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Appendix A  
Pretest One Debriefing Memo

# *Memorandum*

April 29, 2004

**To:** John D. Wolken  
**From:** Carol Emmons  
**Re:** 2003 Survey of Small Business Finances  
**Minutes from Pretest 1 Telephone Interviewer Debriefing**

**Participants:**

*Federal Reserve Board:* Traci Mach, John Wolken

*NORC:* Bob Bailey, Mireya Dominguez, Carol Emmons, Terri Kowalczyk, Bill Sherman, NORC Telephone Interviewers, and Phil Panczuk (by phone).

**Minutes:**

**1. Introduction and Ground Rules**

Bill Sherman opened the meeting and explained the ground rules. Introductions were accomplished by having each person in the room say their name and tell something interesting about himself or herself or about a recent vacation. Bill emphasized the importance of open and honest participation. He noted that the purpose of the debriefing is to evaluate the survey, not the interviewers.

**2. General Observations and Suggested Topics for the Day**

Carol Emmons led this portion of the meeting. She explained that the purpose was to identify topics that the interviewers wanted to make sure were discussed during the debriefing. The topics the interviewers identified were the following:

*Main Interview:*

- *Proxies who are accountants:* Questionnaire is overscripted for these types of proxy respondents, who understand the terminology and do not need long definitions.
- *Repetition of firm name and fiscal year ending date:* These terms are overused in the questionnaire and make respondents impatient.
- *Similar questions:* Asking questions that seem similar to ones already asked is annoying to respondents.
- *Distance Questions:* Need coding instruction for distances less than one mile; need to fix CATI to allow for long distances (screen field too small).
- *Closing Script:* Need to change to refer to only the documents that R used during the interview.

Respondents think we are asking them to send their bank statements, and respond negatively.

- *QxQs*: Solid blocks of text difficult to read. Need to be reformatted with shorter sentences and more white space. Key phrases should be highlighted.

*TNMS Set Up:*

- *TNMS Dispositions*: The TNMS does not provide the appropriate dispositions codes at the appropriate stages of the interview process.
- *Identity of Screener Respondent*: It would be helpful to know who the screener respondent was when calling to conduct the main interview.
- *Company Names*: Abbreviated company names are hard to decipher.
- *Owner Title or Gender*: Sometimes the owner's name contained only an initial. Not clear whether to ask for "Mr." or "Ms." Should provide owner title or gender.
- *Identity of Earlier Respondent in the Case of a Breakoff*: The way the system is currently set up, the interviewer who is calling the case to complete the interview after a breakoff does not know the identify of the respondent interviewed up to that point, unless it is documented in the call notes.
- *Frequency of Callbacks*: Calling rules need to be reviewed to prevent too-frequent callbacks.

*Training:*

- *Call Notes*: Stress the importance, during training, of writing detailed call notes. Stress the importance of recording gatekeeper and proxy names in the call notes.
- *Properly Exiting a Case*: More emphasis needed in training on how to properly exit a case.

*Survey Procedures:*

- *Answering Machine Script*: Change to include "...or to schedule an appointment for your interview." Also mention importance of survey, and the fact that we are not selling anything
- *Time Between Screener and Main Interview*: It would be helpful to be able to go right from the screener to the main interview if the respondent is willing.

*Screener:*

- *Screener Introduction*: It does not work to read the screener introduction to a gatekeeper. It is more effective to save the introduction until speaking to the owner or proxy.

### **3. Building on Strengths: Identifying What Works and Why**

Carol Emmons also led this portion of the meeting. The purpose was to identify the things that interviewers found worked well during the first pretest. The interviewers identified the following items:

- Advance letter from Alan Greenspan gave survey credibility.
- Using Federal Express for the worksheet mailing got respondents' attention.
- Asking to speak with the owner, and postponing the screener introduction until speaking with the owner or proxy, was more effective for gaining cooperation than reading the screener introduction to a gatekeeper.

- Zip code look-up table had good response time.
- Institution look-up table usually contained the branch used by the respondent and had good response time.
- Respondent incentives sometimes helped in gaining cooperation. There were differing opinions among the interviewers, but no interviewers felt that incentives harmed cooperation.
- Having definitions of questionnaire terms in the questionnaire and the QxQs made these easily accessible to interviewers and helped less knowledgeable respondents understand the questions being asked.

#### 4. Cooperation, Refusals and Gatekeepers

Bob Bailey led this portion of the meeting. The purpose was to identify the main challenges involved in gaining the cooperation of gatekeepers and respondents with the pretest. Another purpose was to identify and share solutions to overcoming gatekeeper and respondent objections. This session covered a wide range of topics related to gaining cooperation.

*Screener vs. Main Interview.* In general, the interviewers found it easier to gain cooperation with the main interview than with the screener. It appears that once the owner or proxy agrees completes the screener, he or she is willing to “go the rest of the way,” and complete the main interview. Exceptions to this are owners for whom English is not their first language, owners who work directly serving customers, and owners who work in noisy establishments (e.g., auto repair shops).

Interviewers felt, however, that the time between the screener and main interview should be made as short as possible to take advantage of the rapport developed during the screener. Interviewers also felt that some owners were “turned off” by the worksheets because they look complicated and time-consuming to complete.

*Survey Introduction.* The interviewers all agreed that the screener introduction needed to be changed. They found that simply asking to speak to the owner of the business was a much more effective way to get to speak to the owner, than first introducing themselves and the study to a gatekeeper. The interviewers recommended that we postpone the introduction until we are speaking with the person we want to interview.

There were differences of opinion among the interviewers about whether it was harmful to mention the length of the interview in the introduction. One interviewer noted that respondents sometimes held him to that amount of time. One interviewer said that a strategy he found useful was to ask the respondent for five minutes of his or her time, rather than telling the respondent how much time was needed. Another interviewer thought it better to be vague, i.e., “This will only take a few minutes.”

*3-attempt Rule to Reach the Owner.* Interviewers sometimes found the “3-attempt rule” to reach the owner as a significant challenge during screening. In some instances, it was clear on the first call that the interviewer would never speak to the owner, yet the CATI system required three attempts to reach the owner before it allowed the interviewer to screen a proxy respondent. The interviewers feel that there needs to be a way to circumvent the 3-attempt rule when circumstances demand it.

*Proxy Respondents.* For some types of small businesses, such as physicians’ and dentists’ offices, interviewers found that there was no point in asking to speak to the owner, because the physician or dentist would never take the call. One interviewer noted that in such instances, he would say to the gatekeeper, “I want to make sure the owner knows what is going on, so please talk to the owner about this, and I will call

back.” Interviewers also felt that having the owner’s title (i.e., Mr., Ms., Dr.) would allow them to ask for the owner in the proper way, e.g., May I speak with Dr. So-and-so.

One interviewer made the distinction between owner-designated proxies and self-designated proxies. This interviewer thought it would be helpful to have different introductions for different types of proxy respondents.

*Reasons for Refusals.* Interviewers mentioned the following as the most common reasons for refusing to do the screening interview:

- Respondent does not do surveys.
- Respondent stated, “Why bother?”
- Respondent wondered, “What are you really going to do with the data?”
- The introductory script in the screening questionnaire was “deadly.”
- Respondent concerns about confidentiality or legitimacy of the survey.
- We were calling accountants during tax season.

*Strategies for Gaining Cooperation.* Interviewers mentioned the following strategies for gaining cooperation:

- Mention the project website.
- Ask for the gatekeeper’s name and record it in the call notes.
- State the reason for the call as, “I’m following up on the letter you/the owner received from the Federal Reserve Board Chairman, Alan Greenspan.”
- Leave a callback message with the gatekeeper if the owner was unavailable, asking that the owner call the study 800 number. (**Note that some interviewers felt this was a risky strategy.**)
- Use the word “confirming,” i.e., “I’m just confirming basic information about firm.” Try to segue right into the conversation and start asking the screening questions.
- Mention the FRB rather than the SSBF.
- Avoid using the word, “survey”; use “study.”
- Start the main interview even if the owner has not yet received or completed the worksheet. Respondents who start the interview might be more likely to complete it, even if over more than one session.
- If a gatekeeper says that they received the mailing, but the owner has decided not to participate, ask why, and then try to convert.

*Changes to Help Interviewers Gain Respondent Cooperation.* The interviewers identified the following changes they would like to see made, in the questionnaire, call management system, and survey procedures, to help them gain respondent cooperation with the survey:

- Carry the call notes from the screener over to the main interview.
- Make the main interview available for calling more quickly after the screener is completed.
- Add the date of the respondent mailing to the preamble screen.
- Add the owner’s title and or gender to the preamble screen.
- Allow more space for the type of business (SIC descriptions) on the preamble screen and the CATI

questionnaire screen.

- Allow an interviewer to set an appointment for the main at the end of the screener.

*Collecting Respondent Email Address.* When asked how respondents reacted to being asked for their email address, interviewers commented that respondents often asked how this information would be used. Interviewers were confused about how to code a “no” response, i.e., as “no email address,” or as a refusal to give the email address.

#### **4. Unusual and Difficult Situations**

Mireya Dominquez led this portion of the discussion. The purpose was to identify unusual situations that came up during pretest data collection, that interviewers felt ill-equipped to handle. The following situations were noted:

- Screener questions, “Is this the HQ or main office?” was sometimes difficult for respondents to answer. For example, an owner owns five McDonalds and we are calling him at one of them. Another example is an owner who manages real estate, and we are calling him at one property.
- The owner of the sampled business also owns other separate businesses.
- The owner’s business has multiple branches.
- Wording at A.11.1 asks for street address (as opposed to city and state) but when read over the phone, having just asked for mailing address, the meaning is less clear.
- The owner is deceased.
- The business is a farm.
- The headquarters of the firm has moved since Dun & Bradstreet last updated its files.
- Reaching an owner at a peak time for that business (e.g. restaurants) is difficult. There was some discussion about setting callbacks versus letting TNMS schedule (“but TNMS doesn’t know it’s a restaurant”). Interviewers should ask for good time to call back, but if the gatekeeper does not offer a specific time, the interviewer should not set a general callback.

#### **5. Main Interview Questionnaire**

Bill Sherman led the discussion for this topic. The purpose was to identify questions or skip logic in the main interview questionnaire that interviewers found problematic. The interviewers made the following general comments about the main interview questionnaire.

- There is too much repetition of the business name.
- There is too much repetition of the phrase, “fiscal year ending.”
- There is too much repetition of the stem, “Did you have a(n) [service] with [institution]” in sections E and F.
- Respondents who deal with more than two financial institutions gets bored with the interview.
- All the questions that ask for a comparison between two different years are awkward to read and confusing to respondents.



The interviewers also made the following comments about specific sections in the questionnaire:

Question	Comment
<b>Section B: Organization Demographics</b>	
B3	If the number of owners entered at A10.1 is "2," CATI will not accept "sole proprietorship" as the firm type.
<b>Section C: Personal Characteristics of Owners</b>	
C2	When a husband and wife are co-owners, either may be reluctant to name a majority owner. In this situation, some interviewers found it helpful to say, "Let's just start by talking about you."
C30	One interviewer thought this question (which asks if the firm is publicly traded) should be asked earlier because earlier questions sometimes make the answer obvious.
C32	Change QxQ to explain that we are looking to identify the owner who has owned the firm the longest time, and to find out when that owner took ownership.
<b>Section F: Use of Credit and Financing</b>	
General	Respondents rarely mentioned additional institutions after completing sections E and F.
F32.1	Since vehicle loans are usually collateralized by the vehicle, the vehicle should be the first response option.
<b>Section MRL: Most Recent Loan</b>	
General	Questions seem redundant with earlier questions in sections E and F.
<b>Section G: Use of Other Financial Services</b>	
G11	Respondents confuse bank with the bank holding company that provides them with credit card processing services. Interviewers should be warned about this in training.
<b>Section L: Trade Credit</b>	
General	Smaller firms are unfamiliar with the term, "trade credit." Most refer to this as "having an account." Should add this and the term "invoices" to QxQ.
<b>Section M: New Equity Investments in Firm</b>	
General	The QxQs need to be written in shorter sentences.
READ 27	Needs to be shortened.
M1	Suggest re-wording as, "Did someone invest in your company?"
<b>Section P: Income and Expenses</b>	
P6 and P8	One interviewer thought that using negative numbers to indicate a loss may be error-prone.
<b>Section R: Assets</b>	
R2	Needs to be changed in CATI to match hardcopy version of questionnaire.

## 7. Screener Issues

This section was led by Terri Kowalczyk. The purpose was to identify problems and issues with the screening questionnaire. The following issues were identified by the interviewers:

- The screener introduction needs to be revised (see also section 4 above).
- Need way to circumvent 3-attempt rule to reach owner, when circumstances dictate.
- Question A4, asking whether this is the headquarters or main location of the firm, may cause firms to

screen out inappropriately.

## **8. Institution Look Up**

This section was led by Bob Bailey. The purpose was to get interviewer reactions to the institution look-up function in the main interview CATI questionnaire. Interviewers reported that they could usually find the branch the respondent used in the look-up table. The response time for the look up was good. Finally, a surprising number of respondents knew the zip codes of their banks, but less knew the zip codes of non-depository institution sources.

## **9. Fading Respondents, Regaining Cooperation**

Due to earlier sections taking longer than plan, this section was skipped. However, interviewers reported that most respondents were willing to complete the interview, once they started it. (See also module 4, Gaining Cooperation.)

## **10. Telephone Number Management System (TNMS)**

This session was led by Mireya Dominquez. The purpose was to discuss possible improvements to the TNMS to facilitate the interviewers' job. Interviewers made the following suggestions:

- Change "Respondent" to "Owner" on the preamble screen.
- Add a separate field for "Proxy name" to preamble screen.
- Allow more space for SIC code label on preamble screen, and in the main questionnaire.
- Carry over the final interviewer comments collected in the screener to the main interview.
- Add a disposition for "owner refused."
- Add a disposition to request a fax be sent to the owner.
- Generally need to change "R" to "Owner" in outcome definitions.
- Add the following dispositions to SUSPEND screen:
  - Owner to call 800 number
  - Owner requested fax
  - Answering machine
  - Busy
  - All initial dispositions.
- Bring the name and title of the screener respondent over to the main interview, and indicate whether the screener respondent was an owner or proxy.
- Need full set of non-contact disposition codes after starting the conversation for the screener.
- Cases assigned a "ring, no answer" disposition redelivered after too short an interval.
- Ring, No Answer Disposition: Interviewers questioned whether it is a good idea to put ring-no-answers into locating. One interviewer got a number of completes while dialing in locating. Suggest rule be reviewed.
- Add a disposition to "locating" to return case to the general interviewing location.

- When using Directory Assistance to locate people, some interviewers used “edit phone #” to change number in the TNMS. Need to decide whether to follow this protocol or put new number in call notes only.
- Suggest two locating locations: one for cases going to locating by rule and one for cases going to locating by human decision.
- Dispense with separate locations for different time zones.

## 11. Job Aids

This discussion was led by Mireya Dominguez. The purpose was to identify necessary improvements to the interviewer Job Aids designed for Pretest 1 as well as to identify additional job aids that interviewers thought would be helpful.

Regarding existing job aids, the interviewers suggested adding the breakpoint function to Job Aid #7: CATI Functions.

They also suggested revising the answering machine script as follows:

- Have the script emphasize the importance of the study.
- Leave the 800 number.
- Have different scripts for the screener and main interviews.
- Have a different script for missed appointments.

Interviewers also suggested developing the following two new job aids for the main study:

- Top 10 reasons to participate in this survey.
- Ways of overcoming the 10 most frequent objections to participating in this survey.

Finally, the interviewers commented that the job aids were not very accessible in the binder. Job aids need to be posted at the interviewing station.

## 12. Contact Materials

*Pre-screening Materials.* Interviewers reported that these were not very memorable to respondents. They agreed that putting the Federal Reserve Board seal on the envelope would cause respondents to pay more attention to these materials. They also agreed that the advance letters seemed to help if the respondent recalled receiving them. Finally, the interviewers liked the revised version of the project director letter that will be used for Pretest 2.

*Worksheet Materials.* As described above, the interviewers reported that some respondents were put off by the worksheets because they look long and complicated. Accountants seem to like the worksheets.

## 13. Incentives

Terri Kowalczyk led this discussion. The purpose was to collect interviewers’ impressions of how helpful the incentives were in gaining respondent cooperation.

Some interviewers thought the incentives were very helpful in gaining respondent cooperation; other interviewers felt that the incentives did not make much difference. Nobody thought the incentives were harmful. A few respondents declined the incentive. The \$50 appeared to be more popular with respondents than the Dun & Bradstreet Small Business Solutions package. No respondents expressed concern about their names being sold by Dun & Bradstreet. The interviewers agreed that there needs to be rules about who gets the incentive if a proxy completes all or part of the interview.

#### **14. Interviewer Training and Training Materials**

Comments and suggestions about interviewer training were made throughout the discussion of other topics. These comments are summarized in this section.

##### *Using the TNMS:*

- *Setting call backs:* If an interviewer calls a firm at a bad time (e.g., a restaurant at lunch time), the interviewer should try to get the gatekeeper to suggest a call back time and set a soft appointment. The interviewer should not set a general callback because the TNMS will re-deliver the case too soon.
- *Sending cases to supervisor review:* Interviewers needed more guidance about when it is appropriate to send a case to supervisor review.
- *Writing call notes:* More emphasis needed on the importance of recording the names of gatekeepers and proxy respondents in the call notes.
- *Updating Firm's Telephone Number:* Interviewers need clear instructions about where to record updated telephone numbers.
- *SIC Code Description:* Inform interviewers that "NEC" stands for "Not Elsewhere Classified."

##### *Using CATI*

- *Keyboard practice:* Interviewers commented that the more practice they get in training on entering responses into the CATI system, the better.
- *Practice editing verbatim responses:* New interviewers were unprepared for the fact that the text editor in open-ended questions works differently than in F2- interviewer comments and in the call notes ( e.g., destructive backspace, and use of "ESC" key).
- *CATI Functions:* More emphasis needed in training on use of the CNTL↑ when switching to a new respondent mid-interview, including recording the name of the new respondent.
- *Question Number:* Explain to interviewers how to identify the question number on the CATI screen.

##### *Mock Interviews*

- *Realism:* Interviewers thought that it would be helpful if the mock interview scripts used in training were more realistic and contained more of the types of challenges they encounter during actual production interviewing.
- *Worksheets:* Tie the worksheets to the interview more closely during the mock interviews.

*Eligibility Criteria*

- Interviewers were not sure how to handle cases that went out of business between the screener and main interview.

*Main Interview*

- *Section G (Use of Other Financial Services)*: Need to alert interviewers to the fact that respondents often confuse their bank with the bank holding company that provides them with credit card processing services.
- *Section L (Trade Credit)*: Need to point out the switch to a specific supplier for the questions about discounts.
- *Sections R (Assets) and S (Liabilities & Equity)*: Need to alert interviewers to the fact that many small businesses will have a lot of zeroes in their balance sheets.

