

**NWX-US-DEPT OF COMMERCE (US)**

**Moderator: Gregory Pewett  
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1:00 pm CT**

Coordinator: Welcome and thank you for standing by. Participants are in a listen only mode until the question and answer session of today's conference. At that time you may press star then 1 on your touchtone phone, to ask a question. Today's conference is being recorded. If you have any objections you may disconnect. Now I'd like to turn the conference over to your host, Mr. Omari Wooden. Sir, you may begin.

Omari Wooden: All right. Thank you very much and good afternoon everyone. As stated, my name is Omari Wooden from the US Census Bureau. I'd like to welcome everyone listening in on the phones and following the webinar on their computer, to today's webinar, Learning About the New Annual Business Survey.

Today we will be exploring Census Bureau programs that produce useful, timely, relevant statistics on characteristics of US businesses. Before we get started, a few housekeeping matters - as the operator mentioned, today's webinar will be recorded and archived on our site for future reference by yourself or for a colleague. Also, we will allow for questions and answers

after the speaker has completed her presentation. At that point the operator will provide instructions on how you can ask your questions.

So without any further delays, I would like to introduce Patrice Norman from the Business Owners branch in our Economic Reimbursable Surveys Division. Patrice, I'll turn it over to you.

Patrice Norman: Thank you for the introduction. Again, my name is Patrice Norman and today I'm here to discuss this new exciting survey known as the Annual Business Survey. The Census Bureau really wants to get the word out about this effort. We want to talk today about why it's important, provide some information on the planning and also the utility of the new Annual Business Survey. So with that, we'll just jump right in. So the Annual Business Survey is a new survey that we're planning starting in 2017 through survey year 2021.

This will be an annual survey conducted as mandatory under Title XIII. The Annual Business Survey replaces three existing Census Bureau surveys. That includes the Survey of Business Owners, the Annual Survey of Entrepreneurs and the Business R&D and Innovation Survey for Microbusinesses. The Annual Business Survey also replaces the innovation topic that is currently part of the Business R&D and Innovation Survey, also known as BRDIS.

We are conducting this survey as a joint project between the Census Bureau and the National Center for Science and Engineering Statistics, which is part of the National Science Foundation. So I did briefly want to talk about the background of the surveys that the Annual Business Survey is replacing. So let's start with the Survey of Business Owners.

Historically, the Survey of Business Owners has been conducted as part of the economic census every five years. It was first known as the Survey of

Minority Business Enterprises and the Survey of Women Business Enterprises. Later those two surveys were combined into one and became known as the Survey of Business Owners. Originally, the survey was developed in response to a Presidential Executive Order that requires statistics be produced to measure minority business ownership.

As a result, the Survey of Business Owners published a number of firms, receipts, payroll and employment by gender, ethnicity, race and veteran status. The Survey of Business Owners also produced data on several business characteristics. So those were topics such as the amount of capital needed to start the business, if the business was jointly owned or operated, the types of workers of the business and the employee benefits that the business offered, to name a few.

There were also several owner characteristics, so those were items such as the age of the owner, whether the business provided the primary source of income for the owner and also owner education levels. The Survey of Business Owners was last conducted in 2012 as part of the 2012 Economic Census Survey. It was a fairly large mailed survey, so the sample size was about 1.75 million businesses. And that included businesses with both employees and businesses without employees.

That large sample size allowed us to produce detailed comprehensive statistics on minority business ownership. Okay. Then came along the Annual Survey of Entrepreneurs. It was intended to be a supplement to the Survey of Business Owners. Again, the SBO was only collected every five years, so the Annual Survey of Entrepreneurs provided more frequent data on minority owned businesses. It was planned for survey years 2014, 2015 and 2016.

The Annual Survey of Entrepreneurs was a joint effort, so we partnered with the Kauffman Foundation as well as the Minority Business Development Agency and again as a supplement to the SBO, similar data were published, although with less detail. So the Annual Survey of Entrepreneurs published the number of firms, receipts, payroll and employment by the owner demographics.

It also published some of the same business and owner characteristics that I mentioned in the last slide. But the ASE expanded its content and produced more data on topics that said owner motivation and aspirations, and also a lot more data on business financing. The sample size was much smaller, only about 290,000 employer businesses. And businesses without employees were excluded from the Annual Survey of Entrepreneurs.

Lastly, the Business R&D and Innovation Survey for Microbusinesses, was an annual survey to collect research and development activity for very small employer, what we call microbusinesses. It was planned for survey years 2016 and 2017. Again, sponsored by the National Center for Science and Engineering Statistics, part of the National Science Foundation.

