



DEPARTMENT OF COMMERCE

Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

Agency: U.S. Census Bureau.

Title: Annual Business Survey.

OMB Control Number: 0607-XXXX.

Form Number(s): ABS-1 Worksheet, ABS-2 Worksheet.

Type of Request: New collection.

Number of Respondents: 850,000.

Average Hours Per Response: 52 minutes.

Burden Hours: 735,934.

Needs and Uses: In an effort to improve the measurement of business dynamics in the United States, the Census Bureau plans to conduct the Annual Business Survey (ABS). The ABS is a new survey designed to combine Census Bureau firm-level collections to reduce respondent burden, increase data quality, reduce operational costs, and operate more efficiently. The ABS replaces the five-year Survey of Business Owners (SBO) for employer businesses, the Annual Survey of Entrepreneurs (ASE), and the Business R&D and Innovation for Microbusinesses (BRDI-M) surveys. ABS estimates will include the number of firms, sales/receipts, annual payroll, and employment by gender, ethnicity, race, and veteran status as well as R&D and Innovation and various other relevant topics. The ABS will be conducted jointly by the National Center for Science and Engineering Statistics (NCSES) within the National Science Foundation (NSF) and the Census Bureau for five reference years (2017 – 2021).

The ABS universe includes all nonfarm employer businesses filing Internal Revenue Service (IRS) tax forms as individual proprietorships, partnerships, or any type of

corporation, and with receipts of \$1,000 or more. The ABS will sample approximately 850,000 employer businesses in 2017 and approximately 300,000 employer businesses in years 2018-2021. The sample is stratified by state, firm, and industry. The Census Bureau selects certain companies with certainty based on volume of sales, payroll, number of paid employees or NAICS. All certainty cases are sure to be selected and represent only themselves.

The ABS is designed to incorporate new content each survey year based on topics of relevance. Each year a new module of questions is submitted to the Office of Management and Budget (OMB) for approval. Topics for the 2017 ABS include: Owner & Business Characteristics; R&D from microbusiness; Innovation; and Technology.

The ABS collection is electronic only. Those selected for the survey receive an initial letter informing the respondents of their requirement to complete the survey as well as instructions on accessing the survey. The 2017 ABS initial mailout is scheduled for

June 2018. Responses will be due approximately 40 days from initial mailout. Select respondents will receive a due date reminder approximately one week before responses are due. Additionally, there will be two follow-up letter mailings to nonrespondents after the due date. Select nonrespondents may receive a certified mailing for the second follow-up if needed. Closeout of mail operations is scheduled for December 2018. Upon the close of the collection period, the response data will be processed, edited, reviewed, tabulated, and released publicly.

Statistics from the ABS will be used by government program officials, industry organization leaders, economic and social analysts, business entrepreneurs, and domestic and foreign researchers in academia, business, and government. Estimates produced on owner demographic data may be used to assess business assistance needs, allocate available program resources, and create a framework for planning, directing, and assessing programs that promote the activities of disadvantaged groups; to assess minority-owned businesses by industry and area and to educate industry associations, corporations, and

government entities; to analyze business operations in comparison to similar firms, compute market share, and assess business growth and future prospects. Estimates produced on research and development and innovation may be used to compare R&D costs across industries, determine where R&D activity is conducted geographically, and identify the types of businesses with R&D; to contribute to the Bureau of Economic Analysis (BEA) system of national accounts; to increase investments in research and development, strengthen education, and encourage entrepreneurship; and to compare business innovation in the United States to that of other countries, including those in the European Union.

Additionally, the data will help provide insight into the technology sector based on how businesses respond to questions about technology usage and approximate costs of technology usage.

Historical ASE and SBO data have been widely used by private firms and individuals to evaluate their own businesses and markets. The ABS will be able to provide most of the same continuity as previous statistics, with enhanced content, to provide a

more comprehensive view of domestic employer businesses, their owners and

corresponding characteristics and activities. Additional examples of data use include:

- The Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) to assess business assistance needs and allocate available program resources.
- Local government commissions on small and disadvantaged businesses to establish and evaluate contract procurement practices.
- Federal, state and local government agencies as a framework for planning, directing and assessing programs that promote the activities of disadvantaged groups.
- The National Women's Business Council to assess the state of women's business ownership for policymakers, researchers, and the public at large.
- Consultants and researchers to analyze long-term economic and demographic shifts, and differences in ownership and performance among geographic areas.

- Individual business owners to analyze their operations in comparison to similar firms, compute their market share, and assess their growth and future prospects.

Affected Public: Business or other for-profit.

Frequency: Annually.

Respondent's Obligation: Mandatory.

Legal Authority: Title 13 United States Code, Sections 8(b), 131, and 182, Title 42 United States Code, Section 1861-76 (National Science Foundation Act of 1950, as amended), and Section 505 within the America COMPETES Reauthorization Act of 2010 authorize this collection. Sections 224 and 225 of Title 13 United States Code requires response from sampled firms.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection

should be sent within 30 days of publication of this notice to

OIRA_Submission@omb.eop.gov or fax to (202)395-5806.

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