*Continuous Training*

- *Buddy System*: Assign experienced interviewers to be “buddies” to new interviewers.
- *Interviewer Meetings*: Provide a forum in which interviewers can share information and tips.
- *Monitoring*: Have new interviewers or interviewers who are having difficulty listen to experienced interviewers.

**Appendix B**  
**Pretest Two Debriefing Memo**



## *Memorandum*

DATE

**To:** John D. Wolken  
**From:** Bill Sherman  
**Re:** Pretest Two Training – Action Items  
**Cc:** Traci Mach, Bob Bailey, Carol Emmons

Below is a summary of the action items identified by NORC at last Friday's Pretest Two training session. Please feel free to comment and edit as appropriate.

### Reporting

- NORC will send to the FRB electronic versions of all pretest two training materials, plus hard-copy versions of the screener and main quex, on Monday, May-10.
- NORC will send to the FRB daily versions of CATI programs with a list of new issues that have been integrated and tested by NORC and are ready to be reviewed by the FRB.
- NORC will send to the FRB a daily status report of all FRB-initiated CATI, hard-copy, QxQ and other issues, showing each issue's current status.
- NORC will provide IWers with PT2 mailings, for reference.
- NORC will send to the FRB pretest-one CATI versions of the screener and main quex.

### Questionnaire

- NORC will update the main quex to provide optional stems for verifying amounts.
- NORC will update both questionnaires to permit IWers to skip introducing themselves, if they have already introduced themselves to an R in one of the prompts to overcome objections.
- NORC will add a QxQ for Subsection H, explaining that information identifying the address of an R's financial institution is used by the FRB to help determine the amount of bank competition in a given area, and cannot be used access the firm's records at the financial institution.
- NORC will record, integrate, text and report to the FRB about other fixes identified during training.
- NORC will add several questions to the IWer observation quex about the worksheet mailing.



### Training Issues

- If an IWer uses the Exception key, he or she must enter an amount, and should probe and then record R's explanation for the reason(s) for an out-of-range response.
- IWers should verify the spelling of institution names; the verification will improve the speed and accuracy of the institution look-up procedure.
- IWers should read amounts verbatim as they appear on the verification screen, not repeat amounts as they were reported by Rs.

### Job Aids

- NORC will update job aid #1, which provides information to help Rs determine their firm's organizational type.
- NORC will update the job aid for answering machine/voice mail scripts. NORC will add a script for reaching proxies, and will consider adding a sentence to one or more of the existing scripts indicating that the screening interview takes only five minutes.
- NORC will create a job aid that identifies the 25 largest U.S. banks and lending institutions (information to be provided by the FRB), with their common aliases. This job aid may also include rules for entering institution names, e.g., "and" instead of "&" and "FCU" instead of "F C U" or "federal credit union."

Appendix C  
Interviewer Job Aids

## List of 2003 SSBF Job Aids

1. Tax Forms Used by Different Organization Types
2. Eligibility Criteria
3. Frequently-Asked Questions and Answers
4. TNMS Disposition Codes
5. Instructions for Logging In and Out of the TNMS
6. Answering Machine Scripts
7. CATI Functions
8. SSBF Important Codes/Telephone Numbers
9. Institution Look-Up
- 9A. Institution Look-Up Quick Reference
10. Top 10 Reasons to Participate in the SSBF
11. Entering Institution Names into Look-Up Table
12. Conventions for Entering Institution Names Into Look-up Database
13. Conventions for coding responses to A10\_2
14. Tools for working batch four main cases after incentive increases to \$200
15. Encouraging Respondents to Report Dollar Amounts in Balance Sheet Questions
16. Encouraging Respondents to Return Worksheet and Other Materials

## Job Aid #1

### **Tax Forms Used by Different Organization Types**

<b>Organization Type</b>	<b>Tax Form</b>
Sole Proprietorship	1040 Schedule C or EZ
Partnerships	1065
C-corporation	1120 or 1120A
S-corporation	1120S

## Job Aid #2

### Eligibility Criteria

To be eligible for the survey, a company must meet **all** of the following **eight** criteria:

- Currently be in business
- Have fewer than 500 employees
- Be privately-owned (vs. part of the government)
- Not be a *majority-owned* subsidiary of another company
- Be for-profit (vs. not-for-profit)
- Have been in business in December, 2003
- Must be the main location or headquarters, if the firm has more than one location
- Must belong to an eligible industry (i.e., *not* be a financial institution or farm).

## Job Aid #3

### SSBF FREQUENTLY ASKED QUESTIONS AND ANSWERS

#### What is the purpose? How information will be used:

*What is the purpose of this study?*

*Why do you need to know all this information?*

*How will this information be used?*

*I'm not interested.*

- The FRB wants to understand the impact of changes in the economy and the financial industry on the availability of credit to businesses like yours. Because they regulate banking institutions and conduct the nation's monetary policy by influencing money and credit conditions, they can shape conditions to ensure that small business needs are being met. This survey helps the FRB to:
  - Gain insight into factors that may increase prices or reduce availability of credit to small businesses
  - Measure the impact of government regulations on availability of credit
  - Understand whether financial institutions are actively seeking to provide credit to small businesses
  - (refer to SSBF brochure for more talking points)
- The economy has changed significantly over past 5 years – it is very important to get a clear snapshot of current conditions affecting small businesses.
- The information will also be used in the “Report to Congress on the Availability of Credit to Small Businesses” which is produced by the FRB every 5 years.
- The website explaining this study is <http://www.federalreserve.gov/ssbf/>.

#### How was I selected?

*How did you get my number?*

*Why can't you call someone else?*

*I don't have any / need any business loans.*

- Your firm is part of a scientifically selected sample of small businesses obtained from Dun and Bradstreet, which maintains the world's largest business database and provides business information for credit, marketing, and purchasing decisions.
- Your business was scientifically chosen to represent businesses like yours across the nation. If you don't participate, then businesses like yours will not be represented in the study results.
- Even if you currently don't have or need business loans, as your business grows you may want to expand without tying up your existing capital, and the FRB's goal is to evaluate and influence the money and credit conditions that impact businesses such as yours. We also want to understand use of other types of financial services such as trade credit and basic services such as checking and savings.

## How will it benefit me to participate?

*What do I get out of this?*

- By participating, you will be helping your government to help you, and other small business owners like you, obtain credit and other necessary financial services.

*I'm not interested.*

- Your participation will help ensure the equal availability of financial services to all small businesses.

*Will I be paid?*

- This is an opportunity for your voice to be heard by Congress and The Federal Reserve Board on the availability of credit to small businesses.
- The information from this survey will be used to evaluate the impact of public policies on small businesses. By describing your firm's experiences with the cost and availability of financing, you will help the Federal Reserve Board measure the level of competition in the financial services industry, which benefits small businesses by making credit equally accessible.
- Your participation will help to identify monopolistic practices by lending institutions.
- You're not just participating in a survey, you're giving voice to small business owners all over the country about the concerns and needs of small businesses.
- As a token of appreciation for your participation, we are offering your firm either \$50 or a Dun and Bradstreet Small Business Solutions package valued at \$199.

## Concerns about time

*I'm too busy.*

- **(Screenener:)** I'd just like to ask a few quick questions to be sure that your business qualifies to participate in this study, then we will FedEx you a packet of information with more details. It will only take a few minutes.

*This takes too long.*

- **(Main Interview:)** If it is more convenient, we can do this survey in more than one call. We can start now and see how far we get, and then if need be call back to finish at your convenience.

*The owner is not/never available.*

*Can't you just mail me the survey?*

- The owner of the firm can designate a proxy who can knowledgeably answer questions about the firm.
- We understand that small business owners are often very busy. We can schedule a callback when it's convenient, and/or I can give you a toll-free number to call us to set up a time to talk.
- We do mail a packet of materials that explains the study along with a worksheet to help organize your thoughts. There are other questions in the survey, and they vary depending upon your organization type and your relationships with financial institutions. Talking with a trained interviewer is the shortest and most efficient use of your time because the computer will skip questions based on your responses, and if you have any questions about a question we can help clarify.

## Concerns about confidentiality or privacy

*Who are you?*

*How did you get my number?*

*How do I know my information will be kept confidential?*

*Why do you need all this financial data?*

*I don't give out personal information.*

*Will the IRS see my data?*

*I don't do phone surveys.*

- NORC is affiliated with the University of Chicago. We conduct social science research in the public interest and have been doing so for over 60 years. We are a leader in this field; our extensive list of clients includes government agencies, foundations, and not-for-profit organizations. We were hired to conduct this survey because of our expertise in developing surveys and in the accurate collection and confidential handling of data. Our website is <http://www.norc.uchicago.edu>.
- The Federal Reserve, the central bank of the United States, was founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system. The FRB conducts the nation's monetary policy, supervises and regulates banking institutions, and protects the credit rights of consumers. Their website is <http://www.federalreserve.gov/>.
- Your firm is part of a scientifically selected sample of small businesses obtained from Dun and Bradstreet. We received only basic information about your firm such as address, phone, organization type, and number of employees to initially verify that you might be eligible to participate in this study.
- NORC ensures that the confidentiality of your responses to this survey will be maintained by NORC and the Federal Reserve Board. No information obtained in the course of this study may be disclosed in a manner in that identifies a particular person or establishment, except to a very small number of authorized staff at NORC and the Federal Reserve System.
- The FRB is prohibited by law from sharing your data or any of the data from this study with any other agency, including the Internal Revenue Service.
- Your participation is voluntary and very valuable. You have the right to choose not to answer any question you think is too sensitive.
- We ask questions that are relevant to understanding the characteristics of small businesses with respect to financing, and ask certain questions only when the information cannot be obtained in any other way.



## Job Aid #4

## SSBF TNMS DISPOSITION CODES

Dispositions Used in Screener and Main		
Disposition	Call Note	Meaning/Use
[99] Start Conversation		Use when R is on the phone and ready to do an interview. This is always the first option on the list and is selected by default.
[17/31] Ring No Answer		Use after the 7 <sup>th</sup> ring when there is no answer.
[17/32] Answering Machine - No Message Left		Use when you reach an answering machine. Leave message on 3 <sup>rd</sup> attempt resulting in an answering machine.
[17/34] Answering Machine - Message Left		Use when you reach an answering machine for the third time. Automatically writes message to call notes, "PLEASE CALL. ANSWERING MACHINE MESSAGE LEFT TWO DAYS AGO."
[15/37] Transferred to Voicemail – No Message Left		Use when you have spoken to a live person and have been transferred to voicemail
[15/36] Transferred to Voicemail – Message Left		Use when you have spoken to a live person and have been transferred to voicemail.
[17/38] Owner/Proxy to Call 800 Number		Use only when told that R will call the SSBF 800 number.
[16/35] Regular Busy		Use when you get a <i>regular</i> busy signal indicating the line is in use.
[22/141] Callback Requested	•	Use when you are setting an appointment with <i>someone other than the owner</i> . Set a <i>hard appointment</i> when the person you need to talk to gives you a time to call back. Set a <i>soft appointment</i> when the person you need to talk to does not give you a specific time to call back.
[ 7/150] Refer to Supervisors	•	Use only when no other code is appropriate. Give explicit reason for sending case to supervisors. This code will prevent the case from being re-delivered to an interviewer.
[15/147] Privacy Manager		Use when you hear a message that the number has a privacy blocker.
[15/151] Hung Up During Intro	•	Use when R hung up before you could state who you are and why you are calling. If you move beyond the preamble, you should use the appropriate refusal code.
[15/152] Proxy Refusal	•	Use when you get a refusal from a proxy for the owner.
[15/153] Owner Refusal	•	Use when the owner refuses.
[15/154] Gatekeeper Refusal	•	Use when someone who is not the owner or a proxy refuses, such as a receptionist.
[15/155] Hostile Refusal	•	Use when you get a <i>hostile refusal</i> from anyone in the firm. A hostile refusal includes threats or the use of profanity.
[15/158] Non-contact on Appointment	•	Use only when calling back a hard appointment.

Dispositions Used in Screener and Main		
Disposition	Call Note	Meaning/Use
[15/159] Owner Unavailable – No CB Established	•	Use when you requested to speak to the owner but the owner was unavailable and you were not able to establish a call back time.
[15/169 ] Owner Unavailable – Message Left	•	Use when you requested to speak to the owner but the owner was unavailable and you left a verbal message with a gatekeeper.
[15/140] Language Barrier	•	Use when the owner speaks a language other than English, or you are unable to get past a gatekeeper who appears to speak some language other than English.
[15/103] Computer Tone/Fax/Alarm System		Use when you hear the loud piercing tone of a fax machine or modem.
[15/106] Fast Busy/Silence	•	Use when you get a fast busy signal or there is only silence on the line.
[15/107] Disconnected		Use when you get a message that the number has been disconnected.
[09] Redial Number		Returns you to initial contact screen.
[27] Logout & Terminate		Use to exit cases at lunch or break time, or at the end of your shift.
[91] Access a Number Directly		Access a specific case using the phone number or SUID.
[92] Display Disposition History		Review what past disposition codes to understand what has happened with this case in the past.
[97] Update Call Notes		Select to read all call notes or enter a new call note.
[99] Continue Interview		
[15/133] Locating Problem	•	Use when you reach a residence that is not also a business or have an incorrect business
[15/180] Ineligible – Gone out of business	•	Use only when you are told by an informant that the sampled company has gone out of business.
Dispositions for Screener Only		
Disposition	Call Note	Meaning/Use
[15/160] Advance Letter Re-mail Request		Use when the case requests a re-mail of the advance letter.
[15/161] Email Advance Letter Request		Use when the case requests a re-mail of the advance letter.
[15/161] Fax Advance Letter Request		Use the case requests to have the advance letter faxed.
[xx/xxx] Wrong Number		
Dispositions for Main Only		
Disposition	Call Note	Meaning/Use
[15/170] Worksheet 1 Re-mail Request		Use to request re-mail of Sole Proprietor worksheet.
[15/171] Worksheet 2 Re-mail Request		Use to request re-mail of Partnership worksheet.
[15/172] Worksheet 3 Re-mail Request		Use to request re-mail of C-Corp worksheet

Dispositions Used in Screener and Main		
Disposition	Call Note	Meaning/Use
[15/173] Worksheet 4 Re-mail Request		Use to request re-mail of S-Corp worksheet

## Job Aid #5

# INSTRUCTIONS FOR LOGGING IN AND OUT OF THE TNMS

### Logging Into the TNMS:

#### 1. Log In Options

At the F prompt, **F:\**, type **LOGIN** and strike **<Enter>**.

If at **"Enter Login Name"** prompt **DO NOT TYPE** the word "login".

If at DOS vs. Windows screen, **select DOS** to get to login prompt.

#### 2. At the "Enter Login Name" prompt, type your login name and strike **<Enter>**.

Interviewer Login: NORC-DG2/6128i001-075 (Supervisor will assign a number)

#### 3. Next, at the Password prompt **type** the password: **PURPLE1** and strike **<Enter>**.

#### 4. **Select** Training/Testing or Production.

#### 5. **Select** your name from the interviewer list by **highlighting it** and striking **<Enter>** (You may also just begin to type your name until it appears on the screen).

#### 6. **Select "Select a Job"** from the options in the banner on the top of your screen and strike **<Enter>**.

#### 7. **Select** mock indicated by trainer or in production select SSBFSCR (Screening) or MAINIW (Main Interviewing) and strike **<Enter>**.

#### 8. **Select CATI Entry** from the options in the banner on the top of your screen and strike **<Enter>**.

#### 9. **Select** your assigned TNMS location and strike **<Enter>**. To begin with, all interviewers will select **General Interviewing**. Later, depending on your skills, you may be assigned to other locations.

#### 10. Now, your first case will be delivered to you.

### Logging Out of the TNMS:

#### 11. When you have finished working your last case for the shift and you have been delivered another case, select **[27] Logout and Terminate**.

#### 12. Select **Exit** from the options in the banner at the top of your screen and press **<Enter>**.

#### 13. From the drop down menu, select **Exit** and press **<Enter>** again.

## Job Aid #6

### ANSWERING MACHINE SCRIPTS

#### SCREENER Answering Machine Script

This is [YOUR FULL NAME] from the University of Chicago. I am trying to verify some basic information about your firm, on behalf of the (United States) Federal Reserve Board.

IWER ONLY USE WHEN TRANSFERRED TO PROXY BY OWNER:

([OWNER NAME] has referred us to you, in order to help verify some of this information about [BUSINESS NAME].)

It takes just five minutes to verify all the information. Someone from my office will call back soon, and hope that next time we reach you at a more convenient time. If you have any questions, feel free to call our toll-free number: (pause) 1-800-692-4192. Thank you

#### MAIN QUESTIONNAIRE Answering Machine Script

Hello, my name is [Your Full Name] from the University of Chicago. I'm calling on behalf of the (United States) Federal Reserve Board.

IWER ONLY USE WHEN TRANSFERRED TO PROXY BY OWNER:

([OWNER NAME] has referred us to you, in order to help answer some questions about the operation of [BUSINESS NAME].)

(This call is just a friendly reminder that) we would like to complete an interview with you, at your earliest convenience, regarding the Survey of Small Business Finances. Your participation will help shape public policy on the cost and availability of financial services to small businesses like yours.

Someone from my office will call back soon, and hope that next time we reach you at a more convenient time. If you have any questions or would like to schedule an appointment, feel free to call our toll-free number: (pause) 1-800-692-4192. Thank you

# ANSWERING MACHINE SCRIPTS

## SORRY WE MISSED YOU

### **(Answering Machine Script When Calling an Appointment)**

Hello, my name is [Your Full Name] from the University of Chicago. I'm calling on behalf of the (United States) Federal Reserve Board.

Sorry we missed you when we called for our appointment to complete The Survey of Small Business Finances. Your participation will help shape public policy on the cost and availability of financial services to small businesses.

Someone from my office will call back soon, and hope that next time we reach you at a more convenient time. If you have any questions or would like to reschedule an appointment, feel free to call our toll-free number: (pause) 1-800-692-4192. Thank you

## Rules for Answering Machines

- Leave message on every 3<sup>rd</sup> call (no more than once per week)
- When leaving a message after calling for an appointment, use the "Sorry We Missed You Script".
- Leave a message on SECOND attempt **ONLY** when we have spoken to a live person and have been transferred to the **OWNER'S** voicemail.
- When speaking to an owner's secretary/office assistant we should leave **VERBAL** message right away and use him/her to set (or to give you a good) a time to speak to owner. (Code: Owner Not Available/Message Left)
- Do **NOT** leave a message when in the refusal location.

## 800 Numbers and Websites

NORC      1-800-692-4192 (SSBF Hotline)  
             1-866-435-5637 (Fax)  
             WWW.NORC.UCHICAGO.EDU/SSBF

FRB        WWW.FEDERALRESERVE.GOV/SSBF

## Job Aid #7

## CATI FUNCTIONS

NOTE: Where there are two keys listed, the first key is held down and then hit the second key.