The Business R&D and Innovation Survey for Microbusinesses, sampled about 200,000 employer businesses to produce R&D activity and costs. But the survey also produced other business characteristics, some of which were similar to the Annual Survey of Entrepreneurs.

Before moving on, I did want to share some visualizations produced from the previous surveys. This first graphic shows data from the 2012 Survey of Business Owners and it compares women business ownership from 1997 through 2012. Similar data are available from the Survey of Business Owner

by the race of the owner and also the owner ethnicity. And this just provides some examples of data from the Annual Survey of Entrepreneurs.

The first visualization compares the number of years in business by owner demographics and this was data from the inaugural release of the ASE, which covered survey year 2014. The second graph here uses results from the 2015 ASE to show data for Hispanic-owned firms for select states. These are just a few examples of the data that have been provided in the past by these surveys, but most importantly, it shows what we plan to continue to produce with the new Annual Business Survey.

Here is a look at where we started and where the Census Bureau envisions this going. So I just talked about the three independent surveys that the Annual Business Survey is replacing. Again, in the past we had three separate surveys that had overlapping content and overlapping respondents, but they were being collected independently. Starting with the 2017 survey year, the Census Bureau saw an opportunity to combine those efforts into one survey and that's what we're calling the Annual Business Survey.

Eventually we want to fold in more surveys and also more content, but we also want to utilize administrative data to help us replace content where feasible. And we want to do this all under one survey environment or what we're calling the (Interplatform). Combining these surveys that have similar respondents and content, will help us reduce the burden on our respondents. But we also think it will help increase the data quality and overall, allow the Census Bureau to operate more efficiently.

Now I want to discuss more specific details about what we're planning for the Annual Business Survey. So the ABS will continue to ask questions about the owner's race, gender, ethnicity and military service. There are several

questions about research and development activity and associated costs for R&D and that's similar data as what was produced from the Business R&D and Innovation Survey for Microbusinesses. We have designed a survey to introduce a new business topic each survey year.

Rotating content allows us to measure new relevant topics every year. In fact, for the 2017 Annual Business Survey, we've developed new content specifically for this survey year. And that covers topics of innovation and also technology usage. We do anticipate that there will be core content maintained each survey year. And again, we want to use administrative data where it makes sense, to reduce the burden on the respondent.

The Annual Business Survey samples about 850,000 employer businesses in what we call the large benchmark year of 2017. For the years of 2018-2021, we're reducing the sample size to a more manageable 300,000 employer businesses. The survey will be conducted on a firm level basis. In scope businesses include all non-farm businesses that will be filing any of the IRS employer tax forms. The survey will cover 20 (unintelligible) industries. However, businesses without employees are going to be excluded from this collection.

Although data for those businesses will not be collected as part of the Annual Business Survey, the Census Bureau does have access to administrative data that will allow us to continue to produce demographic data for businesses without employees. This is one of the major changes from what we've done with the historic Survey of Business Owners. But together with the collection of employer businesses from the ABS, the Census Bureau will be able to continue to provide a complete picture of business ownership.

The ABS sample is stratified by frame, industry and state. And what we do is use administrative data to estimate the likelihood that a business is either minority or woman owned. For the purposes of sampling, each business is placed into one of nine sampling frames. We also have certainties included in our sample and those are large businesses based on their volume of sales, payroll or employment. Again, the Annual Business Survey is measuring research and development. And for that reason, certain R&D industries are also selected with certainty.

So here is a look at the nine sampling frames, not to read them off individually, but it's just important to note they're primarily divided by race, ethnicity and gender. Again, the firms are placed in one of these frames based on the likelihood that they would be that type of business at the time of sampling. But as the data results are received and evaluated, oftentimes businesses are reclassified based on their responses for the purposes of tabulation.

Okay. Speaking of tabulation, what data do we intend to produce as part of the Annual Business Survey? Most importantly, we want to continue to produce similar data as the previous surveys. So we will have data by the - data for the firms, receipts, payroll and employment, by gender, ethnicity, race and veteran status for all employer businesses.

That will be similar data to what the Survey of Business Owners and Annual Survey of Entrepreneurs provided. We will also have data for research and development activity and costs for businesses with one to nine employees. And this data are similar to what was - what is produced from the Business R&D and Innovation Survey for Microbusinesses. We will also have estimates on the new topics that we've developed specifically for 2017. And that includes estimates on innovation activity and also technology usage.

Again, we've carried over a lot of content from the Survey of Business Owners and the Annual Survey of Entrepreneurs, so we'll measure business and owner characteristics that were carried over from those surveys. Here is look at the detail that will be available for the Annual Business Survey. For the benchmark year that has the larger sample size, more detailed statistics will be produced.

