

SUPPORTING STATEMENT
U.S. Department of Commerce
U.S. Census Bureau
2012 Survey of Business Owners and Self-Employed Persons (SBO)
OMB Control Number 0607-0943

Part B – Collections of Information Employing Statistical Methods

1) Universe and Respondent Selection

The SBO universe for this submission will be constructed using a combination of 2011 and 2012 IRS tax return data. The final universe of businesses will be those reporting activity on any one of the following 2012 IRS tax forms: 1040 (Schedule C), “Profit or Loss from Business” (Sole Proprietorship); 1065, “U.S. Return of Partnership Income”; 941, “Employer’s Quarterly Federal Tax Return”; 944, Employer’s Annual Federal Tax Return; or any one of the 1120 corporate tax forms.

The current estimate of the sample is 1.75 million. This sample size is necessary to provide detailed comprehensive estimates for both women-, minority-, and veteran-owned businesses and to produce reliable estimates at the state level by 2-digit NAICS codes and at the national level by 3-digit NAICS codes.

The sample will be stratified by state and 3-digit NAICS industry sector and also by frame and employment status and will be systematically sampled within each stratum. A standard type of estimation for stratified systematic sampling will be used. (Refer to Sampling Techniques by W.G. Cochran.) The expected response rate based on 2007 returns is 70 percent. The Census Bureau will use mailout/mailback survey forms to collect the data. In addition, electronic reporting will be offered to all respondents and a Spanish version of the paper forms will be available upon request.

Businesses will be asked questions about the gender, ethnicity, race, and veteran status for up to 4 persons owning the majority of rights, equity, or interest in the business.

The target relative standard error for the total number of women-, minority-, and veteran-owned businesses will be less than 10 percent.

2) Procedures for Collecting Information

The samples of individual proprietorships, partnerships, and corporations will be selected as described in Section B.1 above. The questionnaires will be mailed from our processing headquarters in Jeffersonville, Indiana. Questionnaires will be mailed out in two phases. Approximately 850,000 questionnaires for partnerships and corporations, which were in business in 2011, will be mailed out in the first phase scheduled to begin June 2013, with two follow-up mailing at six-week intervals. Closeout of this phase of the mailout operations is scheduled for October 2013. The second phase mailout of approximately 900,000 questionnaires to sole proprietorships and new partnerships and

corporations operating in 2012 is scheduled to begin in May 2014, with two follow-ups at six-week intervals. Closeout of mailout operations is scheduled for August 2014. Upon closeout of the survey, the response data will be edited and reviewed.

3) Methods to Maximize Response

This information collection will maximize response through the following means:

- Mailing materials that emphasize the mandatory and confidential nature of census reports, as provided by Title 13, United States Code;
- Designing effective census questionnaires and instructions in both English and Spanish that simplify reporting and minimize response burden;
- Offering a toll-free telephone number for companies that have questions or need assistance in completing the report forms in which the caller may converse in either English or Spanish;
- Offering additional assistance upon request in languages other than English or Spanish based on the fluency of Census Bureau staff;
- Providing the opportunity to complete the English-language paper forms online via the Census Bureau's secure Centurion – Internet Data Collection System;
- Conducting systematic form re-mails to nonrespondents;
- Using automated telephone follow-ups to remind nonrespondents to submit their forms.

4) Tests of Procedures or Methods

This information collection will use procedures that are based on a considerable body of experience with economic censuses and surveys. Previous economic censuses also have been the subject of evaluation studies that have examined methodology and conceptual issues. As a result, the procedures used by the economic censuses are very well tested.

The survey forms have been successfully tested through cognitive interviews.

5) Contacts for Statistical Aspects and Data Collection

Lee R. Wentela, Chief, Economic Census Branch, Company Statistics Division, U.S. Census Bureau, Washington, DC 20233 (telephone 301-763-7270), is responsible for directing the development of the 2012 SBO survey design, content, and processing.

Carol Caldwell, Assistant Division Chief for Research and Methodology (telephone 301-763-3390), Company Statistics Division, U.S. Census Bureau, Washington, DC 20233, is responsible for directing the sampling, estimation, nonresponse adjustment, and disclosure avoidance procedures.

Attachments

A. Initial Mailout/Follow-up Letters and Questions and Answers Insert

B. Report Forms