FUNCTION	KEYS
Allows you to move to next screen once data is entered.	<Enter>
Previous Screen or Question	< - > Minus
Break off (or suspend) interview	<Ctrl><End>
QxQ (opens)	<F1>
Comment Box (opens)	<F2>
Refusal	<F7>
Don't Know	<F8>
Exception	<F9>
Hot Key for R Address or Change-of-R Screens	<Ctrl><PgUp>
Resumes Interview for a Proxy	<Home><PgDwn>

## To Use The Proxy Break Point Function:

1. Make a note of the full Question# in the lower left corner of the screen. This indicates the Question that the proxy is to begin the interview. (e.g., 560-P1\_2).
2. Make a note of the proxy name and title.
3. Press **<Ctrl> <PageUp>** to view a menu of previous questions
4. **<PageDwn>** to select Question #654 BP1, the Break Point question. (Note: you can also type #654) and press **<Enter>**
5. **Select** proxy interview option
6. Fill out the appropriate proxy information in the spaces provided:
  - a. Enter the Question # from item 1.
  - b. Enter the name of the Proxy
  - c. Enter the title of the Proxy
7. Arrow Down and select "Enter to Begin Proxy Interview" and then Hit **<Enter>** to save changes and advance to next screen
8. Finally, to return to the question where the proxy needs to begin, press **<Home> <PageDown>**

**Job Aid #8****SSBF Important Codes/Telephone Numbers**

<b>Activity/Function</b>	<b>Code Information</b>
SSBF Project Code	6128
Screeners <b>Training</b> Activity Code	6128.08.22
Screeners <b>Interviewing</b> Activity Code	6128.09.24
Screening Interviewing Telephone Code	612809
Main Interview <b>Training</b> Activity Code	6128.08.22
Main Interview <b>Interviewing</b> Activity Code	6218.09.27
Main Interview Telephone Code	612809
SSBF 800 Number	800-692-4192
SSBF Incoming Fax Number	866-435-5637
Downers Grove Front Desk	630-434-6600
Mireya Dominguez, Direct Line	630-434-6621
Terri Kowalczyk, Direct Line	630-434-6670
FRB's SSBF Website Address	<a href="http://www.FederalReserve.gov/SSBF">http://www.FederalReserve.gov/SSBF</a>
NORC's SSBF Website Address	<a href="http://www.NORC.UChicago.edu/SSBF">http://www.NORC.UChicago.edu/SSBF</a>



## Job Aid # 9

### INSTITUTION LOOK-UP

The revised institution lookup program is designed for you to first submit a branch query and then, if necessary, a bank query.

#### BRANCH QUERY

The branch query runs when you press <F4> the first time. All the information you've been able to collect – City, State, Zip and Bank Name – appears in the data fields and will be used by the search program to try to find an exact match right down to the branch level.

- If this query finds any matches, they will be displayed.
- This search is strictly limited by the information in the fields
  - If Zip is filled in, this search will only return bank name matches within that Zip.
  - If Zip is blank but City and State are filled in, this search will return all bank name matches within the City and State.
- Work with the respondent to select the exact match. **Press <F5> to select a match.**

The branch query has a second step that is automatically performed as needed.

- If the branch query doesn't find any matches, you will see the message "No matches found, looking for main banks" and then a second search will run.
- This second search will return all main office banks in the country that match the bank name.
- Work with the respondent to find the right main bank. This puts you in position to run a bank query.

#### BANK QUERY

- After selecting a main bank, press <F4> **Get Bank** to find all the branches associated with the selected main bank.
  - Note that the Bank ID field has been filled in and all other fields have been blanked out.
  - If you leave the other fields blank and press <F4> again, you will get a list of all branches of the bank.
  - If you fill in City or State, for example, and press <F4>, the search will return a list of the branches of this main bank that are within the City and State you specified.
- Work with R to find the right branch within this list. As above, **press <F5> to select a match.**
- Note that "Branch Unknown or Not Found" placemaker entries are only presented as a result of this search. They are found at the bottom of the list. You can get to the bottom of the list quickly by pressing <End>.

#### NEW KEY

- Pressing <F6> while reviewing any list of banks will momentarily show you the Zip code you originally entered.

## Job Aid # 9A

# INSTITUTION LOOK-UP QUICK REFERENCE

### QUERYING BASICS

#### MAIN SEARCH SCREEN

- ✓ F3 = Clear Field
- ✓ F4 = Run Query
- ✓ Esc = Quit (No Results)

#### QUERY RESULTS SCREEN

- ✓ F3 = Return to Search Screen
- ✓ F4 = Select Bank ID and Return to Search Screen
- ✓ F5 = Select Bank
- ✓ F6 = View Zip Code
- ✓ Esc = Quit (No Results)

### Searching for a Branch

1. Press <F4> to run query and search for bank with preloads
  - a) If no branches are found, Main banks will displayed
  - b) Search for Main Bank for the Respondent →  
Go to “Searching for a Bank”
2. Search for bank in query results
  - a) FOUND → Press <F5> to select branch
  - b) NOT FOUND → Go to Step 3
3. Press <F3> to return to search screen
4. Modify preloaded data → Go to Step 1
 

**Suggestions for Modifications**

  - a) Check Spelling
  - b) Eliminate City, Zip, or Bank Name
  - c) Check 25 Top Ten Banks Job Aid

### Searching for a Bank

1. At Results Screen Press <F4> at Respondent’s Main Bank to get a Bank ID and return to search screen
2. Press <F4> to run query using Bank Id and Zip Code
3. Search for bank in query results
  - a) FOUND → Press <F5> to select branch
  - b) NOT FOUND → Go to Step 4
4. Select <Bank Unknown or Not Found> found at the bottom of the list.

## Job Aid #10

### Top 10 Reasons to Participate in SSBF

1. By participating, you will be helping your government to help you, and other small business owners like you, obtain credit and other necessary financial services.
2. This is an opportunity for your voice to be heard by Congress and The Federal Reserve Board on the availability of credit to small businesses.
3. By participating, you will be helping the Federal Reserve Board gauge the level of competition in the financial services industry, which benefits small businesses by making credit equally accessible.
4. Your participation will help to identify monopolistic practices by lending institutions.
5. This is an opportunity to help shape banking regulation in this country, as it affects small businesses.
6. Your business was scientifically chosen to represent businesses like yours across the nation. If you don't participate, then businesses like yours will not be represented in the study results.
7. You're not just participating in a survey, you're giving voice to small business owners all over the country about the concerns and needs of small businesses.
8. Your participation will help the Federal Reserve Board evaluate economic conditions for small businesses nationwide.
9. Your participation will help ensure the equal availability of financial services to all small businesses.
10. If you complete the full interview, *as a token of appreciation*, your business will receive either a \$50 token of appreciation or the Dun & Bradstreet Small Business Solutions Package that will provide:
  - a. **An Industry Research Report** that gauges your firm's performance in your industry
  - b. **A Comprehensive Report** that gives you an in depth-look at another company's financial position.
  - c. **A Credit eValuator Report** that provides basic information to help evaluate new customers, pre-screen prospects or perform a quick credit review.
  - d. **Two DUNS Demand Letters for Collections** that provides methods for getting money owed to you without alienating your customers.

## Job Aid #11

## Entering Institution Names into Look-Up Table

Do not use these spellings.	Instead, use these.
Bank of America B of A, BOA	<b>Bank of America</b>
The Bank of New York	<b>Bank of New York</b>
BankOne. Set to merge between July and October of 2004 with J.P. Morgan Chase Bank, each bank will retain its own name.	<b>Bank One</b> <i>(two words)</i>
BB&T	<b>Branch Banking and Trust Company</b>
Citi, City, Citi Bank	<b>Citibank</b>
Citibank West	<b>Citibank West, FSB</b>
Comerica Bank	<b>Comerica Bank</b>
FleetBoston (Financial Corporation), Fleet *This bank is in the process of merging with Bank of America; for now, use current, pre-merger names	<b>Fleet National Bank</b>
H S B C (spaces between letters)	<b>HSBC Bank USA</b>
JPMorgan, Chase, Chase Manhattan, J P Morgan *instances of J. P. Morgan Trust Company must be searched for as J P Morgan Trust.	<b>JPMorgan Chase Bank</b>
Key Bank, Key	<b>Keybank</b> <i>(one word)</i>
Manufacturers and Traders	<b>Manufacturers and Traders Trust Comp</b>
MBNA	<b>MBNA America Bank</b>
Merrill Lynch, Merrill	<b>Merrill Lynch Bank USA</b>
PNC Bank	<b>PNC Bank</b>
Regions Bank	<b>Regions Bank</b>
SouthTrust, South Trust	<b>SouthTrust</b> <i>(one word)</i> <b>Bank</b>
Merger with National Commerce Financial announced May 9, 2004; all will operate under SunTrust name	<b>SunTrust</b> <i>(one word)</i>
U. S. Bank, U S Bank, USBank	<b>US Bank</b>
Union Bank of California	<b>Union Bank of California</b>
Wachovia First Union (merged with Wachovia September 1, 2001) Prudential (merged with Wachovia July 23, 2003)	<b>Wachovia Bank</b>
Washington Mutual Bank	<b>Washington Mutual Bank</b>
In 1998, Norwest Financial Corporation and Wells Fargo & Company merged	<b>Wells Fargo</b>
Wells Fargo Minnesota	<b>Wells Fargo Bank Minnesota</b>
World Savings Bank	<b>World Savings Bank</b>

## Job Aid #12

### Conventions for Entering Institution Names Into Look-Up Database

Follow these conventions to make your institution look-ups faster and easier.

If you hear this...	... then enter this.
Credit Union	CU
Federal Credit Union	FCU
National Association*	NA
1 <sup>st</sup>	FIRST
2 <sup>nd</sup>	SECOND
3 <sup>rd</sup>	THIRD
21 <sup>st</sup>	TWENTY FIRST
&	AND
@lantec	ATLANTEC
Commas, periods and parentheses . , ( )	[do not enter these punctuation marks]
*Changed only in Bank Name, the searchable field. Not changed for branch names.	

#### Other Conventions

- You may enter the word “THE” as part of an institution name.
- Use ONE SPACE ONLY, and not more than one space, between words.

## Job Aid #13

### Conventions for Coding Responses to A10\_2

Screener question A10\_2 asks, “What is the single most important problem facing your business today?”

- When R names more than one problem, ask, “Could you choose one? I need the *single* most important problem facing your business.” Read the response categories if necessary.
- When R gives an answer that you are not sure how to code using the code frame, rather than choosing “other,” select a category that seems like it might work, read the category aloud, and ask R if your choice is correct. If R disagrees with your choice, then code “other” and enter the verbatim response. Below are responses you might not know how to code, and initial guesses to try with the R.

<i>If R says...</i>	<i>Ask, “Would that be...”</i>
lack of business not enough work no projects loss of customers/clients getting business finding work light market [for firm’s product]	Poor sales
lack of funds access to working capital capital project funding unsecured financing	Financing
competition pricing pressure large chain stores/Wal-Marts	Competition from larger firms
workman’s compensation liability insurance health insurance costs	Cost and availability of insurance

- Some responses will need clarification before coding.

<i>If R says...</i>	<i>Clarification</i>
health care/medical costs (without mentioning insurance)	Ask what kind of health care costs. If at that point they say health insurance, proceed as above.
the economy	Ask how the economy affects their business. Are they doing less business than they otherwise would?

Some responses will be coded as other: specify, either immediately or after further probing.

## Job Aid #14

### Tools for working batch four main cases after incentive increases to \$200

**You are offering a \$200 token of appreciation.**

- To persuade reluctant Rs in batch four only, you may remind them that as a token of our appreciation, if they complete the main interview they will receive a check for \$200 (or the Dun & Bradstreet Small Business Solutions package)
- As usual, remember to not say that this money is to compensate them for their time – for most Rs, their time on this study is worth more than \$200!

**You are offering to pay for a firm's accountant to do most of the interview – all of the financial questions beginning with subsection N.**

- It is very important that an owner completes subsections A through D. However, NORC is willing to pay for a firm's accountant to do the financial part of interview – beginning with subsection N. We can contact the accountant for the interview, and we can pay the accountant his or her standard hourly rate for time to prepare and complete the study. Talk to your supervisor about the details of how payment is handled.
- You can mention this offer, if necessary, at the start of the conversation as part of your negotiation to complete the survey.

**You are offering all of the other great reasons to do this study.**

- There are many compelling reasons for a firm to participate in this study. One reason is that it is simply in the firm's own self-interest to participate, to help ensure that it has equal access to credit when it needs credit. Consult Job Aid #10, Top Ten Reasons for Participating in the 2003 SSBF, for a comprehensive list of why firms should participate.

## Job Aid #15

### Encouraging Respondents to Report Dollar Amounts in Balance Sheet Questions

#### **IF RESPONDENT REFUSES TO REPORT DOLLAR AMOUNTS IN INCOME AND EXPENSES, ASSETS, OR LIABILITIES AND EQUITY:**

I can understand that you consider this information to be very private and confidential.

Let me assure you, however, that NORC carefully protects the confidentiality of your information at all times. In fact, we could not do the study if participants thought that their information might be shared with anyone outside of a handful of authorized researchers at the United States Federal Reserve Board.

You can report estimates or ranges, if that would make you feel more comfortable.

We need to collect information about your firm's income, expenses and so forth, but we do not require specific amounts. The study is designed to accept estimates and ranges because we know some respondents will be more comfortable that way. This will ensure that your participation counts.

#### **IF RESPONDENT NOW AGREES TO REPORT ESTIMATES OR RANGES:**

Great, thanks, although please bear with me – the study requires that I ask for an exact amount first, before asking for an estimate or range answer.

#### **IF RESPONDENT HAD A LOAN THAT WAS NOT APPROVED:**

By providing this financial information, you will help the Federal Reserve Board make sure that firms applying for loans from banks are treated fairly – that banks make fair decisions when granting loans.

#### **IF RESPONDENT ASKS WHY WE NEED THIS INFORMATION:**

To evaluate whether or not your firm is being treated fairly by financial institutions when you apply for credit or other financial services, the FRB needs to understand more about the overall financial health of your firm.



## Job Aid #16

## Encouraging Respondents to Return Worksheet and Other Materials

**Please read out – slowly – in place of the Remarks screen on CATI:**

To resolve any discrepancies that might turn up when my notes are reviewed, we would like to have your worksheet and, with your permission, copies of the firm's balance sheet and, the firm's income statement or income tax return. I would really appreciate it if you could mail the completed worksheet, or these other records, back to NORC. We have provided a postage-paid envelope for this purpose.

Can we count on you to send back your worksheet, and copies of any other records you used for this interview?

<b>IF YES:</b>	That's great, these documents will really help us. You may want to mail them today so that you won't have to remember to do it later.
<b>IF OTHER RESPONSES:</b>	<ul style="list-style-type: none"> <li>- Of course it is your choice, but by sending us these documents, you would help ensure that all the information you have provided would be put to maximum use.</li> <li>- If you no longer have a worksheet, we would be happy to send you another one, as well as another postage-paid envelope, if needed.</li> <li>- If you are concerned about confidentiality, let me assure you that we are prohibited by law from sharing your data with the Internal Revenue Service, or with anyone else other than a few authorized individuals at the Federal Reserve Board.</li> </ul>

**PROMPT:** If you do not have the postage-paid envelope, our address is:

National Opinion Research Center  
at The University of Chicago  
1 North State Street  
Suite 1600  
Chicago, Illinois 60602

Thank you for participating in the survey. We greatly appreciate your time and effort. The Federal Reserve will send you a report summarizing the findings of the survey. Have a nice [day/evening]. Goodbye.

Appendix D  
Screener Questionnaire

# 2003 Survey of Small Business Finances

## Screeners – Final Version Survey Questionnaire

Division of Research and Statistics  
Board of Governors of the Federal Reserve System  
Washington, DC 20551

National Opinion Research Center  
Chicago, Illinois 60603

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**QUESTION BY QUESTION (QxQs) NOTES**

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- A1.** Identifies the owner of the firm for purposes of interviewing that person. For firms with more than one owner, we'd like the owner that has the largest ownership share of the firm.

Generally, you must ask three times to speak to an owner before asking to speak to a qualified proxy. However, if you are told that an owner will not be available for at least two weeks, you should record "OWNER NEVER AVAILABLE"; you will then be allowed to ask for a qualified proxy. You may need to negotiate with a GK to get to an owner. You may need to overcome objections, including convincing the GK or owner that this is a legitimate, scientific study that will benefit small businesses.

Be positive, polite and persistent, but not pushy, in getting to an owner. We do not want to burn any bridges with the company. Never say you are calling FROM the Federal Reserve Board - that is not a true statement. But feel free to say you are calling on behalf of the Federal Reserve Board. Sometime it is effective to say you are calling on behalf of the United States Federal Reserve Board, or the United States Federal Reserve Board located in Washington, DC.

- A1.2** A qualified proxy must have some basic knowledge about the firm. Typically, an administrative assistant, secretary or receptionist is not qualified to be a proxy.

Make sure the person you are talking to understands the information you need, and work with him or her to help you get to a qualified proxy for the owner that would know this information. In larger firms, a knowledgeable proxy may be a comptroller, CEO, vice-president of finances or accountant. In smaller firms, a qualified proxy may be a bookkeeper or office manager. In very small firms, sometimes any full-time employee or relative who works for the firm may qualify as a proxy.

**SCREENER QUESTIONNAIRE**

A1. Hello, may I speak with ([OWNER]/the owner of [FIRM NAME])?

PROMPT1: (My name is \_\_\_\_\_) I'm calling from the University of Chicago.

PROMPT2: Last week my office sent the owner some information from the (United States) Federal Reserve Board, including a letter from Alan Greenspan, and (he/she) may be expecting my call today.

PROMPT3: I'm calling (simply) to verify some basic information about your business, as requested by the Federal Reserve Board. It takes less than five minutes. This is not a sales call. Again it is important that I speak with the owner.

OWNER SPEAKING - PROCEED WITH INTERVIEW .....	1	➔	<b>GO TO INTRO2</b>
OWNER NOT AVAILABLE .....	2	➔	<b>GO TO PROXY RULES</b>
WRONG NAME/NO LONGER WITH FIRM .....	3	➔	<b>GO TO A1.1</b>
OWNER <u>NEVER</u> AVAILABLE FOR SURVEY .....	4	➔	<b>GO TO A1.2</b>
OWNER NOT AVAILABLE, OTHER OWNER AVAILABLE...	5	➔	<b>GO TO A1.1</b>
OWNER-DESIGNATED PROXY OR PREVIOUSLY APPOINTED; PROXY AVAILABLE.....	6	➔	<b>GO TO INTRO 2</b>
OWNER-DESIGNATED PROXY OR PREVIOUSLY APPOINTED; PROXY NOT AVAILABLE.....	7	➔	<b>GO TO A1.4</b>

**PROGRAMMER NOTE FOR A1.1**

IF A1=3, THEN FILL [CURRENTLY THE]; IF A1=5, THEN FILL [ANOTHER]

A1.1 Who is (currently the/another) owner of [FIRM]?