So we intend to produce data by the owner demographics for detailed industries that include the two through six digit (unintelligible) industries. Also for detailed geographies, which include the US state, MSA, county and economic place. We're also going to produce data by the years in business. This is a very popular tabulation level that was first introduced as part of the Annual Survey of Entrepreneurs and actually was one of the visualizations included earlier.

So we intend to carry this forward with the Annual Business Survey. We'll also have data by the size of business, so users will be able to see estimates by the employment size and the receipt size of the businesses. For the annual years where we need to reduce the sample size, less detail will be produced. So we'll likely only be able to produce data at the two-digit (unintelligible) and also for geographies, maybe only the US state and select MFAs.

I should note here that we have not finalized our publication plans, but these current expectations are based on what we've been able to produce for the surveys that the Annual Business Survey is replacing. Our goal is to publish as much detail as possible without impacting the quality of the data. The 2017 plans are well underway. We're already preparing to mail the businesses selected from the sample. In fact, on June 21 we're going to be mailing approximately 850,000 businesses.

They will receive letters informing them of their requirement to respond. And responses are due back by August 8 of this year. The Annual Business Survey is collecting responses via an electronic instrument only. So we're not actually accepting any paper responses for this survey. The electronic instrument has built in guidance for respondents to help them report. And that's a feature that's not easily available when you're collecting, using a paper form.

The instrument also has incorporated built in edits that will alert the respondents of potential reporting errors prior to submitting their survey. And this provides for better data quality. So we call it sometimes cleaner data, because our analysts do not have to spend as much time doing data editing. Respondents are allowed to preview the survey before responding and can also review their responses before submitting to the Census Bureau.

As the data are received, Census Bureau staff will begin the data processing steps and also do some review. And that's going to occur throughout 2018 and 2019. We do plan to publish results a year from when we close out our collection efforts. So results for the 2017 Annual Business Survey should be available publicly by December 2019. This is actually a reduced timeline as compared to the 2012 Survey of Business Owners, by about a year.

So for example, the 2012 SBO mailed in 2013 and the first results were published two years later in 2015. The Annual Business Survey intends to publish results a year after data collection. For the years 2018 through 2021 we will follow a similar cycle. However it is slightly shorter. And that's due to having fewer records to mail, process and evaluate. Data collection will occur each summer and close out within the collection year. Again, there will

be some processing and analysis done by Census Bureau staff and the goal will be to publish a year from collection closeout each survey cycle.

I did briefly want to mention our outreach efforts. We're making efforts to engage the user community such as the webinar that we are presenting here today. This slide just outlines a few other events that we plan to participate in, to discuss the Annual Business Survey. It's also important to note that we have ongoing discussion with our stakeholders, those that may have had the most interest in the SBO and ASE data.

So for example, we've been working with the Small Business Administration, the Minority Business Development Agency, the National Women's Business Council and also the Kauffman Foundation as again, they were a sponsor of the Annual Survey of Entrepreneurs. We're also partnering with NSF. They are a sponsor for the survey, as I mentioned earlier. So we're relying on their expertise to help us develop the most robust collection and production of data covering R&D and innovation, but also other scientific related topics.

The Census Bureau plans to continue these efforts regularly, to discuss content changes, to develop the most relevant content and also to inform users of any major changes that will impact our data results. So I did just want to wrap up and summarize here what we're doing with the Annual Business Survey. The Census Bureau again, saw an opportunity to combine these three separate efforts into one survey. Our intention is to take this one survey and continue to be a detailed comprehensive source of data for our users and stakeholders.

We feel we have the opportunity to increase utility with the introduction of flexible content, which will allow the Census Bureau's data products to stay relevant. We've also reduced the survey cycle as compared to the 2012 SBO

and prior surveys, to produce this data in a more timely fashion. I did want to thank you all for your attention today. Here is my contact information if you have a specific question about any of the surveys talked about today.

So now I'll turn it back over to Omari, to talk about questions.

Omari Wooden: Thanks Patrice. And thank you for sharing with us some of the new developments here at Census and how these changes can help businesses, data users, researchers and many more. At this point we're going to open the webinar up for questions. Operator, can you please provide those instructions again, for those webinar attendees to ask questions?

Coordinator: Thank you very much. We'll begin that question and answer session. To be fair to all participants hoping to ask a question, we're allowing one question per line plus an additional follow up. So if you would like to ask a question, please press star then 1, unmute your phone and record your name clearly when prompted. Your name is required to introduce your line. If you care to withdraw that request, press star 2. One moment please for our first question.

