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

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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
- 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
- Literature Review
- Survey Design
- Targeted Population
- Questionnaire Development
- Cognitive Testing
- Pilot Testing
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%
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%
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

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# Incentive Experiment

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Lessons Learned

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