UPDATE PRELOADED OWNER NAME INFORMATION

NAME: \_\_\_\_\_

➔ **GO BACK TO A1**

**PROXY RULES**

IF OWNER NOT AVAILABLE 1 TO 2 TIMES	➔	<b>GO TO A1.5</b>
IF OWNER NOT AVAILABLE 3 TIMES	➔	<b>GO TO A1.2</b>

---

**QUESTION BY QUESTION (QxQs) NOTES**

A1.2 Is there someone other than the owner who can verify information such as the name and address of the business and tell us some basic facts such as the number of employees, ownership status and the fiscal year end date?

**IF R IS HESITANT OR ASKS WHAT CALL IS ABOUT, SAY:** I’m calling on behalf of the Federal Reserve Board. We are conducting a scientific research study with a select number of businesses. The call takes five minutes. Is there someone other than the owner who can-verify some basic facts about the firm, such as the number of employees, ownership status and the fiscal year end date?

- YES, OWNER PROXY SPEAKING NOW .....1➔GO TO INTRO2
- YES, BEING TRANSFERRED TO OWNER PROXY .....2➔GO TO INTRO2
- YES, BUT OWNER PROXY NOT AVAILABLE NOW .....3➔GO TO A1.4
- NO OWNER PROXY .....4➔GO TO A1.5

A1.4 Could you please tell me (his/her) name and business title?

PROXY NAME: \_\_\_\_\_

PROXY BUSINESS TITLE: \_\_\_\_\_➔GO TO A1.5

---

**QUESTION BY QUESTION (QxQs) NOTES**

- A1.5** Identify a time when the owner will be available and reschedule an appointment for that time. For hard-to-reach owners, such as physicians, lawyers and other professionals, you may want to consider getting on the owner's calendar - scheduling a specific date and time - for a callback.



**SCREENER QUESTIONNAIRE****PROGRAMMER NOTE FOR A1.5**

IF A1=7 OR A1.2=3 THEN FILL [PROXY], ELSE FILL [OWNER]

A1.5 Please tell me when [OWNER/PROXY] will be available and I'll call back later.

UPDATE TNMS WITH DATE AND TIME FOR CALL BACK

**IF R IS A PROFESSIONAL (LAWYER, PHYSICIAN, ETC.), CONSIDER:** (Rather than keep calling) I would like to schedule a time on [OWNER/PROXY]'s calendar when I can call back, and (he/she) will be expecting my (five-minute) call.

**IF NECESSARY, READ:** I am just trying to verify some basic information about the firm for the (United States) Federal Reserve Board (in Washington D.C.). It takes five minutes. I'm not selling anything and this is not a marketing survey.

**READ:** Thank you very much. Good-bye.

**INTRO2:** (Hello, my name is \_\_\_\_\_. I'm calling from the National Opinion Research Center, on behalf of the Federal Reserve Board.) Last week we mailed the owner some materials describing the Survey of Small Business Finances, including a letter from Chairman Alan Greenspan. Your firm has been randomly chosen to participate in this national, scientific study. The interview takes five minutes; participation is voluntary and you may skip any question you choose.

**IWER INFO:** IF YOU HAVE ALREADY INTRODUCED YOURSELF TO R, OR MENTIONED THE FRB, YOU MAY SKIP THE FIRST 2 SENTENCES.

**PROGRAMMER NOTE FOR A1.6**

IF A1.2=1 OR 2 OR A1=6  
ELSE

➔ GO TO A1.6  
➔ GO TO A2

A1.6 For our records, please tell me your name and business title.

PROXY NAME: \_\_\_\_\_

PROXY BUSINESS TITLE: \_\_\_\_\_

A2. First of all, let me verify the name of the business. Is [FIRM NAME] the correct name of (your/this) business?

YES .....1

NO .....2

DK OR RF .....3

➔ GO TO A3

➔ PROMPT FOR A YES/NO  
RESPONSE BEFORE ACCEPTING DK  
OR RF

---

**QUESTION BY QUESTION (QxQs) NOTES**

**SCREENER QUESTIONNAIRE**

A2.1 What is the correct name of (your/this) business?

EDIT BUSINESS NAME BELOW. ONLY UPPERCASE ALPHA, NUMERIC, DASHES, COMMAS, APOSTROPHES, SPACES ALLOWED.

UPDATE PRELOADED BUSINESS INFORMATION

BUSINESS NAME: \_\_\_\_\_

A2.2 INTERVIEWER CHECKPOINT: IS THE BUSINESS NAME SO DIFFERENT FROM THE PRELOADED NAME THAT WE MAY HAVE CALLED THE WRONG BUSINESS?

YES .....1  
NO .....2

➔ GO TO A3

A2.3 Was this business ever called [FIRM]?

YES .....1  
NO .....2  
DK OR RF ..... DK or RF

➔ GO TO ELIGIBILITY FLAG  
➔ PROMPT FOR YES/NO RESPONSE BEFORE ACCEPTING DK/RF; PROXY CASES GO TO A3; OWNER CASES GO TO ELIGIBILITY FLAG

A3. During December 2003, was the business in operation under one or more of its current owners?

**IF R ASKS WHAT “IN OPERATION” MEANS, SAY:** The business was in operation if it was generating expenses or revenue during December 2003.

YES .....1  
NO .....2  
DK or RF .....DK or RF

➔ GO TO ELIGIBILITY FLAG  
➔ PROMPT FOR YES/NO RESPONSE BEFORE ACCEPTING DK/RF; PROXY CASES GO TO A3.1; OWNERS CASES GO TO ELIGIBILITY FLAG

A3.1 Is the business currently in operation?

**IF R ASKS WHAT “IN OPERATION” MEANS, SAY:** The business is in operation if it is generating expenses or revenue.

YES .....1  
NO .....2  
DK or RF .....DK or RF

➔ GO TO ELIGIBILITY FLAG  
➔ PROMPT FOR YES/NO RESPONSE BEFORE ACCEPTING DK/RF; PROXY CASES GO TO A5; OWNERS CASES GO TO ELIGIBILITY FLAG

---

**QUESTION BY QUESTION (QxQs) NOTES**

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**A3.** Some of the owners may be different. For example, an owner may have died or sold his share to someone else. As long as AT LEAST ONE owner is the same, the firm is eligible.

**A5.** This question tries to establish if the firm is an independently operated business.

NOTE: A firm would be eligible for the study even if it is a subsidiary of another firm, as long as the other firm does not own 50% or more of the sampled business.

NOTE: A franchise is a right granted by a large business chain (e.g. fast-food company), allowing an investor to operate an outlet for its product or service by using its chain name and management know-how.

Being franchised does NOT necessarily mean over 50% ownership by another company. Therefore, franchised firms should be included in the survey if otherwise eligible.

NOTE: A firm is INELIGIBLE for the survey if a holding company owns 50% or more of the firm. A holding company is a corporation that owns enough stock in another corporation to influence its board of directors, and therefore control its policies and management.

**A6.** Most businesses are “for-profit” firms. For-profit firms may report either profits (revenues are larger than expenses) or losses (expenses are larger than revenues) in any given year. Even if a firm has losses, it is probably a for-profit enterprise. The key factor is whether profits go to the owners. If so, the firm is for-profit.

In order to be a non-profit or not-for-profit firm, the business must be recognized by the IRS as non-profit.

Examples of non-profit firms are membership organizations such as business associations, labor organizations, civic and social organizations, religious groups, political groups, and collective or cooperative organizations.

However, do NOT assume without asking that a firm of one of these types is non-profit. Sometimes these organizations are for-profit and therefore eligible for this study.

**A7.** Firms owned by local (city, county), state, or federal governments or by government agencies are to be excluded from the sample. Examples of such firms might include fire departments, police departments, sewage or public utilities such as gas and electric companies. However, be sure that the firm is owned by a government entity. There are firms such as those above that are privately owned (although they may hold a government contract or charter to provide these services), and if privately owned, they are eligible for the study.

Private firms that do work for, or have business contracts, with government agencies ARE eligible.

**A8.1** This question establishes the number of owners actively working at the firm, not the number of people who own the firm. A firm may have multiple owners, only some of which work at the firm. Other businesses are run by hired employees and none of the owners actually work at the firm themselves.

**SCREENER QUESTIONNAIRE**

A5. Does another company own 50% or more of [FIRM]?

**IF R IS NOT SURE, SAY:** That is, is [FIRM] a majority-owned subsidiary of another business?

YES .....1



**GO TO ELIGIBILITY FLAG**

NO .....2

DK or RF .....DK or RF



**PROMPT FOR YES/NO RESPONSE BEFORE ACCEPTING DK OR RF; PROXY CASES GO TO A6; OWNER CASES GO TO ELIGIBILITY FLAG.**

A6. Is [FIRM] a for-profit or not-for-profit organization?

**IF R IS NOT SURE, SAY:** Not-for-profit firms have a special designation from the IRS. I understand that [FIRM] does not have this special designation or recognition from the IRS as a not-for-profit organization. Is that correct?

FOR-PROFIT .....1

NOT-FOR-PROFIT .....2

DK or RF .....DK or RF

➔ **GO TO  
ELIGIBILITY FLAG**

➔ **PROMPT FOR RESPONSE BEFORE ACCEPTING DK/RF; PROXY CASES CONTINUE TO A7; OWNER CASES GO TO ELIGIBILITY FLAG.**

A7. Is [FIRM] owned by a local, state, or federal government agency?

YES .....1



**GO TO ELIGIBILITY FLAG**

NO .....2

DK or RF .....DK or RF



**PROMPT FOR YES/NO RESPONSE BEFORE ACCEPTING DK OR RF; PROXY CASES CONTINUE TO READ2; OWNER CASES GO TO ELIGIBILITY FLAG**

**READ2:** We would like to know the total number of individuals that worked at [FIRM] during a typical pay period in 2003. First, I'm going to ask about the owners:

A8.1 How many owners worked in [FIRM] during a typical pay period in 2003?

NUMBER: \_\_\_\_\_

DK or RF .....DK or RF

---

QUESTION BY QUESTION (QxQs) NOTES

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**A8.1 (Continued)** Full-time and part-time owners - as long as they actively worked for the firm during a typical pay period in 2003 - each count as one owner. If R says there are 3 and 1/2 owners, for example, ask R if there are 3 or 4 owners. Do not accept fractions.

**A8.2** Include workers whose taxes and FICA contributions were deducted from gross pay, and workers who received profits, sales commissions or payment in the form of other non-monetary goods and services, such as room and board, from the firm.

Contractors, leased employees and people provided by a temp agency, even if they work on the premise of the firm, are generally NOT considered employees.

Full-time and part-time employees are counted in the same way. For example, one full-time and three part-time individuals is equal to four employees (1 + 3).

If R responds with an answer like “three and a half” (3 1/2), FORCE CHOICE with PROMPT: “Was that closer to three, or closer to four, individuals in total?”

**A8.3** If an owner or proxy refuses, or doesn’t know the exact number of workers, encourage him or her to report a range. If R will not give a range, but indicates that there are fewer than 500 workers, select “Eligible, Other” and record the explanation.

**SCREENER QUESTIONNAIRE**

A8.2 Other than owners, how many individuals worked for [FIRM] during a typical pay period in 2003?

**IWER INFO:** PART-TIME & FULL-TIME WORKERS ARE EACH COUNTED AS “ONE” INDIVIDUAL WORKER

**IF R ASKS ABOUT UNPAID WORKERS, SAY:** Individuals working for the firm should be counted whether or not they were on the payroll, including friends and family.

**IF R ASKS WHICH EMPLOYEES TO INCLUDE, SAY:** Please include foreign offshore employees and dependent children who work without pay. Do not include leased employees. For seasonal employees, please use a typical pay period.

NUMBER: \_\_\_\_\_  
DK or RF.....DK or RF

**RANGE CHECK: A8.1 and A8.2  $\geq 0$**

**CALCULATE: TOTAL EMPLOYEES = A8.1 + A8.2**

<b>TOTAL EMPLOYEES <math>&lt;500</math> &amp; <math>&gt;0</math></b>	<b>→</b>	<b>GO TO A9</b>
<b>TOTAL EMPLOYEES = DK OR RF</b>	<b>→</b>	<b>GO TO A8.3</b>
<b>TOTAL EMPLOYEES = 0</b>	<b>→</b>	<b>GO TO A8.4</b>
<b>TOTAL EMPLOYEES <math>\geq 500</math></b>	<b>→</b>	<b>GO TO ELIGIBILITY FLAG</b>

A8.3 I understand that you may not be able to tell me the exact number of workers, however, can you tell me the approximate number of individuals, including owners, that worked for [FIRM] during a typical pay period in 2003, was it (**READ RANGES**)...

Less than 5 .....	1	→	<b>GO TO A9</b>
Between 5 and 9.....	2	→	<b>GO TO A9</b>
Between 10 and 13.....	3	→	<b>GO TO A9</b>
Between 14 and 49.....	4	→	<b>GO TO A9</b>
Between 50 and 99.....	5	→	<b>GO TO A9</b>
Between 100 and 499.....	6	→	<b>GO TO A9</b>
Greater than or equal to 500.....	7	→	<b>GO TO ELIGIBILITY FLAG</b>
OTHER .....	8		

**READ:** Please explain: \_\_\_\_\_  
DK or RF.....DK or RF

---

**QUESTION BY QUESTION (QxQs) NOTES**

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**A8.4** Generally, most firms will have at least one individual working for the firm (owner or employee) during a typical pay period. One possible reason for zero workers could be that the firm was inactive during that time period.

Another possibility is that the respondent is thinking of times when the owner might have worked for the firm, but there were no individuals on the payroll who received pay in any form including sales commissions and non-monetary payment in the form of goods and services, such as room and board.

Please carefully record the explanation for zero workers provided by the respondent.

**A9.** Most firms will have a single location.

**A9.1** Read question exactly as worded. We do not want to talk to branch locations, regardless of whether the R is an owner or proxy. This study is with HQ and main locations only. If the address was formerly the firm's HQ or main office, the firm is still eligible.

**A9.2** Read question exactly as worded. We do not want to talk to branch locations, regardless of whether the R is an owner or proxy. This study is with HQ and main locations only.

**A10** Asks for the last month and day of the firm's fiscal year. A fiscal year can begin and end at any time during the course of a year. Fiscal years are generally equivalent to the period of time for which taxes are reported. When the fiscal year ending date is equal to December 31, the fiscal year is equivalent to the calendar year. DK and RF responses here will not disqualify the business.



**SCREENER QUESTIONNAIRE**

A8.3.1 During any pay period in 2003, did [FIRM] ever have 500 or more employees?

YES ..... 1  
 NO ..... 2  
 DK or RF ..... DK or RF

→  
→

**GO TO ELIGIBILITY FLAG**

**GO TO A9**

→

**PROMPT FOR A YES/NO  
 RESPONSE BEFORE ACCEPTING DK OR  
 RF; PROXY CASES TO CONTINUE TO A9;  
 OWNER CASES TO GO TO ELIGIBILITY  
 FLAG.**

A8.4 You reported that no one worked for [FIRM] during a typical pay period. Most companies have at least one worker during a typical pay period. How did [FIRM] operate in 2003 with zero workers?

SPECIFY: \_\_\_\_\_

A9 Does [FIRM] have more than one office or location?

YES ..... 1  
 NO ..... 2  
 DK OR RF ..... DK or RF

→  
→

**GO TO A10**

**PROMPT FOR YES/NO RESPONSE  
 BEFORE ACCEPTING DK/RF; PROXY  
 CASES CONTINUE TO A9.1; OWNER  
 CASES GO TO ELIGIBILITY FLAG**

**PROGRAMMER NOTE FOR A9.1**

USE PRELOADED PHYSICAL, NOT MAILING, STREET ADDRESS FOR FILL

A9.1 I have an address for the firm of [ PHYSICAL STREET ADDRESS]. Is this the correct address for the firm's headquarters, for a branch location of the firm, or for neither?

HEADQUARTERS ..... 1  
 BRANCH LOCATION ..... 2  
 NEITHER ..... 3  
 DK OR RF ..... DK or RF

→  
→

**GO TO A10**

**GO TO ELIGIBILITY FLAG**

A9.2 Was [ PHYSICAL STREET ADDRESS] ever the firm's headquarters, or ever a branch location?

**IF R SAYS ADDRESS WAS BOTH A HQ AND A BRANCH, SAY:** Which was it most recently, a headquarters or a branch location? RECORD RESPONSE.

HEADQUARTERS ..... 1  
 BRANCH LOCATION ..... 2  
 NEITHER ..... 3  
 DK OR RF ..... DK or RF

→

**GO TO ELIGIBILITY FLAG**

---

**QUESTION BY QUESTION (QxQs) NOTES**

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**A10.1** Classifies the firm into one of four major types. It is important to obtain a correct answer to this question, because later questions will depend on the response. If R is unsure, start with these tax-form-based definitions:

- Sole proprietorships file a 1040 tax form. They report the firm's taxes along with the owner's personal taxes.
- Partnerships file a 1065 tax form.
- C-Corporations file an 1120 or an 1120A tax form.
- S-Corporations file a 1120S tax form.
- Limited Liability Companies or LLCs can file as a partnership, c-corporation or sole proprietorship. Most LLCs file as partnerships.
- Limited Liability Partnerships or LLPs can file as a partnership or C-Corporation. Most LLPs file as partnerships.

Generally, owners or respondents will have no difficulty in determining whether the firm is a sole proprietorship (the firm is owned by a single individual), a partnership (there are multiple owners), or a corporation (the firm has been "incorporated" for purposes of limiting the potential liability of the owners).

**MORE ON S-CORPS:** A fourth response is whether the corporation is an S-type corporation. This may pose difficulty for some Rs. Generally, owners will know whether they are an S-corporation or not, since that is how they have to file their taxes. Once in a while an individual may not recall that the firm filed as an S-corporation, unless probed.

An S corporation does not pay taxes on the corporation's income. Instead, the firm's income and expenses are divided among the shareholders, who report them on their own individual income tax returns.

An S-corporation is a corporation with limited liability. If the firm is a US corporation with only one class of stock, and no more than 75 shareholders, and does not have organizations or non-US citizens as shareholders, then the IRS allows the owners to elect S-corporation status for tax purposes.

**SCREENER QUESTIONNAIRE**

A10. What is the last day of [FIRM]'s fiscal or tax year?

**IF R DOES NOT UNDERSTAND THE QUESTION, SAY:** When filing annual taxes, what is the last day of the [FIRM]'s reporting period?