Omari Wooden: So as we wait for questions to come in, I would like to take this opportunity to promote additional resources and training opportunities available at the Census Bureau. We are in the middle of a six part webinar series focusing on the different types of economic data at a thematic and topic level. Those topics include healthcare, employment, government, construction, professional and scientific and some of our hidden gems here at Census. It's a great opportunity for you to learn more about the data through real life scenarios and plain language guidance.

Our next webinar will focus on government data and that will be held on May 24 at 2:00 pm Eastern Standard Time. And similar to today's webinar, all of

these webinars are free and recorded and archived online, for you to access at any given time. So at this point, Operator, do we have any questions?

Coordinator: Yes. We have a couple. Our first is from (Teddy) the Tax Man. Your line is open.

(Teddy): Hello. Thank you Omari. Thank you Patrice. This was very, very well done. Short and sweet. Just the way I like it.

Omari Wooden: All right. Thank you.

(Teddy): Yes. Absolutely. The results of the surveys will be posted how? Will there be a Web site that we can go to, to get to those results? Maybe you answered that and I apologize if I missed it.

Patrice Norman: Yes, no problem. The results of the survey will be published from the Census Bureau Web site. We have a standard system where we publish our data tables and results that will be accessible from the Census.gov Web site. Currently the Annual Business Survey Web site is under construction, but it will be ready for mail out and at the time that the data are tabulated and ready to be published, they will be available publicly from the Census.gov Annual Business Survey Web site.

(Teddy): Okay. Thank you. I really appreciate it.

Omari Wooden: Thank you.

Coordinator: Our next request is from (Robert Farrelly). Your line is open.

(Robert Farrelly): Yes, hi. I'm a professor of economics and I've done a lot of research with the SBO data. One of my big concerns here is that the non-employers are not being surveyed. And if you look at minority owned businesses and female owned businesses, that can be, you know, 70, 80, even higher percentage of businesses are non-employers. You mentioned that there was going to be some kind of effort to try to track race and gender identification of non-employer businesses. I'm just kind of curious why the decision was made to remove non-employers from this new data set. And also, you know, what are the efforts going to be to try to bring them back or capture them in a different way?

Patrice Norman: Yes. So for the first time with the 2012 Survey of Business Owners, we were able to match to a lot of administrative data. Unfortunately at the time where we were going to mail the survey, we didn't really have time to adjust the sample, so we still mailed several businesses that we actually had administrative data for. So the 2012 Survey of Business owners kind of set us on the path of knowing that we could produce similar data using administrative data from Decennial Census and also the American Community Survey.

So when we started to plan for the 2017 survey, we wanted to reduce the cost and the burden because non-employers sometimes are a little harder to get responses from. So we were using data that the Census Bureau had already collected from the Decennial Census and the American Community Survey. Now again there are going to be some limitations to that. We do feel we can still produce, still summarize statistics for the gender, ethnicity, race and veteran status for non-employer businesses. But we may lose some of the other detail that was collected on the survey.

But it's really a cost tradeoff because they're hard to get responses for sometimes.

Omari Wooden: Operator, do we have any other questions?

Coordinator: We have a few. Our next from (Rose Long). Ma'am, your line is open.

(Rose Long): Thank you. My question is regarding to the administrative database that you're using in conjunction with the survey. The administrative data sets that - for my experience for working with, usually the scores are from the unemployment compensation filing from each state. Is that correct?

Patrice Norman: So we're - I'm not the expert on the non-employer administrative product. But we are primarily going to use Census Bureau data, so it'll be data from the Decennial Census and the American Community Survey.

(Rose Long): Okay. For the business listing?

Patrice Norman: Yes.

(Rose Long): Okay. Will that be - I kind of came in a little bit late, maybe five minutes late. I was wondering whether the survey will be including the employees and - other than just the listing of the businesses?

Patrice Norman: So we do actually produce statistics on a number of employees as part of this survey.

(Rose Long): Okay. So if I say when I go to our state I'll go to the US Census, the business listing here. I have the impression that usually the number of businesses listed is a little bit smaller size than what we actually have. That's - I think maybe

that's one of the gentlemen mentioned about non-employer maybe one - I don't know whether that was listed or not. But there is some kind of - say church staff of the (farm) related employers, something like this, because they are not falling into this unemployment filing - unemployment compensation filing with the state.

So those businesses are not employee size, it's not really recorded from the administrative database. And I was just wondering for your annual survey, would that be corrected or you pull some data from another source to compensate for that?

