

April 13, 2015

Jennifer Jessup  
Departmental Paperwork Clearance Officer  
Department of Commerce  
Room 6616, 14th and Constitution Avenue NW  
Washington, DC 20230

Dear Ms. Jessup:

I am writing on behalf of the National Women's Business Council (the NWBC) – a nonpartisan federal advisory council to the White House, Congress, and U.S. Small Business Administration on issues of impact and importance to women entrepreneurs – to comment on the Annual Survey of Business Owners, also known as the Annual Survey of Entrepreneurs. The NWBC works to better the business climate for women; with this mission, the NWBC is supportive of policies and programs to advance women's entrepreneurship – such as this one. We cannot count what is not measured, but even stronger: if you can measure it, you can improve it.

Data is the foundation. We believe that more data and analysis to build understanding of the opportunities and challenges facing women-owned small businesses is a key foundation of a successful federal strategy to support these entrepreneurs that play an essential role in the national economy. Women-owned and minority-owned firms are the fastest-growing segment of the small business population; without timely data, we are unable to accurately calculate the impact of these businesses – or identify their needs and/or continued challenges. This data will enable the NWBC to understand the state of women-owned businesses and thus make more timely and up-to-date policy recommendations to our key stakeholders: the White House, Congress, and U.S. Small Business Administration.

The NWBC, since 2012, has recommended that an annual Survey of Business Owners (SBO) be implemented – to provide more regular and current data to the market. The dynamic nature of the business world demands a survey that can keep up with changes to inform the development of our research and recommendations to support small business owners. One such example: Crowdfunding is a relatively recent phenomenon within the sphere of access to capital. Use of and participation in crowdfunding appears to be growing; however, crowdfunding was not included in the 2012 Survey of Business Owners. Without implementing an annual survey, we would have to wait until 2017 to gather information on newer sources of capital (also including non-bank lenders) – and until 2020 for the data to be released. It is important for the Department of Commerce to be a leader in the collection of this data – because the SBO has a tremendous advantage in reliability and comprehensiveness, compared to other surveys. The federal government can also overcome methodological hurdles that others would face, including responsiveness and income data.

We were thrilled with the announcement of the public-private partnership of the U.S. Census Bureau and the Kauffman Foundation for the completion of an Annual Survey of Business Owners earlier this year.

The NWBC reviewed the “Proposed New Questions” shared earlier this year. We appreciate that the following recommended topics will be in the Annual Survey:

- Amount of capital by source
- Future plans for business at present
- Intentions behind starting firm
- Whether the business needed financing but did not apply and why the business did not apply
- Information about patents and intellectual property
- Longitudinal data

The NWBC recommends that the Survey of Business Owners also collect the following data:

- Future plans for business at present – regardless of original intentions
- More detailed industry information available in the PUMS (public use microdata set), acknowledging data confidentiality issue than can occur when providing information on smaller populations
- Track employers separately from non-employers
- Title/role of owners (e.g. CEO) to determine if “women-led”
- Information on STEM education of owners
- Legal form of organization (C-corporation, S-corporation, LLC, partnership or sole proprietorship)
- Participation in exporting

We understand there may be opportunities in the future to explore these additional topics as modules. The NWBC would certainly support such efforts to collect data on these other topics in future iterations of the Annual Survey of Business Owners.

The NWBC applauds the U.S. Census Bureau's efforts in conducting this data collection. As a diverse council of women business owners and members of women's business organizations, the NWBC is uniquely positioned to provide independent, non-partisan consultation based on rigorous research of issues regarding women's entrepreneurship and economic participation. The NWBC appreciates the opportunity to submit a formal comment on the Annual Survey of Business Owners, and look forward to working closely with the U.S. Census Bureau as it relates to advancing economic gains for women business owners. Please do not hesitate to let us know if we can be of assistance.



ADVISORS TO  
THE PRESIDENT,  
CONGRESS,  
AND THE SBA

Sincerely,

Amanda Brown  
Executive Director, NWBC