MONTH: \_\_\_\_\_ DAY: \_\_\_\_\_  
 DK or RF .....DK or RF

**PROGRAMMER NOTE FOR A10.1**

IF A10=DK/RF, USE "FOR THE MOST RECENT FISCAL YEAR"

IF A10=[MONTH][DAY], USE "FOR THE FISCAL YEAR ENDING [MONTH][DAY][YEAR]"

IF [MONTH][DAY] FROM 1/1 THRU 4/30, YEAR=2004

IF [MONTH][DAY] FROM 5/1 THRU 12/31, YEAR=2003

A10.1. (For the most recent fiscal year/For the fiscal year ending [DATE]), was [FIRM] considered to be a sole proprietorship, a partnership, an S-corporation, or a C-corporation?

IF R IS UNSURE, PRESS [F1] FOR DEFINITIONS

**IF R VOLUNTEERS LLC, READ3:** Do you file your taxes as a partnership, a corporation or a sole proprietor? (IF R DOESN'T KNOW, CODE AS "LLC, FILED AS PARTNERSHIP")

**IF R VOLUNTEERS LLP, READ4:** Do you file your taxes as a partnership or a corporation? (IF R DOESN'T KNOW, CODE AS "LLP, FILED AS PARTNERSHIP")

SOLE PROPRIETORSHIP .....	1
PARTNERSHIP.....	2
LIMITED LIABILITY PARTNERSHIP, TAX FILED AS PARTNERSHIP	3
LIMITED LIABILITY PARTNERSHIP, TAX FILED AS CORPORATION	4
S-CORPORATION.....	5
C-CORPORATION .....	6
LIMITED LIABILITY COMPANY, TAX FILED AS PARTNERSHIP	7
LIMITED LIABILITY COMPANY, TAX FILED AS CORPORATION	8
LIMITED LIABILITY COMPANY, TAX FILED AS SOLE PROPRIETOR	9
DK OR RF .....	DK or RF

**→ PROMPT FOR A YES/NO  
 RESPONSE BEFORE  
 ACCEPTING DK OR RF;  
 PROXY CASES TO CONTINUE  
 TO A10.2; OWNER CASES TO  
 GO TO ELIGIBILITY FLAG.**

---

**QUESTION BY QUESTION (QxQs) NOTES**

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**A11.** Verify physical address of firm. This is the actual physical location of the firm – it may or may not be the same address as the firm’s mailing address.

Prompt R for a yes/no response before accepting a DK or RF.

PO boxes and rural routes are generally NOT considered to be physical addresses. Prompt R for another address in these situations.

**A11.1** Enter correct physical address of firm. You may need to ask the respondent to spell the street address or city.

PO boxes and rural routes are generally NOT considered to be physical addresses. Prompt R for another address in these situations.

**A11.1.6** We want an address to which Federal Express will deliver a package. Generally, Fedex will NOT deliver to PO boxes or rural routes. Try to get a physical street address. The firm’s Fedex address may be the same as the firm’s physical address, or it may be an owner’s home address.

Be clear that we are sending materials by Federal Express, and that we need the correct address to get the package to the right person.

We do NOT want to send materials to a proxy. We want an owner to take the main interview, and so it is important that the materials, which are used to prepare for the main interview, are sent to an owner.

**SCREENER QUESTIONNAIRE**

A10.2 What is the single most important problem facing your business today?

TAXES.....	1
INFLATION .....	2
POOR SALES.....	3
FINANCING AND INTEREST RATES .....	4
COST OF LABOR.....	5
GOVERNMENT REGULATIONS/RED TAPE .....	6
COMPETITION FROM LARGER FIRMS .....	7
QUALITY OF LABOR .....	8
COST AND AVAILABILITY OF INSURANCE .....	9
OTHER .....	10

**READ:** Please specify \_\_\_\_\_

DK or RF.....DK or RF

**ALL RESPONSES**

→ **READ 7**

**READ7:** I would like to verify the physical location of [FIRM]'s main office.

A11. Is [FIRM]'s physical location [ADDRESS, CITY, STATE, ZIP]?

**IF STREET ADDRESS CONTAINS A P.O. BOX OR RURAL ROUTE, SAY:** Just to confirm, is this the correct address for the firm's physical location?

YES.....1

→ **GO TO A11.1.6**

NO.....2

DK or RF.....DK or RF

→ **PROMPT FOR YES/NO RESPONSE  
BEFORE ACCEPTING DK OR RF; GO  
TO A11.1.6**

A11.1 What is the street address of the physical location of [FIRM'S] main office?

**IF STREET ADDRESS CONTAINS A P.O. BOX OR RURAL ROUTE, SAY:** Just to confirm, is this the correct address for the firm's physical location? **IF R SAYS NO, ASK A11.1 AGAIN.**

UPDATE PRELOADED PHYSICAL ADDRESS INFORMATION

ADDRESS: \_\_\_\_\_

A11.1.1 What is the zip code of [FIRM'S] physical address?

ZIP CODE: \_\_\_\_\_ (CITY & STATE FILL FROM LOOK UP TABLE)

DK or RF.....DK or RF

→ **GO TO A11.1.4**

---

**QUESTION BY QUESTION (QxQs) NOTES**

**SCREENER QUESTIONNAIRE****ZIP CODE LOOK-UP**

USE ZIP CODE TO LOOK UP CITY &amp; STATE:

IF NO MATCH

**GO TO A11.1.3**

IF MATCH

**GO TO A11.1.2**

A11.1.2 Is that in [CITY], [STATE]?

YES .....1

**GO TO COUNTY/  
MSA UPDATE (1)**

NO .....2

A11.1.3 I need to verify, was the zip code [A11.1.1]?

YES .....1

NO .....2

**GO TO A11.1.1**

A11.1.4 What is the correct city and state for the physical location of [FIRM]?

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_

UPDATE PRELOADED PHYSICAL ADDRESS INFORMATION

A11.1.5 In what [county/borough/parish] is the firm's main office located?

USE "COUNTY" UNLESS STATE=LA (SUBSTITUTE "PARISH") OR STATE=AK OR NY  
(SUBSTITUTE "COUNTY OR BOROUGH")

IF NOT LOCATED IN A COUNTY ENTER "NONE"

COUNTY: \_\_\_\_\_

DK or RF .....DK or RF

**COUNTY & MSA STATUS UPDATE (1)**

UPDATE COUNTY &amp; MSA STATUS OF PHYSICAL ADDRESS

**PROGRAMMER NOTE FOR A11.1.6 TO CLOSE1**

IF A1=1 (SPEAKING WITH OWNER), THEN FILL [YOU] OR [YOUR], ELSE FILL [OWNER]

---

**QUESTION BY QUESTION (QxQs) NOTES**



**SCREENER QUESTIONNAIRE**

A11.1.6 I'll be sending [you/OWNER] a package of materials, by Federal Express, further explaining our study. Is [STREET ADDRESS] the correct address to send a Federal Express package to ensure that it gets to [you/OWNER]?

**WE WANT TO SEND FEDEX PACKAGE TO AN OWNER, NOT A PROXY. IF NECESSARY, SAY:** "I need to send this package to the owner, not to anyone else at the firm."

**IF STREET ADDRESS CONTAINS A P.O. BOX OR RURAL ROUTE, SAY:** Normally, Federal Express will not deliver to P.O. boxes or rural routes. Is this the best address for us to send a package by Federal Express?

YES .....1      ➔      **GO TO A12**  
NO .....2  
DK or RF.....DK or RF

A11.1.7 What is the correct address that I should use to send a Federal Express package to [you/OWNER]?

**IF STREET ADDRESS CONTAINS A P.O. BOX OR RURAL ROUTE, SAY:** Just to confirm, is this the best address to send a Federal Express package? **IF R SAYS NO, ASK A11.1.7 AGAIN.**

STREET ADDRESS: \_\_\_\_\_  
CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

A12. I'd like to confirm the spelling of (your/the owner's) name. I have it listed as [OWNER]. Is that correct?

YES .....1      ➔      **GO TO A13**  
NO .....2  
DK or RF.....DK or RF      ➔      **PROMPT FOR YES/NO RESPONSE  
BEFORE ACCEPTING DK OR RF; GO  
TO A13**

---

**QUESTION BY QUESTION (QxQs) NOTES**

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- A13.** Verify owner’s correct title. Prompt respondent for a Yes/No response before accepting a “Don’t Know” or “Refused” response. If title of owner is correct, go to A14. If incorrect, go to A13.1 to update preloaded title for owner.
- A14.** We will accept phone numbers for mobile phones – whatever is the best number to reach the owner. Since the main interview can take half an hour or more, however, it is often easier for R to do the interview on a regular land-line phone.
- A15.** The email address can be for a business account or personal account, it does not matter. We would like an email address that the owner accesses regularly, in case we need to contact the owner by email. Do not pressure R into providing an email address. The main interview cannot be done by email or online. If asked, explain to R that a trained, professional interviewer is required to ask the questions and record responses. A phone interview is the fastest, most efficient way to conduct the interview.
- A15.1** Read prompt if necessary. Do not push for email address. If we can get an email address, that’s great, but it is not critical to the study’s success to have an email address.

**SCREENER QUESTIONNAIRE**

A12.1 What is the correct spelling of (your/the owner's) name?

UPDATE PRELOADED OWNER'S NAME

OWNER'S NAME: \_\_\_\_\_

A13. I have (you/[OWNER]) listed as the owner. Is that (your/his/her) correct title?

YES .....1

➔ **GO TO A14**

NO .....2

DK or RF .....DK or RF

➔ **PROMPT FOR YES/NO RESPONSE  
BEFORE ACCEPTING DK OR RF; GO  
TO A14**

A13.1 What is (your/[OWNER'S]) correct title?

UPDATE PRELOADED TITLE

TITLE: \_\_\_\_\_

A14. And, is the best telephone number to reach (you/[OWNER]): [TELEPHONE NUMBER]?

YES .....1

➔ **GO TO A15**

NO .....2

DK or RF .....DK or RF

➔ **PROMPT FOR YES/NO RESPONSE  
BEFORE ACCEPTING DK OR RF; GO  
TO A15**

A14.1 What is the best telephone number to reach (you/[OWNER])?

UPDATE PRELOADED TELEPHONE NUMBER

NUMBER: \_\_\_\_\_

A15. (Do you/Does [OWNER]) use e-mail?

**IWER INFO:** IF R INDICATES DK OR RF, DO NOT PROBE. PLEASE CODE RESPONSE F7 OR F8 AND CONTINUE.

YES .....1

NO, NO EMAIL ACCOUNT .....2

NO, DO NOT WANT EMAIL USED .....3

DK or RF .....DK or RF

➔ **GO TO ELIGIBILITY FLAG**

➔ **GO TO ELIGIBILITY FLAG**

➔ **GO TO ELIGIBILITY FLAG**

---

**QUESTION BY QUESTION (QxQs) NOTES**

---

**SCREENER QUESTIONNAIRE**

---

A15.1 May I please have (your/[OWNER'S]) e-mail address?

**IF R IS HESITANT OR ASKS WHY HE OR SHE SHOULD PROVIDE E-MAIL ADDRESS, SAY:** We have found it is sometimes more efficient or easier to reach people by email. We will not give out your e-mail address to anyone else, and we will not email you frequently or without an important reason.

**IWER INFO:** IF R INDICATES DK OR RF, DO NOT PROBE. PLEASE CODE RESPONSE F7 OR F8 AND CONTINUE.

E-MAIL ADDRESS: \_\_\_\_\_

DK or RF.....DK or RF

**➔ GO TO ELIGIBILITY FLAG**

A15.2 I'd like to confirm that address. I have [EMAIL]. Is that correct?

YES.....1

**➔ GO TO ELIGIBILITY FLAG**

NO.....2

**➔ GO TO A15.1**

DK or RF.....DK or RF

**➔ GO TO ELIGIBILITY FLAG**

---

**QUESTION BY QUESTION (QxQs) NOTES**

---

- CLOSE1:** Closes out the interview after the firm has been determined eligible. The case is complete and will be coded as eligible. The firm will be sent by Federal Express a worksheet package and then be recontacted to take the main Interview. The close provides the R with important information about what happens next. Read it completely and at an adequate pace. Use this close to end the interview on a positive note! Thank the respondent; we are very appreciative of his/her help.
- CLOSE2:** Closes out the interview after the business has been determined ineligible. The case is complete and will be coded as ineligible and removed from circulation.
- CLOSE3:** Closes out the interview when the owner refuses or is unable to answer one of the six eligibility questions. These cases will be filed as ineligible.
- CLOSE4:** Closes out the interview after it has been determined that we have contacted a business that should not be part of the sample. These firms are ineligible to participate in the survey.

**SCREENER QUESTIONNAIRE**

<b>CONDITION</b>	<b>ELIGIBILITY FLAG FLAG VALUE</b>	<b>GO TO</b>
If (A3=2 or A3.1=2 or A5=1 or A6=2 or A7=1 or (A8.1+A8.2)≥500 or A8.3=7 or A8.3.1=1 or A9.1 = 2 or A9.2 = 2) & A1=1	1 -- Ineligible/Owner Screened	CLOSE2
If (A3=2 or A3.1=2 or A5=1 or A6=2 or A7=1 or (A8.1+A8.2)≥500 or A8.3=7 or A8.3.1=1 or A9.1 = 2 or A9.2 = 2) & (A1.2=(1 or 2) OR A1=6)	2 -- Ineligible/Proxy Screened	CLOSE2
If (A2.3=DK or A3=DK or A3.1=DK or A5=DK or A6=DK or A7=DK or A8.3.1=DK or A9=DK or A10.1=DK) & A1=1	3 – Ineligible/DK Response/Owner Screened	CLOSE3
If (A2.3 = DK or A3=DK or A3.1=DK or A5=DK or A6=DK or A7=DK or A8.3.1=DK or A9=DK or A9.2=DK or A10.1=DK) & (A1.2= (1 or 2) OR A1=6)	4 – Eligible/DK Response/Proxy Screened	CLOSE1
If (A2.3 = RF or A3=RF or A3.1=RF or A5=RF or A6=RF or A7=RF or A8.3.1=RF or A9=RF or A10.1=RF) & A1=1	5 – Ineligible/RF Response/Owner Screened	CLOSE3
If (A2.3 = RF or A3=RF or A3.1=RF or A5=RF or A6=RF or A7=RF or A8.3.1=RF or A9=RF or A9.2=RF or A10.1=RF) & (A1.2=(1 or 2) OR A1=6)	6 – Eligible/RF Response/Proxy Screened	CLOSE1
If A2.3 = 2	9 - Unconfirmed Firm Name	CLOSE4
If A1=1 & ELSE	7 - Eligible/Owner Screened	CLOSE1
If (A1.2=(1 or 2) OR A1=6) & ELSE	8 - Eligible/Proxy Screened	CLOSE1

---

**QUESTION BY QUESTION (QxQs) NOTES**



**SCREENER QUESTIONNAIRE**

**INTERVIEWER COMMENT FIELD:** ENTER COMMENTS REGARDING YOUR EXPERIENCE WITH THIS RESPONDENT, BUSINESS OR WITH THE SCREENER THAT WILL AID IN INTERVIEWING:

**CLOSE1:** Thank you for your help. Let me explain what happens next. In the next week (you/[OWNER]) will receive a Federal Express package from NORC. The package contains important information about the main interview. After (you/[OWNER]) [receive(s)] the package, another NORC interviewer will call (you/[OWNER]) to go through the main interview, which will then complete the firm's participation in the study. As a token of our appreciation for taking the main interview, (you/[OWNER]) will receive either fifty dollars or the Dun and Bradstreet Small Business Solutions package, which retails for \$199. Again, thank you. Good bye."

~~~~~ **SCREENER ENDS** ~~~~~

**CLOSE2:** This is a survey of headquarter locations of independent, privately owned, for-profit small businesses that were in business in 2003. Unfortunately, your business does not qualify for this survey. However, I appreciate your taking the time to talk with me. Thank you. Goodbye.

~~~~~ **SCREENER ENDS** ~~~~~

**CLOSE3:** Thank you very much for your help. This is a survey of headquarter locations of independent, privately owned, for-profit small businesses that were in business in 2003. We need to be certain that [FIRM] qualifies in this way before we proceed. Since we were unable to verify that your business meets all of the necessary qualifications, I'll have to thank you for your time for now. Goodbye.

~~~~~ **SCREENER ENDS** ~~~~~

**CLOSE4:** Thank you very much, but it appears that I've called the wrong business. However, I appreciate you taking the time to talk to me. Good bye.

~~~~~ **SCREENER ENDS** ~~~~~

Appendix E  
Average Timing Report



To: John Wolken  
From: NORC  
CC: Traci Mach  
Date: March 11, 2005

## 2003 SSBF Final Timing Report

The tables on the following page give, in minutes, the mean, median, standard deviation, minimum, and maximum of the times to complete each subsection<sup>1</sup> of the 2003 SSBF screener and main interview. For the main interview, these statistics are also reported for the time to complete the interview as a whole.

The summary is based on the screener variable CALC1 and on the main interview variables TCALC1 through TCALC14. These variables contain, in seconds, the times to complete the corresponding sections of the interviews.

Many recorded section times are invalidated because of a break-off during the interview. Missing times and times less than or equal to ten seconds are considered invalid, and it was decided that any section time that is greater than two standard deviations above the mean of the non-missing, greater-than-ten-second section times should be treated as invalid as well.

The statistics for the screener and each main interview subsection are based only on cases that have valid section times, as defined above, for the particular section. The statistics for the main interview as a whole are based only on cases that had valid section times for all fourteen main interview sections.

For the main interview, we began with the 4583 completed cases. For each subsection, invalid cases were then removed and the statistics were calculated using the remaining cases. For the screener, we began with the 13861 cases that had a non-missing section time. The invalid cases were removed and the statistics were calculated using the remaining cases.

A copy of this memo and tables will appear in the Appendix of the methodology report.

---

<sup>1</sup> The CATI combined times for subsections B and C, MRL and MRD, and U and T.

## 2003 SURVEY OF SMALL BUSINESS FINANCES

### Timing Report for Administration of Screener Interview

| Variable | N with non-missing section time | N below the lower cutoff <sup>1</sup> | N above the upper cutoff <sup>1</sup> | N with valid screener timing <sup>1</sup> | Mean (minutes) | Median (minutes) | Std Dev (minutes) | Maximum (minutes) | Minimum (minutes) |
|----------|---------------------------------|---------------------------------------|---------------------------------------|---|----------------|------------------|-------------------|-------------------|-------------------|
| CALC1    | 13861                           | 12                                    | 652                                   | 13197                                     | 13.23          | 11.22            | 8.05              | 36.97             | 0.87              |

<sup>1</sup>Due to the possibility of a break-off and resumption of a screener interview, which would render the interview time meaningless, times below an arbitrary lower cutoff or above an arbitrary upper cutoff were considered invalid. The lower cutoff for a section time is 11 seconds. The upper cutoff is two standard deviations above the mean of the times above the lower cutoff. The mean, median, standard deviation, maximum and minimum shown here are based on valid section times only.