Patrice Norman: So I will say that we use the Census Bureau's Business Register to construct the sample for the Annual Business Survey. The business register includes information on the number of employees and we're also asking it of the respondents. But there are some limitations to that. We don't - there are certain things that are out of scope. Forms are typically out of scope for our economic surveys, so there are some limitations to that. But again, we will be asking a number of employees on the survey.

(Rose Long): Thank you.

Coordinator: If you have a question please press star then 1, unmute your phone and record your name. Our next now is from (Mels). Your line is open sir.

(Mels): Hi. And thanks so much for the presentation. My question is so with the ASE we were unable to get information on both race and ethnicity by both the age and size of a firm at the state level. With the new survey do you have plans - with the greater sample size, do you have plans to make that possible?

Patrice Norman: So I will say that with the larger sample size there is more that we can do. We haven't finalized our publication plans, but if you look at the contact slide you can send me your request for the tabulation levels and we'll certainly evaluate it as we're finalizing our publication plans. But at the end of the day we want to provide as much detail as possible, but it's going to be based on what the sample can support.

(Mels): Right. Okay. Thank you.

Coordinator: My last question at this time from (David Vidi). Your line is open.

(David Vidi): Hi. Thank you. Great presentation. My question is, is there a place where one could download the questions that are being asked in the survey, in particular the innovation and technology usage questions?

Patrice Norman: So the Annual Business Survey Web site is still under construction, but the proposed questions were provided to the Office of Management and Budget as part of our approval process. So you kind of have to search for them right now. Our goal is to have the Web site up and working well prior to when we mail out next month. And the questions will be available from there. But again, if you want to email me, I can actually send you a copy of the questionnaire.

(David Vidi): Oh. That would be great. Thank you very much.

Patrice Wooden: Yes.

Omari Wooden: And also too, we received a few questions through our chat and I'll ask those to Patrice now as well. Are the definitions and categorizations for minorities

for these surveys, parallel to those used in the American Community Survey and other decennial demographic surveys?

Patrice Wooden: So that's a great question. They actually - the race categories that we have in our survey, are defined by the Office and Management and Budget. So we are required to ask certain - we are required to ask race and ethnicity as developed by the OMB. And that lines up with what the American Community Survey and the Decennial Census asks.

Omari Wooden: All right. Another question we received - you mentioned tabulations, but will microdata be released as older years of SBO did?

Patrice Wooden: So the Survey of Business Owners was actually on the cutting edge of economic surveys that were producing data by microbusinesses and that was the 2007 Survey of Business Owners. Since then the Census Bureau is reevaluating the amount of microdata that can be published safely. Our goal is to protect the respondents' data. So there is a huge - a bigger effort going on to determine how feasible it is to produce micro-level data.

So at this time I don't know - I can't confirm that the Annual Business Survey will have any microdata. It will be based on what the Census Bureau decides is feasible for economic surveys.

Omari Wooden: All right. And the last question that we received is we heard that the (GIG) economy or different jobs economy, has become a substantially larger portion of the economy. Does ABS capture this change in any way? And more so we're talking about short term contractors considered as employees or are they excluded?

Patrice Wooden: Great question. And that actually gets at the point I was making about the Annual Business Survey being relevant and being able to capture new topics. So historically, the Survey of Business Owners and the Annual Survey of Entrepreneurs has asked a question about the types of workers. And part of that question is, you know, do you have any contractors; do you have part time laborers; full time, those types of questions and responses. And so the Annual Business Survey is going to continue that question.

I know this is not about the Annual Survey of Entrepreneurs, but that survey actually expanded on the types of workers. And that's just an example of the things that we want to continue to do with the Annual Business Survey, to measure what's relevant. If there is a need to measure the (GIG) economy, we have flexible content that will allow us to do that. But to the specific question, the Annual Business Survey does have a question about the types of workers that is similar to the Survey of Business Owners and the Annual Survey of Entrepreneurs for comparison.

Omari Wooden: All right. Very good. Operator, do we have any other questions on the call?

Coordinator: No, we do not.

Omari Wooden: All right. Thank you very much. So at this point I would again like to thank Patrice Norman for her expertise in this matter today, sharing with you all. Again, today's webinar will be recorded and will be available online within the next few days. So everything that was discussed today is recorded and will be made available for you to reference at any time again, in the future for yourself or possibly for a colleague who may have missed today's webinar.

Again, I thank you for your time. You can always again, go to [Census.gov](https://www.census.gov), select data and then training and workshops, to find out about other

opportunities for training and resources available at the US Census Bureau.  
Again, thank you and we'll see you next time.

Coordinator: As the conference has concluded, again thank you for your participation. You may please disconnect at this time.

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