistical methodology, the Board of Governors of the Federal Reserve System (Board) is required to provide a complete justification and explanation of the use of such a methodology. For collections that employ surveys without such a methodology, the Board should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results.

Background

Prior to the 2002 implementation of this survey, the System found it helpful to collect real-time information on an ad hoc basis from the business community. This information typically reflected current business conditions and ongoing developments in the economy as well as topical issues. Prior to 2002, however, the System limited its contacts to fewer than nine firms and asked open-ended questions. The Board believes that it is valuable to gather information from a broader variety of relevant firms and ask targeted questions to improve the System's understanding of the current economic situation and outlook. An in-depth understanding of these types of special issues can be more accurately obtained in real time through direct inquiries with contacts at relevant entities. Results derived from the collected information are distributed both to Board members and to the presidents of the Reserve Banks. The information is used by the System to provide an additional view of current economic conditions.

In 2010, the respondent panel was revised to include state and local governments as warranted by economic conditions. At that time, understanding how these governments were allocating funds from the American Recovery and Reinvestment Act of 2009 was of particular interest. Because spending by state and local governments currently accounts for about 11 percent of total Gross Domestic Product, understanding developments in this sector helps the System better understand the likely path for overall economic activity. In March 2020, the Board discontinued the surveys conducted solely by the Board, as they had not been conducted in recent prior years and did not foresee a need to administer those surveys in the future. This information is not available from other sources.

Universe and Respondent Selection

The FR 1374 panel comprises approximately 1,500 businesses, and as warranted by economic conditions, state and local governments.

Procedures for Collecting Information

The topics discussed with the respondents are time sensitive, and the questions vary with the topic. There is no standard reporting form because typically some of the questions change

with each survey. For each survey, the Board prepares questions in advance of specific topical interest and determines a relevant target group of firms to contact. In addition, questions related to other time-sensitive, ad hoc topics related to how businesses are experiencing salient aspects of current economic conditions may be included. Examples of previous ad hoc topics include experiences with hiring qualified workers, restraints on hiring practices, and the use of changes to wages and salaries to retain existing employees.

Usually, these surveys are conducted using an online survey tool, such as Qualtrics, to collect responses from purchasing managers, economists, or other knowledgeable individuals at selected, relevant businesses, and occasionally state and local governments. Occasionally, the survey will be conducted via telephone or email. If conducted by telephone, the discussions last approximately fifteen minutes. If conducted using email or an online survey tool, the response times are likely to be shorter. Each Reserve Bank tabulates its survey results and sends them via email to the Board. The Board then compiles the Reserve Bank-level results into an overall summary memo. The tabulation and the summary, along with the submissions from the individual Reserve Banks, are then circulated to the members of the Board and Reserve Bank presidents. Each Reserve Bank may use its own district-level results for any official business purposes, including research that leads to publication, to the extent consistent with any confidentiality commitments made to the contacts.

Methods to Maximize Response

A respondent may decline to answer a particular question when answering would entail excessive burden. Experience has shown that only a small number of respondents decline to answer any particular question. Response rates overall have been high and resulted in adequate and informative answers.

Testing of Procedures

There has been no pre-testing of procedures.