### Timing Report for Administration of Main Interview

| Subsection                    | Variable | N completed cases | N below the lower cutoff <sup>1</sup> | N above the upper cutoff <sup>1</sup> | N with valid section times <sup>1</sup> | Mean (minutes) | Median (minutes) | Std Dev (minutes) | Maximum (minutes) | Minimum (minutes) |
|-------------------------------|----------|-------------------|---------------------------------------|---------------------------------------|---|----------------|------------------|-------------------|-------------------|-------------------|
| A                             | TCALC1   | 4583              | 23                                    | 233                                   | 4327                                    | 13.18          | 10.42            | 9.23              | 41.90             | 0.57              |
| B and C                       | TCALC2   | 4583              | 140                                   | 118                                   | 4325                                    | 3.56           | 2.95             | 1.90              | 10.97             | 0.18              |
| D                             | TCALC3   | 4583              | 191                                   | 31                                    | 4361                                    | 1.82           | 1.73             | 0.75              | 6.20              | 0.18              |
| E                             | TCALC4   | 4583              | 164                                   | 152                                   | 4267                                    | 3.74           | 2.88             | 2.67              | 17.95             | 0.18              |
| F                             | TCALC5   | 4583              | 1731                                  | 119                                   | 2733                                    | 6.98           | 6.02             | 3.95              | 26.00             | 0.18              |
| MRL and MRD                   | TCALC6   | 4583              | 124                                   | 231                                   | 4228                                    | 12.76          | 5.65             | 14.22             | 53.20             | 0.18              |
| G                             | TCALC7   | 4583              | 34                                    | 103                                   | 4446                                    | 2.98           | 2.69             | 1.38              | 9.23              | 0.20              |
| H                             | TCALC8   | 4583              | 107                                   | 136                                   | 4340                                    | 7.03           | 6.13             | 4.08              | 20.40             | 0.18              |
| L                             | TCALC9   | 4583              | 17                                    | 133                                   | 4433                                    | 2.12           | 2.10             | 1.37              | 6.75              | 0.18              |
| M                             | TCALC10  | 4583              | 161                                   | 80                                    | 4342                                    | 0.31           | 0.23             | 0.26              | 1.98              | 0.18              |
| P                             | TCALC11  | 4583              | 6                                     | 195                                   | 4382                                    | 5.56           | 4.62             | 3.04              | 18.88             | 0.28              |
| R                             | TCALC12  | 4583              | 4                                     | 118                                   | 4461                                    | 3.69           | 3.30             | 1.58              | 10.53             | 0.83              |
| S                             | TCALC13  | 4583              | 5                                     | 107                                   | 4471                                    | 1.86           | 1.57             | 0.92              | 5.95              | 0.45              |
| U and T                       | TCALC14  | 4583              | 1                                     | 168                                   | 4414                                    | 4.57           | 4.20             | 1.53              | 10.45             | 1.12              |
| Entire Interview <sup>2</sup> |          | 4583              | 2097                                  | 668                                   | 1817                                    | 59.11          | 57.55            | 17.72             | 142.03            | 19.95             |

<sup>1</sup>Due to the possibility of a break-off and resumption of an interview, which would render a section time meaningless, section times below an arbitrary lower cutoff or above an arbitrary upper cutoff were considered invalid. The lower cutoff for a section time is 11 seconds. The upper cutoff is two standard deviations above the mean of the times above the lower cutoff. The mean, median, standard deviation, maximum and minimum shown here are based on valid section times only.

<sup>2</sup>The timing statistics for the entire interview are based on cases that had a valid time for each of the fourteen sections.

Prepared by NORC, Chicago, IL; March 2005.

Appendix F  
2003 SSBF Logos

**S.S.B.F**

**THE SURVEY OF SMALL BUSINESS FINANCES**

**S.S.B.F**

**THE 2003 SURVEY OF SMALL BUSINESS FINANCES**

Appendix G  
NBA Endorsement Letter



**National  
Business  
Association®**

April 8, 2004

*Committed*

Dear Small Business Owner:

*to the*

I am writing to encourage your participation in the Federal Reserve's 2003 Survey of Small Business Finances. Your firm is one of a small number of businesses across the country that has been randomly selected to participate. Your contribution is important.

*Success of*

*Small*

*Business*

The Federal Reserve Board (FRB) conducts the survey only once in every five years. The National Opinion Research Center, on behalf of the FRB, will collect information on your firm's use of financial services. Survey results will be used to evaluate the impact of public policies and to help ensure that *all* small businesses have equal access to credit.

I urge you to participate in this survey so that more complete and up-to-date information is available for policy-making. The time you spend on this study is a great investment in the future of all American small businesses.

Sincerely,

Raj Nisankarao, President  
National Business Association



Appendix H  
NFIB Endorsement Letter



## NFIB RESEARCH FOUNDATION

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Dear Small-Business Owner:

The Federal Reserve is undertaking a project to evaluate the demand by small business for credit and how well the demand is being met by the financial system, as well as the availability and use of certain financial services. The National Federation of Independent Business (NFIB) endorses this Federal Reserve effort.

NFIB considers the data the Federal Reserve collects in the project extraordinarily important. It is important not only because it helps the Federal Reserve to make critical economic decisions for the country, but also because it allows NFIB and other organizations that promote the interests of smaller firms to evaluate and to advocate potentially helpful small-business policies. In public policy deliberations, there is no substitute for good information. And, there is no other place good information of this type can be found.

I am acutely aware that we are asking you to volunteer your time. Time is one thing small-business owners don't have. But, if the results are (1) used (and they are used) and (2) benefit small business (and they do), the time should be worth it.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Wm. J. Dennis, Jr." The signature is written in a cursive, flowing style.

William J. Dennis, Jr.  
Senior Research Fellow  
NFIB Research Foundation

Appendix I  
SBA Endorsement Letter



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, DC 20416

OFFICE OF THE CHIEF COUNSEL FOR ADVOCACY

March 9, 2004

Dear Business Owner:

On behalf of the Office of Advocacy of the U.S. Small Business Administration (SBA), I urge you to participate in the Survey of Small Business Finances conducted by the Board of Governors of the Federal Reserve System. Since the 1980's, this survey has collected information on small businesses' access to credit and has helped the Federal Reserve Board understand more fully the credit situation that small businesses face.

The Office of Advocacy benefits from the data collected in the survey. As the nation's small business advocate charged to "aid, counsel, assist, and protect ... the interests of small business concerns," I am constantly in search of solid statistics that will assist state and federal officials in formulating policies that benefit small business in the United States. With the information from the survey, we can better conduct research that recognizes the financing needs of small business and appropriate issues of relevance to them. For an example of recent research on small business finance and other topics, you might want to refer to our website:

<http://www.sba.gov/advo/stats>.

You have an opportunity to assist the Federal Reserve and the Office of Advocacy in their understanding of what the small business sector is experiencing in financial markets. By participating in this survey, you help ensure that more complete information is available for better policymaking by the government.

Sincerely,

Thomas M. Sullivan  
Chief Counsel for Advocacy

Appendix J  
Press Release for the 2003 SSBF



# Press Release

*Release Date: June 10, 2004*

For immediate release

The Federal Reserve Board began the latest Survey of Small Business Finances this month, the fourth in a series since 1988 aimed at increasing policymakers' understanding of how economic and regulatory changes affect small firms' access to credit.

On behalf of the Board, NORC, a social science research organization at the University of Chicago, is collecting information from small businesses about their finances in 2003. Through the end of this year, it will conduct telephone interviews with 4,000 executives at firms of fewer than 500 employees.

[In a letter \(423 KB PDF\)](#), Federal Reserve Chairman Alan Greenspan encouraged the business owners randomly selected for the survey to participate, noting that the data collected by past surveys have been critical for policy decisions at the Federal Reserve and in other parts of government.

"The Federal Reserve Board is concerned with the ways in which economic and regulatory changes affect small businesses. ... Such changes can, in turn, have important implications for economic policymaking," he wrote.

The last survey collected information on small business finances in 1998. Both the state of the economy and the use of technology are very different today than they were then. The Board plans to publish findings from the new study in early 2006 after all the data have been collected and analyzed.

Participants are randomly selected from all fifty states and the District of Columbia using scientific sampling methods. They will be asked about their use of credit and other financial services and their experience in obtaining credit during 2003. Information will be collected about firms' assets, liabilities, income and expenses.

Participation is voluntary but a broad sample will help government policymakers more clearly understand the impact of their actions on small businesses. The names and addresses of participants and any other identifying information will be held in the strictest confidence. Information provided by survey participants also is protected by the Confidential Information Protection and Statistical Efficiency Act of 2002. This act prohibits the Federal Reserve or any of its employees or agents (including NORC) from using the information provided by a participant for any non-statistical purpose, or from disclosing the information in a way that would identify the participant without the participant's consent. To help ensure compliance, the act includes strong criminal penalties for any person that violates the act's protections.

More information is available on the Federal Reserve's web site at <http://www.federalreserve.gov/ssbf> or NORC's site at <http://www.norc.uchicago.edu/ssbf>.

The attached letter from Chairman Greenspan will be mailed to about 12,000 small-business owners.

[Attachment \(423 KB PDF\)](#)

[2004 Other announcements](#)

**Last update: June 10, 2004**

Appendix K  
Advance Mailing: Project Director Letter



Name  
Business Title  
Street Address  
City, State, Zip

Dear Owner Name:

As the enclosed letter from Chairman Alan Greenspan explains, you are one of a select group of small business owners throughout the country being asked to participate in a study of the cost and availability of financial services.

Your participation is critical. Every part of the diverse small business community needs to be represented if policymakers in Congress are to have a complete picture of the economic health of small businesses in America today.

Expect a five-minute phone call from NORC next week. An NORC interviewer will contact you in the next week to determine your eligibility for the Federal Reserve Board's Survey of Small Business Finances. This call will be very brief – five minutes – and you will be asked for a few basic facts about your business, such as the number of employees and the end date of your fiscal year.

If your firm is selected for the main survey, we will contact you again and provide additional information.

Your confidentiality is assured. Participation is voluntary, and you can skip any question you choose not to answer. *Let me emphasize that the information you provide will be kept strictly confidential.* Data that identifies your firm will be accessible only to project staff at NORC and the Federal Reserve Board who have signed confidentiality agreements. Published data will be stripped of all identifying information.

Enclosed is a brochure containing more information about this scientific research study and about NORC. If you have questions, please call our toll-free hotline at 1-800-692-4192. For more information, visit our website at [norc.uchicago.edu/SSBF](http://norc.uchicago.edu/SSBF) or the Federal Reserve Board's website at [FederalReserve.gov/SSBF](http://FederalReserve.gov/SSBF). If you prefer, you can also send me an e-mail at [6128-SSBF@norc.net](mailto:6128-SSBF@norc.net).

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Carol-Ann Emmons".

Carol-Ann Emmons  
Project Director, Survey of Small Business Finances  
National Opinion Research Center



Appendix L  
Advance Mailing: Envelope Return Address



**SURVEY OF SMALL BUSINESS FINANCES**

c/o National Opinion Research Center  
One North State Street, 16th Floor  
Chicago, IL 60602

Appendix M  
Worksheet Mailing: Project Director Letter



Owner Name  
Firm Name  
Street Address  
City, State, Zip

Please read this letter first.

Dear First Name Last Name

You recently spoke with an NORC interviewer about the Survey of Small Business Finances. Thank you for sharing your time and information. You received this package because your firm has been selected for the main survey. Your participation in the main survey will make it possible to inform policymakers about the credit needs and the availability of credit for businesses like your own. *Even if you are not currently using credit, your responses can help to ensure that credit will be available to you in the future.*

We value your participation. As a token of appreciation for your participation in the main interview, we invite you to choose either \$50 or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199.

The enclosed worksheet makes the interview go faster. Side two of this letter lists the materials included in this package. One of the items is your 11" by 17" SSBF worksheet. Ideally, we would like you to complete the worksheet prior to the interview. By completing the worksheet in advance, you will reduce the time required to complete the interview.

You may not need to complete the entire worksheet. Side 1 of the worksheet provides space to indicate the financial services you have used in the past year, and then name the financial institution(s) where you acquired these services. *While the form is designed for all types and sizes of small businesses, many businesses only use one or two sources for one or two services.* Side 2 provides space for balance sheet information and indicates where you can find this information in your current tax records.

We will accommodate your schedule to complete the telephone interview. An NORC interviewer will be calling you soon to conduct the interview, which typically takes 30 to 45 minutes. While participation is voluntary and you may skip any question you choose, we encourage you to participate so that we can gain an accurate picture. We want to reassure you that your responses will be kept confidential. Because we understand that your time is valuable, your interviewer will accommodate your busy schedule by working with you to arrange a time that is convenient for you. If necessary, the interview can be broken up into shorter sessions to accommodate your schedule.

After you have completed the interview, please use the enclosed prepaid envelope to return your worksheet to NORC. You may also fax records to 1-866-435-5637. If you have any questions about the study or need a different worksheet, please call our hotline at 1-800-692-4192. If you prefer, you can visit us online at [norc.uchicago.edu/SSBF](http://norc.uchicago.edu/SSBF) for more information, endorsements, and downloadable copies of the worksheets. You can also e-mail your questions to me at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

Again, thank you for participating in this important study. We look forward to speaking with you soon.

Sincerely,

*Carol-Ann Emmons*  
Carol-Ann Emmons

(Please turn over)

### ***LIST OF ENCLOSURES***

Please find the following items in your SSBF folder:

- |   |  |
|---|--|
| • Letter from Chairman Alan Greenspan,<br>Board of Governors of the Federal<br>Reserve System | <i>Explains the importance of participating.</i>   |
| • Frequently Asked Questions  | <i>Answers questions you may have about the study.</i>   |
| • Worksheet (11" X 17")   | <i>Simplifies and speeds up the interview. Provides space to<br/>record financial services used and the sources of these<br/>services on side 1, and to record financial data on side 2.</i> |
| • The SSBF and how it will be used  | <i>Provides a detailed description of how the data are used,<br/>with examples from previous rounds of the study.</i>  |
| • NORC Confidentiality Statement  | <i>Explains NORC's pledge and code of ethics for maintaining<br/>the confidentiality of information provided by participants.</i>  |
| • The Board of Governors of the Federal<br>Reserve System                                     | <i>Describes the members and responsibilities of the Board of<br/>Governors.</i>   |
| • Dun and Bradstreet Small Business<br>Solutions® brochure                                    | <i>Describes information package you may choose as an<br/>alternative to receiving \$50 as a token of our appreciation.</i>  |
- 

*As a token of appreciation for participating, please accept either  
fifty dollars (\$50)*

*or*

*Dun and Bradstreet's Small Business Solutions® information package,  
which retails for \$199.*

When we call to conduct the interview, we will ask which gift you prefer. For more information about the information package, see the enclosed brochure, or view examples of the available reports by visiting D&B's Small Business Solutions® at [www.dnb.com/smallbusiness/ssbf](http://www.dnb.com/smallbusiness/ssbf).

Appendix N  
Alan Greenspan Letter



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

ALAN GREENSPAN  
CHAIRMAN

Dear Business Owner:

I am writing to ask for your participation in the Survey of Small Business Finances. As an owner of a small business, you are vital to our nation's ever-changing economy, and by participating, you can help inform policymakers about small businesses' access to credit. Information from the survey will help us more fully understand the effects of policy actions on small businesses throughout the United States.

The Federal Reserve Board is concerned with the ways in which economic and regulatory changes affect small businesses. For example, in recent years, many smaller banks have been allowed to consolidate into larger banks. This change in banking structure may lead to changes in the financial products and services available to small businesses. Such changes can, in turn, have important implications for economic policymaking.

To obtain a full picture of small businesses and their financial needs, the Federal Reserve sponsored the first Survey of Small Business Finances in 1987. The survey was so successful in filling gaps in the data that it was conducted again in 1993 and in 1998. The data collected in these surveys have been critical for policy decisions at the Federal Reserve and in other parts of the government. However, both the state of the economy and the use of technology are very different today than they were five years ago, when the last survey was conducted. Thus we have asked the National Opinion Research Center (NORC) at the University of Chicago to conduct another survey for us.

Your business was randomly selected for this survey. Participation in this important project is voluntary. Nevertheless, for the survey to reflect the diverse experiences of small businesses, your response is important. Your firm's unique experiences are critical to our obtaining a complete picture of the circumstances regarding credit that small businesses face today.

Within the next week, a representative of NORC will be calling you about participating in the study. I assure you that your name and all other information that identifies your specific business will be held in the strictest confidence by NORC and the Federal Reserve.

Please accept my thanks in advance for your cooperation.

Sincerely,  
A handwritten signature in blue ink, appearing to read "Alan Greenspan", written over the word "Sincerely,".

Appendix O  
Advance Mailing: Buckslip





- Your business has been randomly selected to participate in a study sponsored by the Federal Reserve Board (FRB). The information you provide will help policy makers ensure that credit is equally accessible to all small businesses, including your business.
- Please expect a five-minute phone call in the next week from an NORC interviewer to determine your eligibility for this important study.
- In the meantime, refer to the enclosed materials for more information about this study. Thank you.

Appendix P  
Advance Mailing: General Information Brochure

## ***What is the purpose of the Survey of Small Business Finances?***

The purpose of the SSBF is to understand the impact of changes in the economy and financial industry on the availability of credit to all types of small businesses. The survey is concerned with:

- ◆ Understanding the credit needs of small businesses and revising federal policy to ensure these needs are being met;
- ◆ Gaining insight into the factors such as reduced competition among financial institutions that may increase prices or reduce the availability of credit to small businesses;
- ◆ Understanding the characteristics of small businesses that experience credit problems;
- ◆ Measuring the impact of government regulations on the availability of credit to small businesses;
- ◆ Identifying the sources, other than commercial banks, to which small businesses can turn to help meet their financing needs; and
- ◆ Understanding whether financial institutions actively seek to provide credit to small businesses.

The information from this survey will be used to evaluate the impact of public policies on small businesses of different sizes, locations, and ownership characteristics. The information will also be used in the “Report to Congress on the Availability of Credit to Small Business,” produced by the Federal Reserve Board every five years.

## ***Who is doing the survey?***

The Survey of Small Business Finances is being conducted for the Federal Reserve Board by the National Opinion Research Center (NORC) at the University of Chicago.

The Federal Reserve System is the central bank of the U.S. It was founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system; over the years, its role in banking and the economy has expanded. Today, the Federal Reserve Board's duties fall into four general areas:

- ◆ Conducting the nation's monetary policy by influencing the money and credit conditions in the economy in pursuit of full employment and stable prices;
- ◆ Supervising and regulating banking institutions to ensure the safety and soundness of the nation's banking and financial system and to protect the credit rights of consumers;
- ◆ Maintaining the stability of the financial system and containing risk that may arise in financial markets;
- ◆ Providing certain financial services to the U.S. government, to the public, to financial institutions, and to foreign official institutions, including playing a major role in operating the nation's payments system.

