

Meeting the Challenges of Designing the Kauffman Firm Survey: Sampling Frame, Definitions, and Questionnaire Development, and Respondent Burden

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Presentation Overview

- **OBJECTIVE:** Describe KFS survey development
- **Topics Covered:**
 - **KFS Goals**
 - **Highlights of key challenges**
 - Sample design**
 - Definition of “new business”**
 - Questionnaire development**
 - Respondent burden**
 - **Lessons Learned**

Kauffman Firm Survey (KFS) Background

- **Sponsored by the Ewing Marion Kauffman Foundation**

<http://www.kauffman.org>

- **Longitudinal survey of new businesses**
- **Survey development began May 2004**
- **Baseline Survey began January 2005, annual follow-up surveys in 2006 and 2007**

Kauffman Firm Survey Goals

- **Overall Goal: Study entrepreneurship**
 - **Define “new business”**
 - **Identify patterns of new business development and sustainability**
 - **Provide longitudinal information**
 - **Inform policy decisions and academic analysis**

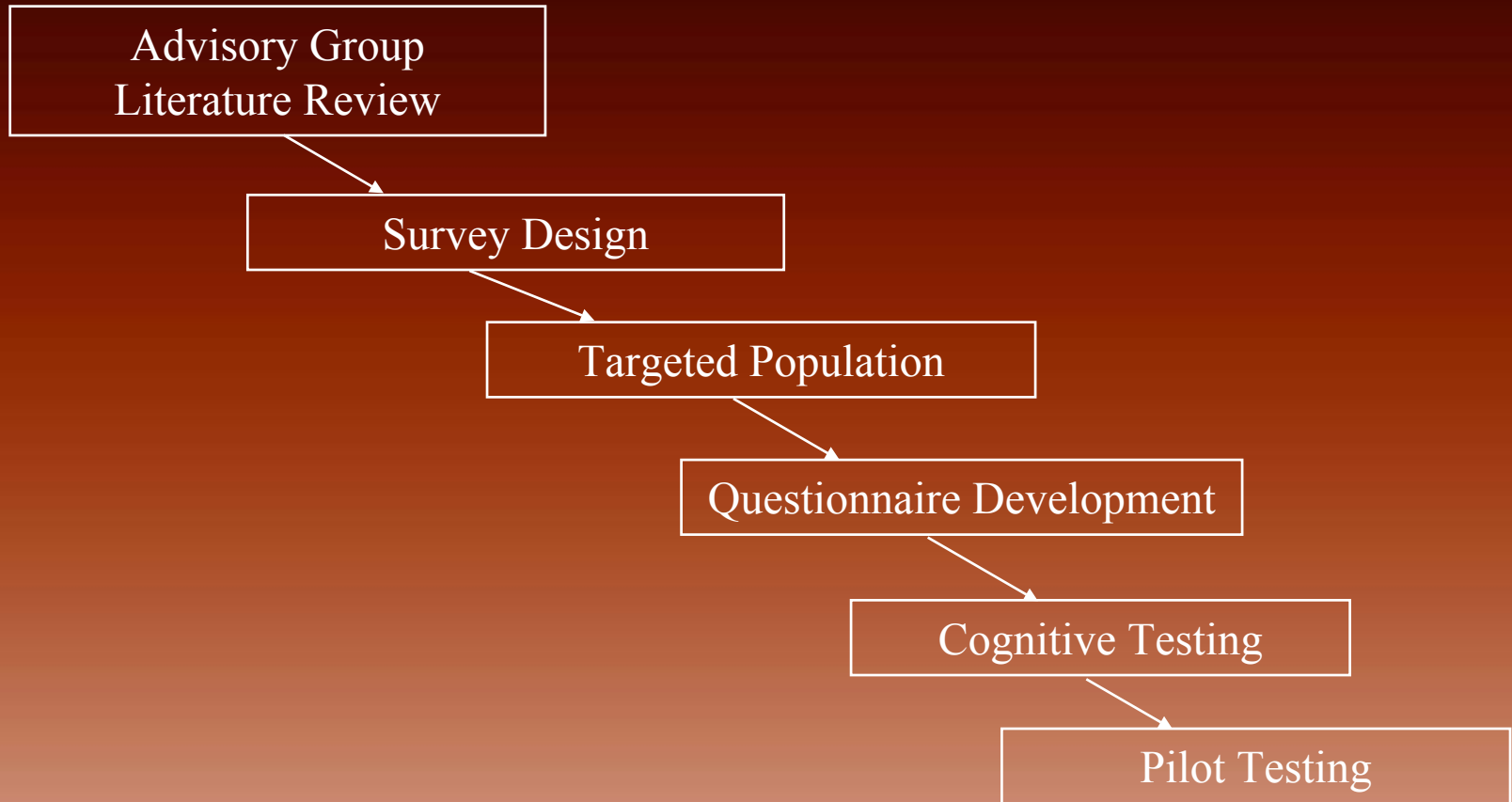
Methodological Challenges Addressed

- **Sample frame and design**
- **Criteria for a “new business”**
- **Key questionnaire items**
- **Response rates**

Original Survey Design

- **Sample: businesses listed for the first time in the Dun & Bradstreet database**
- **Respondent: nonpassive business owner**
- **Questionnaire: core items from the 1992 Economic Census**

Steps in the KFS Development Process



Advisory Group Activities

- **Planning meeting**
- **On-going meetings and consultation**
- **Questionnaire development (Delphi Process)**
- **Designated Principal Investigator**
- **Kauffman Symposium on Entrepreneurship Data**

Sample Design

- **Evaluation of Dun & Bradstreet**
- **Control on key factors: technology and women-owned businesses**

Selection Criteria

- **Targeted population**
 - **Confirm start year for “pure” cohort**
 - **Business actions: legal status, EIN, income tax report, unemployment insurance, FICA**
 - **Business not individual information**

Questionnaire Development

- **Survey and literature review**
- **Advisor group question recommendations**
- **Draft questionnaire review**

Test Process

- **Cognitive Interviews**
- **Pilot Test 1-A**
- **Pilot Test 1-B**
- **Pilot Test 2**

Pilot Test 1-A

Objective: Eligibility criteria incidence; D&B sample confirmation; business status

Method: D&B 2003 sample frame; telephone interviews

Results:

➤ Eligibility	2003 First Paid:	UI	12%
		FICA	20%
➤ D&B confirmation	D&B Women owners		85%
	D&B Men owners		91%
➤ Business status	Active		93%

Pilot Test 1-B

Objective: Additional eligibility criteria incidence

Method: Telephone re-contact of Pilot Test 1-A respondents

Results:

- **Has a legal status** 77%
- **Employer Identification Number** 52%
- **2003 IRS Schedule C** 52%

Pilot Test 2

Objective: Eligibility incidence; questionnaire pretest; incentive and web experiments

Method: CATI and web completes

Results: 36 percent incidence; 50 minute average CATI complete; \$50.00 increases response; web completes 30%

New Business Eligibility Criteria

	Pilot Test 1A	Pilot Test 1B	Pilot Test 2	Final
Legal Status		X	X	X
EIN		X	X	X
IRS Schedule C or C-EZ		X	X	X
Paid State unemployment insurance taxes	X		X	X
FICA Payments	X		X	X

Incentive Experiment

PREPAID

Nothing

\$1.00

POST PAID

Nothing

20%

22%

\$50.00

28%

30%

Lessons Learned

- **Sample Frame**
- **New Business definition**
- **Questionnaire items**
- **Survey Administration**

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