## Combined Race and Ethnicity Questions for Experimental Testing with Businesses

The Census Bureau (Census) and the National Center for Science and Engineering Statistics (NCSES) are planning to include the proposed combined race and ethnicity questions from the Federal Interagency Technical Working Group on Race and Ethnicity Standards (Working Group) to continue researching implementation with the business population. This information will answer key research questions to help improve the quality and usefulness of measuring race and ethnicity that better reflects a diverse America. Census and NCSES are testing the impact of proposed revisions on the collection of demographics from the business population to provide valuable input in updating the Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity.

Some key research that this test will help accomplish include the following:

- Determine the best approach for collecting race and ethnicity data about business owners.
- Evaluate changes in response distributions if the proposed standard is implemented.
- Evaluate responses to the current approved race and ethnicity question as compared to the new proposed combined race/ethnicity question.
- Determine if ABS respondents can provide detailed race/ethnicity information about the business owners (i.e. are respondents selecting detailed categories or are they only selecting the broad categories).
- Evaluate how the racial composition of business metrics such as employment, revenue, innovation, and other business characteristics may change if asking race and ethnicity as a combined question.

All companies will receive the currently approved race and ethnicity questions (based on OMB's 1997 Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity) for up to four owners of the business, followed by the combined race and ethnicity question proposed by the Federal Interagency Technical Working Group on Race and Ethnicity Standards (Working Group) within Section B (Owner Characteristics) of the 2024 ABS questionnaire. The proposed combined question will be preceded by introductory language to encourage response. All sampled companies will be assigned to receive either the combined question using the broad categories or the combined question with the detailed categories and write-ins. The sample will be split evenly between the 2 groups for employer businesses and respondents will only see the experimental treatment they are assigned. Nonprofit organizations are not eligible to report business owner demographics on the ABS and will therefore not be included in the test.

Census and NCSES will continue to analyze and publish results on race and ethnicity based on the currently approved race and ethnicity questions. However, we will also analyze the combined race/ethnicity data collected to address the research questions by analyzing results at varying cross tabulation levels (i.e. geography, industry, company size) and identifying the impact on key variables by demographics (i.e. revenue/sales, employment, and payroll).

The combined race and ethnicity questions included on the ABS will be asked as proposed by the Working Group in the Federal Register Notice (<u>Federal Register</u>:: <u>Initial Proposals For Updating OMB's Race and Ethnicity Statistical Standards</u>). The proposed combined race and ethnicity questions for the ABS experimental test and the introductory text are shown below.

## NOTE

In addition to the race and ethnicity questions previously presented, the Census Bureau is testing a revised race and ethnicity question. As a result, we are asking that you please answer the following question on race and ethnicity.

DETAILED CATEGORIES RACE OR ETHNICITY (figure 2 from the FRN, modified to ask about the owner)

What is Owner X's race or ethnicity? Select all that apply **AND** enter additional details in the spaces below. Note, you may report more than one group. ☐ **White** – *Provide details below.* □ Italian ☐ German ☐ Irish ☐ Polish □ English ☐ French Enter, for example, Scottish, Norwegian, Dutch etc. ☐ **Hispanic or Latino** – *Provide details below.* ☐ Mexican or Mexican American ☐ Dominican ☐ Cuban ☐ Salvadoran ☐ Puerto Rican ☐ Colombian Enter, for example, Guatemalan, Spaniard, Ecuadorian, etc. ☐ Black or African American – Provide details below. □ African American □ Haitian ☐ Nigerian ☐ Ethiopian □ Jamaican ☐ Somali Enter, for example, Ghanaian, South African, Barbadian, etc. ☐ **Asian** – *Provide details below.* ☐ Chinese ☐ Korean ☐ Filipino ☐ Japanese ☐ Vietnamese Enter, for example, Pakistani, Cambodian, Hmong, etc.

☐ American Indian or Alaska Native – Enter, for example, Navajo Nation, Blackfeet Tribe, Mayan, Aztec,

Native Village of Barrow Inupiat Tribal Government, Tlingit, etc.

☐ Middle Eastern or North African – Provide details below.					
		Lebanese			Moroccan
		Syrian			Egyptian
		Iranian			Israeli
Enter, for example, Algerian, Iraqi, Kurdish, etc.					
☐ Native Hawaiian or Pacific Islander — Provide details below.					
		Native Hawaiian			Fijian
		Tongan			Chamorro
		Samoan			Marshallese
Enter, for example, Palauan, Tahitian, Chuukese, etc.					
BROAD CATEGORIES RACE OR ETHNICITY (figure 3 from the <u>FRN</u> , modified to ask about the owner)					
What is Owner X's race or ethnicity? Select all that apply.					
	White				
	Hispanic or Latino				
	Black or African American				
	Asian				
	American Indian or Alaska Native				
	Middle Eastern or North African				
	Native Hawaiian or Pacific Islander				