The Federal Reserve Board conducts the SSBF every five years.

NORC is one of the oldest and most respected social science research organizations in the United States, and the results from many NORC studies have been used to help national policy-makers in their decision making.

## ***What kinds of questions will be asked?***

Initially, you will be asked a few basic facts about your business such as its name, whether it was in business in December, 2003, its size, and whether it is a for-profit or not-for-profit organization. If your firm is eligible for the main interview, you will also be asked about the most important problem facing your company today, the company's form of ownership, and the end date of your company's fiscal year.

## ***How long will it take?***

The initial interview will take only about 5 minutes of your time. If you are selected for the main survey, we will send you a packet of information about what that entails.

## ***What will I get out of this?***

The information you provide will help the Federal Reserve Board revise federal policies to help ensure that financial services, such as credit, are available to small businesses of all types.

## ***Why was I chosen to participate?***

Your small business was selected from a nationally representative scientific sample of businesses throughout the United States. The group of businesses we are contacting represent the diversity of small businesses across the nation. The information you provide is essential to obtain an accurate picture of the financial needs of small businesses like yours.

### ***Will my answers be confidential?***

Absolutely. NORC and the Federal Reserve Board maintain the highest standards of confidentiality. Information that identifies participants will be kept strictly confidential. NORC ensures that the confidentiality of your responses to this survey will be maintained by NORC and the Federal Reserve Board. No information obtained in the course of this study may be disclosed in a manner in which the particular establishment or individual supplying the information is identifiable except to a very small number of authorized staff at NORC and the Federal Reserve System.

### ***Am I required to participate and answer every question?***

No. Your participation is voluntary and you may refuse to answer any questions to which you object. However, your participation is vital to the success of the survey. Your firm cannot be replaced by another. The information obtained in the interview will be held in the strictest confidence.

### ***When will I be interviewed?***

Soon after you receive this letter, an NORC interviewer will call you to schedule a time that is convenient for you. Our interviewers are happy to conduct the interview at virtually any time that is convenient for you. If you prefer, you can call our toll free number, **1-800-692-4192**, to speak with an interviewer and set an appointment.

### ***Is additional information available?***

For additional information about the National Opinion Research Center, the Federal Reserve Board's role in the Survey of Small Business Finances, or any other topics please visit the NORC web site:

**<http://www.norc.uchicago.edu/ssbf>**

Follow the "studies" link from the main page.

For additional information about the Survey of Small Business Finances, please visit the FRB web site:

**<http://www.federalreserve.gov/ssbf>**

**To contact the NORC Project Director,  
please call or write to:**

**Carol-Ann Emmons c/o  
National Opinion Research Center  
University of Chicago  
55 East Monroe Street, Suite 4800  
Chicago, IL 60603  
312-759-4022**

**NORC**  
*A national organization for research  
at the University of Chicago*



## **General Information**

**NORC**  
*A national organization for research  
at the University of Chicago*

**National Opinion Research Center  
at the University of Chicago**  
55 East Monroe Street, Suite 4800  
Chicago, IL 60603

Appendix Q  
Worksheet Mailing: 1998 Results Brochure

## About NORC

**T**he National Opinion Research Center at the University of Chicago is conducting the 2003 Survey of Small Business Finances.

NORC . . .

- Is one of the nation's most respected survey organizations.
- Has conducted survey research on public policy issues for more than 55 years.
- Is a not-for-profit group whose primary focus is social science research in the public interest.
- Employs interviewers who are carefully trained professionals. They contact people throughout the United States on studies—like this one—concerned with vital national issues.

**NORC**  
*A national organization for research  
at the University of Chicago*

## The 2003 Survey of Small Business Finances

*and how it will be used*

---

**S**mall businesses play an important role in the U.S. economy, accounting for more than 50% of non-farm private gross domestic product and employing half of America's private work force. In fact, small businesses represent 99.7% of all employers in the United States!

In recognition of the importance of small businesses, the U.S. Congress passed Section 2227 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, which is intended to encourage depository institutions to help meet the credit needs of the communities they serve. To meet the reporting requirements of this Act, the Board of Governors of the Federal Reserve System sponsors the Survey of Small Business Finances. The survey asks small business owners about experiences with credit, use of financial services, income and balance sheet information, and their opinions on the most important problem facing their business today.

This brochure presents selected results from the 1998 survey as examples of what we hope to learn about small businesses in 2003. This new information will show the effect of changes in the business environment since 1998 on all types of small businesses.

## Results from the 1998 Survey

### CHARACTERISTICS OF SMALL BUSINESSES IN 1998

#### The percent of small businesses...

|  |     |
|--|-----|
| in services .....                      | 43% |
| in retail.....                         | 19% |
| in manufacturing .....                 | 8%  |
| that had fewer than 10 employees ..... | 83% |

#### The percent of firms with only one employee

|  |     |
|--|-----|
| that had less than \$50,000 in sales ..... | 58% |
|--|-----|

#### The percent of proprietorships that had less

|                             |     |
|-----------------------------|-----|
| than \$50,000 in sales..... | 42% |
|-----------------------------|-----|

### THE MOST IMPORTANT PROBLEMS FACING SMALL BUSINESSES IN 1998

|                                       |       |
|---------------------------------------|-------|
| Quality of labor.....                 | 12.6% |
| Competition.....                      | 11.3% |
| Poor Sales .....                      | 7.5%  |
| Taxes .....                           | 6.9%  |
| Financing and interest rates .....    | 6.8%  |
| Government regulations/red tape ..... | 6.8%  |

### CREDIT AND BORROWING IN 1998

#### The percent of small businesses...

|  |     |
|--|-----|
| that used a credit card for business purposes .....  | 68% |
| that said they hadn't applied for credit because they<br>feared the application would be turned down ..... | 23% |
| that used trade credit (credit from suppliers) .....   | 62% |
| that had loans, lines of credit, or leases .....   | 55% |

#### Of those firms, the percent that had loans, lines of credit or leases...

|  |     |
|--|-----|
| with commercial banks .....              | 70% |
| with finance companies .....             | 25% |
| at leasing companies.....                | 12% |
| with individuals .....                   | 11% |
| with government agencies (i.e. SBA)..... | 2%  |

|  |      |
|--|------|
| Average % interest on most recent loan ..... | 9.4% |
|--|------|

## Changes in the Business Environment from 1998 to 2003

When the survey was conducted in 1998, the economy was booming and financial institutions competed for business by offering attractive rates and a wide selection of services. Small business owners reported that finding good quality labor and dealing with competition were the most important problems facing their businesses.

However, by 2003, the climate for small businesses had changed. The economy was in its third consecutive year of slow growth following a recession. Added to the general slowdown was the devastating impact of the September 11 attacks and continued fears of terrorism. Many small businesses failed while surviving businesses faced declining revenue. Health care costs increased sharply, venture capital opportunities declined, and banks instituted new fees and raised existing fees and balance requirements.

On the other hand, interest rates were lower than they had been in decades, allowing for cheaper loans and substantial savings from refinancing existing loans. Congress lowered personal income tax rates and increased the small business expensing limit.

Rapid technological change and consolidation in the banking industry have also affected the economic environment for small businesses.

The Survey of Small Business Finances is an essential tool for understanding the impact of these changes in the business environment. The Federal Reserve Board's report will inform legislation that will help small businesses adapt to this rapidly changing environment by ensuring the continuing availability of credit to all types of small businesses.

The small business community in America is a mosaic of many different types of companies. Every part of the mosaic needs to be represented in this survey in order to give Congress a complete picture of the economic health of small businesses in our country today.

By providing a snapshot of the status of small businesses as of 2003, policymakers will be able to understand how changes in the business climate and the financial industry have affected small businesses since 1998 and ensure that financial institutions are meeting the credit needs of small businesses in the communities they serve.



### WHERE SMALL BUSINESSES WENT FOR FINANCIAL SERVICES IN 1998

#### The percent of small businesses...

|   |     |
|---|-----|
| that conducted all of their<br>financial business with only<br>one financial institution..... | 42% |
| that conducted business<br>with their primary financial<br>institution in person .....        | 83% |
| that are 10 miles or less<br>from their primary<br>financial source .....                     | 85% |

### CHARACTERISTICS OF SMALL BUSINESSES AND THEIR OWNERS IN 1998

#### The percent of small businesses...

|  |     |
|--|-----|
| that had majority ownership<br>held by women .....         | 24% |
| that were co-owned equally<br>by men and women.....        | 4%  |
| that were minority owned ...                               | 15% |
| that were owned<br>by Hispanics .....                      | 6%  |
| that were owned<br>by African Americans ...                | 4%  |
| that were owned<br>by Asians or<br>Pacific Islanders ..... | 4%  |
| that use computers .....                                   | 76% |

Appendix R  
Worksheet Mailing: FAQ Brochure



## ***What is the purpose of the Survey of Small Business Finances?***

The purpose of the SSBF is to collect financial data from businesses with fewer than 500 employees. The survey is concerned with:

- ◆ Understanding the credit needs of small businesses and revising federal policy to ensure these needs are being met;
- ◆ Gaining insight into the factors such as reduced competition among financial institutions that may increase prices or reduce the availability of credit to small businesses;
- ◆ Understanding the characteristics of small businesses that experience credit problems;
- ◆ Measuring the impact of government regulations on the availability of credit to small businesses;
- ◆ Identifying the sources, other than commercial banks, to which small businesses can turn to help meet their financing needs; and
- ◆ Understanding whether financial institutions actively seek to provide credit to small businesses.

The information from this survey will be used to evaluate the impact of public policies on small businesses of different sizes, locations, and ownership characteristics. The information will also be used in the "Report to Congress on the Availability of Credit to Small Business," produced by the Federal Reserve Board every five years.

## ***Who is doing the survey?***

The Survey of Small Business Finances is being conducted for the Federal Reserve Board by the National Opinion Research Center (NORC) at the University of Chicago.

The Federal Reserve System is the central bank of the U.S. It was founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system; over the years, its role in banking and the economy has expanded. Today, the Federal Reserve Board's duties fall into four general areas:

- ◆ Conducting the nation's monetary policy by influencing the money and credit conditions in the economy in pursuit of full employment and stable prices;
- ◆ Supervising and regulating banking institutions to ensure the safety and soundness of the nation's banking and financial system and to protect the credit rights of consumers;
- ◆ Maintaining the stability of the financial system and containing risk that may arise in financial markets;
- ◆ Providing certain financial services to the U.S. government, to the public, to financial institutions, and to foreign official institutions, including playing a major role in operating the nation's payments system.

The Federal Reserve Board conducts the SSBF every five years.

NORC is one of the oldest and most respected social science research organizations in the United States, and the results from many NORC studies have been used to help national policy-makers in their decision making.

## ***What will I get out of this?***

The information you provide will help the Federal Reserve Board revise federal policies to help ensure that financial services are available to small businesses of all types.

As a token of our appreciation for your time and information, we will send you a check for **\$50**, or you may choose Dun and Bradstreet's Small Business Solutions® information package, which retails for **\$199**. D&B provides you with a set of reports that can help you identify new customers and compare your business with your competitors.

## ***Will my answers be confidential?***

Absolutely. NORC and the Federal Reserve Board maintain the highest standards of confidentiality. Your identifying information will be kept strictly confidential. NORC and the Federal Reserve Board ensure the confidentiality of your responses. No information obtained in the course of this study may be disclosed in a manner in which the particular establishment or individual supplying the information is identifiable except to a very small number of authorized staff at NORC and the Federal Reserve System.

## ***What kinds of questions will be asked?***

A variety of topics will be covered during the time of the interview. The questions cover your firm's use of credit and other financial services as well as where these services were obtained. You will also be asked about your experiences in obtaining credit. Information will also be collected on the firm's assets, liabilities, income and expenses to help understand the differences among individual small businesses.

### ***Why do you need my financial information?***

Financial information is a critical element in understanding the needs of small businesses. One of the main goals of this survey is to evaluate the importance of credit availability and use relative to a firm's size and financial characteristics. The confidentiality of your responses will be maintained by NORC and the Federal Reserve Board. No information obtained in the course of this study may be disclosed in a manner in which the particular establishment or individual supplying the information is identifiable except to a very small number of authorized staff at NORC and the Federal Reserve System.

### ***Why was I chosen to participate?***

Your small business was selected from a nationally representative scientific sample of businesses throughout the United States. The group of businesses we are contacting represent the diversity of small businesses across the nation. The information you provide is essential to obtain an accurate picture of the financial needs of small businesses like yours.

### ***Am I required to participate and answer every question?***

No. Your participation is voluntary and you may refuse to answer any questions to which you object. However, your participation is vital to the success of the survey. Your firm cannot be replaced. The information obtained in the interview will be held in the strictest confidence.

### ***Is additional information available?***

For additional information about the National Opinion Research Center, the Federal Reserve Board's role in the Survey of Small Business Finances, or any other topics please visit the NORC web site:

**<http://www.norc.uchicago.edu/ssbf>**

Follow the "studies" link from the main page.

For additional information about the Survey of Small Business Finances, please visit the FRB web site:

**<http://www.federalreserve.gov/ssbf>**

To contact the NORC Project Director, please call or write to:

**Carol-Ann Emmons c/o  
National Opinion Research Center**

University of Chicago  
55 East Monroe Street, Suite 4800  
Chicago, IL 60603  
312-759-4022

***To thank you for participating,  
we will send you your choice of either  
\$50***

***or an information package  
that retails for  
\$199***

**NORC**  
*A national organization for research  
at the University of Chicago*

**SSB.F**

THE 2003 SURVEY OF SMALL BUSINESS FINANCES

## **Frequently Asked Questions**

**NORC**

*A national organization for research  
at the University of Chicago*










**National Opinion Research Center  
at the University of Chicago**  
55 East Monroe Street, Suite 4800  
Chicago, IL 60603

Appendix S  
Worksheet WS1 (Sole Proprietors)

Please indicate which financial services your business currently uses by checking ☒ yes or no in Rows A–J below. Record up to three sources for each service used. Be sure to include any personal loans or accounts for which 50% or more of the loan or account is used in the business. For each financial institution or source of financing that you record in the columns below, please go to the Financial Institutions table at the bottom of the page and record the full name of the institution and ZIP code of the office or branch you used most often. Sources that typically offer financial services include commercial banks, savings institutions, credit unions, finance companies, insurance companies, mortgage companies, and sometimes individuals and other firms. If there are more than 8 institutions, please list additional names and ZIP codes on a separate piece of paper.

Please also note that this list represents all the possible financial services a business might have; many businesses may only use one or two sources for one or two services.

If you have any questions, please call 1-800-692-4192 or send e-mail to 2003-SSBF@norc.uchicago.edu

| Financial Service  | SOURCES OF FINANCIAL SERVICES     |                           |                              |
|--|-----------------------------------|---------------------------|------------------------------|
|  | Most Important or Largest Balance | Secondary or Next Largest | Third or all Others Combined |
| <b>A. Any Checking Accounts?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Total balance currently or as of last statement date _____  |                                   |                           |                              |
| <b>B. Any Savings Accounts?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Total balance currently or as of last statement date _____   |                                   |                           |                              |
| <b>C. Any Lines of Credit?</b> (include home equity lines used for business purposes; do not include credit cards, trade credit with suppliers, or overdraft protection)<br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Credit Lines _____<br>Total Credit Limit _____<br>Amount owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>D. Any Mortgages?</b> (include any mortgages where the funds are used for business purposes; do not include home equity lines of credit)<br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Mortgages _____<br>Total principal owed currently or as of last statement date _____   |                                   |                           |                              |
| <b>E. Any Motor Vehicle Loans?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Motor Vehicle Loans _____<br>Total principal owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>F. Any Equipment Loans?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Equipment Loans _____<br>Total principal owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>G. Any Capital Leases?</b> (a form of financing where payments are referred to as lease payments but ownership of the asset purchased normally transfers to the firm at the end of the lease)<br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Leases _____<br>Total principal owed currently or as of last statement date _____   |                                   |                           |                              |
| <b>I. Any Other Loans?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Other Loans _____<br>Total principal owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>J. Any Other Financial Services?</b> (such as coins and currency, wire transfers, night depository, cash management, sweep or zero balance accounts, lock box, bankers acceptance, letters of credit, sales financing or factoring, 401(K) plan, pension fund, business trust, brokerage, credit card receipt processing, signature-based (check card) transactions processing, and PIN-based debit transactions processing)<br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____ |                                   |                           |                              |

| FINANCIAL INSTITUTIONS TABLE                                    |   |
|---|---|
| Full Name of Financial Institution or Other Source of Financing | ZIP Code of Most Frequently Used Office |
| 1)  |   |
| 2)  |   |
| 3)  |   |
| 4)  |   |
| 5)  |   |
| 6)  |   |
| 7)  |   |
| 8)  |   |

After you speak with an NORC interviewer, please return completed worksheet in the enclosed prepaid envelope to:  
NORC, 1 North State Street, Suite 1600, Chicago, Illinois 60602 or FAX toll free to 1-866-435-5637.  
Thank you!

Many of the following items may be obtained from your **2003 1040 or 1040-EZ income tax form**. Please answer questions 1-19 in reference to your firm’s fiscal year that ended December 31, 2003. Include business receipts, assets, and liabilities only. If an asset is used 50% or more of the time in the business or a business is responsible for 50% or more of a liability, then include these in your answers below.

If your firm was not under the current ownership for all of 2003, please indicate the date on which ownership began: \_\_\_\_\_ *(write in month)*

| Item and Description   | Form 1040 Schedule C Line #   | Amount                           |
|--|---|----------------------------------|
| <b>1. Did your firm use cash or accrual accounting to prepare its financial records? (check <input checked="" type="checkbox"/> one)</b><br><input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____  | Line F  |                                  |
| <b>2. Total Sales or Business Receipts.</b> Total sales less amounts for returned merchandise. Also called “gross receipts or sales less returns and allowances.”  | Part I Line 3 or<br>Schedule C-EZ Part II Line 1                          | \$ _____                         |
| <b>3. Total Amount of Other Income.</b> This amount is any other business income the firm may have had that was not included in gross receipts or sales, such as federal and state gasoline tax refunds or a fuel tax refund; this amount might also include income from the business’s investments, such as securities or rental property.  | Part I Line 6   | \$ _____                         |
| <b>4a. Total Cost of Conducting Business.</b> The cost of doing business is the sum of the cost of all goods and services sold, marketing expenses, administrative expenses, and other expenses.   | Part I Line 4 + Part II Lines 28 + 30<br>or Schedule C-EZ Part II, Line 2 | \$ _____                         |
| <b>4b. Total Amount Paid in Salaries and Wages.</b> Amount paid in salaries and wages less employment credits paid in previous fiscal year.  | Part II Lines 26 + 37<br>If using form C-EZ, record 0                     | \$ _____                         |
| <b>5. Firm’s Total Profit (Loss).</b> Profit is the firm’s income after all expenses and taxes have been deducted. Please put parentheses around negative amounts.   | Part II Line 31 or<br>Schedule C-EZ Part II, Line 3                       | \$ _____                         |
| <b>6. Total Dollar Amount of Cash Holdings.</b> This includes the amount of cash on hand, in checking, savings, money market accounts, certificates of deposit (CDs), and other time deposits. Please put parentheses around negative amounts.   | Not available on tax form   | \$ _____                         |
| <b>7. Dollar Amount of Accounts Receivable and Trade Notes Less Allowance for Bad Debts.</b> Money owed to the firm by customers who bought goods or services on account.  | Not available on tax form   | \$ _____                         |
| <b>8. Total Amount of Business’s Inventories.</b> Merchandise held for sale or materials for production such as raw materials, work in progress, or finished goods. Do not include office equipment or office supplies.  | Part III, Line 41<br>If using form C-EZ, record 0                         | \$ _____                         |
| <b>9. Total Amount of Stocks, Bonds, Prepaid Expenses, and Other Current Assets.</b> <u>Bonds</u> include Treasury bonds and bills, bonds issued by federally sponsored credit agencies or corporations, and municipal bonds; <u>stocks</u> include publicly traded stocks held as temporary investment (do not include long term investment stock); <u>prepaid expenses</u> are payments for items such as insurance, interest, rents, taxes, advertising, and operating supplies that were made in advance but have not been used as of December 31, 2003. | Not available on tax form   | \$ _____                         |
| <b>10. Total Amount of Other Investments.</b> These include amounts owed TO the firm, not owed BY the firm, such as real estate loans owed to the business, investments in other companies, and artwork owned by the firm, etc.  | Not available on tax form   | \$ _____                         |
| <b>11. Book Value of the Land.</b> Book value of the land represents the cost of the land at the time the land was acquired by the firm. The value reported here should not include the cost of buildings or equipment that may have been purchased at the time it was acquired.   | Not available on tax form   | \$ _____                         |
| <b>12. Net Book Value of Depreciable, Depletable, and Intangible Assets (including buildings).</b> The acquisition cost minus any accumulated depreciation, depletion, and amortization claimed for tax purposes. Depreciable assets are those whose usefulness wears out over time; depletable assets include natural resources; intangible assets include patents and copyrights. Include the depreciated value of buildings. Do not include the value of land.  | Not available on tax form   | \$ _____                         |
| <b>13. Total Amount of Other Assets Not Yet Described.</b> These assets might be insurance, security deposits, or notes receivable.<br>Type and amount of the 3 largest other assets. <i>Please describe.</i><br>1. _____<br>2. _____<br>3. _____  | Not available on tax form   | \$ _____<br>\$ _____<br>\$ _____ |
| <b>14. Total Dollar Amount of All Assets.</b> Total assets is equal to the sum of the recorded year-end values of the firm’s assets.   | Not available on tax form   | \$ _____                         |
| <b>15. Total Amount Owed on All Loans, Mortgages, Notes and Bonds.</b> Combined short and long term loans, mortgages, notes, and bonds.  | Not available on tax form   | \$ _____                         |
| <b>16. Total Amount of Accounts Payable.</b> Accounts payable is typically money the firm owes to other businesses for supplies and services.  | Not available on tax form   | \$ _____                         |
| <b>17. Total Amount of Other Current Liabilities.</b> Other current liabilities are those that are due for payment within one year. They include accrued expenses, taxes payable, prepayments, deposits, and advances from customers.  | Not available on tax form   | \$ _____                         |
| <b>18. Total Amount Owed on Other Debts or Liabilities Not Yet Described.</b><br>Type and amount of the 3 largest liabilities. <i>Please describe.</i><br>1. _____<br>2. _____<br>3. _____   | Not available on tax form   | \$ _____<br>\$ _____<br>\$ _____ |
| <b>19. Total Dollar Amount of All Debts and Liabilities.</b> Total liabilities equal the sum of recorded year-end values for all liability accounts.   | Not available on tax form   | \$ _____                         |
| <b>20. Does the owner own his/her home or primary residence?</b><br>No → Go to 21<br><br>Yes → What is the equity in the home? Please deduct all primary and secondary mortgages, as well as any other home equity loans, from the market value of the house.  |   | \$ _____                         |
| <b>21. Total Net Worth of Owner.</b> Excluding the value of the primary residence and the firm, what is the total net worth of the owner? That is, all personal assets minus all personal debts?   |   | \$ _____                         |





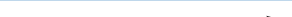
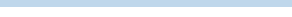
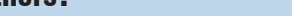
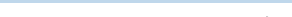

Appendix T  
Worksheet WS2 (Partnerships)



Please indicate which financial services your business currently uses by checking ☒ yes or no in Rows A–J below. Record up to three sources for each service used. Be sure to include any personal loans or accounts for which 50% or more of the loan or account is used in the business. For each financial institution or source of financing that you record in the columns below, please go to the Financial Institutions table at the bottom of the page and record the full name of the institution and ZIP code of the office or branch you used most often. Sources that typically offer financial services include commercial banks, savings institutions, credit unions, finance companies, insurance companies, mortgage companies, and sometimes individuals and other firms. If there are more than 8 institutions, please list additional names and ZIP codes on a separate piece of paper.

Please also note that this list represents all the possible financial services a business might have; many businesses may only use one or two sources for one or two services.

If you have any questions, please call 1-800-692-4192 or send e-mail to 2003-SSBF@norc.uchicago.edu

| Financial Service  | SOURCES OF FINANCIAL SERVICES     |                           |                              |
|--|-----------------------------------|---------------------------|------------------------------|
|  | Most Important or Largest Balance | Secondary or Next Largest | Third or all Others Combined |
| <b>A. Any Checking Accounts?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Total balance currently or as of last statement date _____  |                                   |                           |                              |
| <b>B. Any Savings Accounts?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Total balance currently or as of last statement date _____   |                                   |                           |                              |
| <b>C. Any Lines of Credit?</b> (include home equity lines used for business purposes; do not include credit cards, trade credit with suppliers, or overdraft protection)<br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Credit Lines _____<br>Total Credit Limit _____<br>Amount owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>D. Any Mortgages?</b> (include any mortgages where the funds are used for business purposes; do not include home equity lines of credit)<br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Mortgages _____<br>Total principal owed currently or as of last statement date _____   |                                   |                           |                              |
| <b>E. Any Motor Vehicle Loans?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Motor Vehicle Loans _____<br>Total principal owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>F. Any Equipment Loans?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Equipment Loans _____<br>Total principal owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>G. Any Loans from Partners?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Number of Loans from Partners _____<br>Total principal owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>H. Any Capital Leases?</b> (a form of financing where payments are referred to as lease payments but ownership of the asset purchased normally transfers to the firm at the end of the lease)<br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____<br>Number of Leases _____<br>Total principal owed currently or as of last statement date _____   |                                   |                           |                              |
| <b>I. Any Other Loans?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes<br>↓<br>Institution Name _____<br>Number of Other Loans _____<br>Total principal owed currently or as of last statement date _____  |                                   |                           |                              |
| <b>J. Any Other Financial Services?</b> (such as coins and currency, wire transfers, night depository, cash management, sweep or zero balance accounts, lock box, bankers acceptance, letters of credit, sales financing or factoring, 401(K) plan, pension fund, business trust, brokerage, credit card receipt processing, signature-based (check card) transactions processing, and PIN-based debit transactions processing)<br><input type="checkbox"/> No <input type="checkbox"/> Yes <br>↓<br>Institution Name _____ |                                   |                           |                              |

| FINANCIAL INSTITUTIONS TABLE                                    |   |
|---|---|
| Full Name of Financial Institution or Other Source of Financing | ZIP Code of Most Frequently Used Office |
| 1)  |   |
| 2)  |   |
| 3)  |   |
| 4)  |   |
| 5)  |   |
| 6)  |   |
| 7)  |   |
| 8)  |   |

After you speak with an NORC interviewer, please return completed worksheet in the enclosed prepaid envelope to:  
NORC, 1 North State Street, Suite 1600, Chicago, Illinois 60602 or FAX toll free to 1-866-435-5637.  
Thank you!

Many of the following items may be obtained from your income **tax form 1065**. Please answer questions 1–20 in terms of your firm’s fiscal year that ended between **May 1, 2003** and **April 30, 2004**. Include business receipts, assets, and liabilities only. If an asset is used 50% or more of the time in the business or a business is responsible for 50% or more of a liability, then include these in your answers below.

The information provided below pertains to the fiscal year beginning \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ and ending \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_.  
MONTH DAY YEAR MONTH DAY YEAR

| Item and Description   | Form 1065 Line #  | Amount                           |
|--|---|----------------------------------|
| <b>1. Did your firm use cash or accrual accounting to prepare its financial records? (check <input checked="" type="checkbox"/> one)</b><br><input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____  | Line H  |                                  |
| <b>2. Total Sales or Business Receipts.</b> Total sales less amounts for returned merchandise. Also called “gross receipts or sales less returns and allowances.”  | Line 1c   | \$ _____                         |
| <b>3. Total Amount of Other Income.</b> This amount is any other business income the firm may have had that was not included in gross receipts or sales, such as federal and state gasoline tax refunds or a fuel tax refund; this amount might also include income from the business’s investments, such as securities or rental property.  | Lines 4 thru 7 plus<br>Schedule K lines 2 thru 7 +19+20                                   | \$ _____                         |
| <b>4a. Total Cost of Conducting Business.</b> The cost of doing business is the sum of the cost of all goods and services sold, marketing expenses, administrative expenses, and other expenses.   | Lines 2+21 plus Schedule K lines 8<br>thru 11+14a   | \$ _____                         |
| <b>4b. Total Amount Paid in Salaries and Wages.</b> Amount paid in salaries and wages less employment credits. Guaranteed payments to partners should not be included in this item.  | Line 9 + Schedule A line 3  | \$ _____                         |
| <b>4c. Total Amount of Guaranteed Payments to Partners.</b> Amount of guaranteed payments to partners. Only nonnegative answers are allowed.   | Line 10   | \$ _____                         |
| <b>5. Ordinary Income or Loss.</b> Ordinary income or loss is the total amount of income or loss less the total amount of deductions. Please put parenthesis around negative amounts.  | Analysis of Net Income (Loss)<br>line 1 (page 4) less Schedule K<br>lines 5, 17g, and 18b | \$ _____                         |
| <b>6. Total Dollar Amount of Cash Holdings.</b> This includes the amount of cash on hand, in checking, savings, money market accounts, certificates of deposit (CDs), and other time deposits. Please put parentheses around negative amounts.   | Schedule L line 1d  | \$ _____                         |
| <b>7. Dollar Amount of Accounts Receivable and Trade Notes Less Allowance for Bad Debts.</b> Money owed to the firm by customers who bought goods or services on account.  | Schedule L line 2b(d)   | \$ _____                         |
| <b>8. Total Amount of Business’s Inventories.</b> Merchandise held for sale or materials for production such as raw materials, work in progress, or finished goods. Do not include office equipment or office supplies.  | Schedule L line 3d  | \$ _____                         |
| <b>9. Total Amount of Stocks, Bonds, Prepaid Expenses, and Other Current Assets.</b> Bonds include Treasury bonds and bills, bonds issued by federally sponsored credit agencies or corporations, and municipal bonds; <u>stocks</u> include publicly traded stocks held as temporary investment (do not include long term investment stock); <u>prepaid expenses</u> are payments for items such as insurance, interest, rents, taxes, advertising, and operating supplies that were made in advance but have not been used as of your fiscal year end. | Schedule L lines 4d+5d+6d   | \$ _____                         |
| <b>10. Total Amount of Other Investments.</b> These include amounts owed TO the firm, not owed BY the firm, such as, including all loans to partners and real estate loans owed to the business, investments in other companies, and artwork owned by the firm, etc.   | Schedule L lines 7d+8d  | \$ _____                         |
| <b>11. Book Value of the Land.</b> Book value of the land represents the cost of the land at the time the land was acquired by the firm. The value reported here should not include the cost of buildings or equipment that may have been purchased at the time it was acquired.   | Schedule L line 11d   | \$ _____                         |
| <b>12. Net Book Value of Depreciable, Depletable, and Intangible Assets (including buildings).</b> The acquisition cost minus any accumulated depreciation, depletion, and amortization. Depreciable assets are those whose usefulness wears out over time; depletable assets include natural resources; intangible assets include patents and copyrights. Include the depreciated value of buildings. Do not include the value of land.   | Schedule L lines 9b(d)+<br>10b(d)+12b(d)  | \$ _____                         |
| <b>13. Total Amount of Other Assets Not Yet Described.</b> These assets might be insurance, security deposits, or notes receivable.<br><br>Type and amount of the 3 largest other assets. <i>Please describe.</i><br>1. _____<br>2. _____<br>3. _____  | Schedule L line 13d   | \$ _____<br>\$ _____<br>\$ _____ |
| <b>14. Total Dollar Amount of All Assets.</b> Total assets is equal to the sum of the recorded year-end values of the firm’s assets.   | Schedule L line 14d<br>(or Line F of page 1)  | \$ _____                         |
| <b>15. Total Amount Owed on All Loans, Mortgages, Notes and Bonds.</b> Combined short and long term loans, mortgages, notes, and bonds, including any nonrecourse loans.   | Schedule L lines 16d+18d+19d  | \$ _____                         |
| <b>16. Total Amount of Accounts Payable.</b> Accounts payable is typically money the firm owes to other businesses for supplies and services.  | Schedule L line 15d   | \$ _____                         |
| <b>17. Total Amount of Other Current Liabilities.</b> Other current liabilities are those that are due for payment within one year. They include accrued expenses, taxes payable, prepayments, deposits, and advances from customers.  | Schedule L line 17d   | \$ _____                         |
| <b>18. Total Amount Owed on Other Debts or Liabilities Not Yet Described.</b><br><br>Type and amount of the 3 largest liabilities. <i>Please describe.</i><br>1. _____<br>2. _____<br>3. _____   | Schedule L line 20d   | \$ _____<br>\$ _____<br>\$ _____ |
| <b>19. Total Dollar Amount of All Debts and Liabilities.</b> Total liabilities equal the sum of recorded year-end values for all liability accounts.   | Schedule L lines 15d+16d+<br>17d+18d+19d+20d  | \$ _____                         |
| <b>20. Total Amount of Partners’ Equity.</b> Equity is also called partners’ capital accounts. It is equal to assets minus liabilities.  | Schedule L line 21d   | \$ _____                         |
| <b>21. Does the owner with the largest ownership share own his/her home or primary residence?</b><br><br>No → Go to 22<br><br>Yes → What is the equity in the home? Please deduct all primary and secondary mortgages, as well as any other home equity loans, from the market value of the house.   |   | \$ _____                         |
| <b>22. Total Net Worth of the Principal Owner.</b> Excluding the value of the primary residence and the firm, what is the total net worth of the principal owner? That is, all personal assets minus all personal debts?   |   | \$ _____                         |



Appendix U  
Worksheet WS3 (S Corporations)

Please indicate which financial services your business currently uses by checking ☒ yes or no in Rows A–J below. Record up to three sources for each service used. Be sure to include any personal loans or accounts for which 50% or more of the loan or account is used in the business. For each financial institution or source of financing that you record in the columns below, please go to the Financial Institutions table at the bottom of the page and record the full name of the institution and ZIP code of the office or branch you used most often. Sources that typically offer financial services include commercial banks, savings institutions, credit unions, finance companies, insurance companies, mortgage companies, and sometimes individuals and other firms. If there are more than 8 institutions, please list additional names and ZIP codes on a separate piece of paper.

Please also note that this list represents all the possible financial services a business might have; many businesses may only use one or two sources for one or two services.

If you have any questions, please call 1-800-692-4192 or send e-mail to 2003-SSBF@norc.uchicago.edu

| Financial Service  | SOURCES OF FINANCIAL SERVICES                                 |                           |                              |
|--|---|---------------------------|------------------------------|
|  | Most Important or Largest Balance                             | Secondary or Next Largest | Third or all Others Combined |
| A. Any Checking Accounts?  |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   | Record Institution Name and Other Requested Information Below |                           |                              |
| <div><div><div></div><div>Institution Name</div></div><div><div></div><div>Total balance currently or as of last statement date</div></div></div>  |   |                           |                              |
| B. Any Savings Accounts?   |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Institution Name</div></div><div><div></div><div>Total balance currently or as of last statement date</div></div></div>  |   |                           |                              |
| C. Any Lines of Credit? (include home equity lines used for business purposes; do not include credit cards, trade credit with suppliers, or overdraft protection)  |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Institution Name</div></div><div><div></div><div>Number of Credit Lines</div></div><div><div></div><div>Total Credit Limit</div></div><div><div></div><div>Amount owed currently or as of last statement date</div></div></div>  |   |                           |                              |
| D. Any Mortgages? (include any mortgages where the funds are used for business purposes; do not include home equity lines of credit)   |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Institution Name</div></div><div><div></div><div>Number of Mortgages</div></div><div><div></div><div>Total principal owed currently or as of last statement date</div></div></div>   |   |                           |                              |
| E. Any Motor Vehicle Loans?  |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Institution Name</div></div><div><div></div><div>Number of Motor Vehicle Loans</div></div><div><div></div><div>Total principal owed currently or as of last statement date</div></div></div>   |   |                           |                              |
| F. Any Equipment Loans?  |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Institution Name</div></div><div><div></div><div>Number of Equipment Loans</div></div><div><div></div><div>Total principal owed currently or as of last statement date</div></div></div>   |   |                           |                              |
| G. Any Loans from Stockholders?  |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Number of Loans from Stockholders</div></div><div><div></div><div>Total principal owed currently or as of last statement date</div></div></div>  |   |                           |                              |
| H. Any Capital Leases? (a form of financing where payments are referred to as lease payments but ownership of the asset purchased normally transfers to the firm at the end of the lease)  |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Institution Name</div></div><div><div></div><div>Number of Leases</div></div><div><div></div><div>Total principal owed currently or as of last statement date</div></div></div>  |   |                           |                              |
| I. Any Other Loans?  |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Institution Name</div></div><div><div></div><div>Number of Other Loans</div></div><div><div></div><div>Total principal owed currently or as of last statement date</div></div></div>   |   |                           |                              |
| J. Any Other Financial Services? (such as coins and currency, wire transfers, night depository, cash management, sweep or zero balance accounts, lock box, bankers acceptance, letters of credit, sales financing or factoring, 401(K) plan, pension fund, business trust, brokerage, credit card receipt processing, signature-based (check card) transactions processing, and PIN-based debit transactions processing) |   |                           |                              |
| <div><div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Yes</div></div><div></div></div>   |   |                           |                              |
| <div><div><div></div><div>Institution Name</div></div></div>   |   |                           |                              |

| FINANCIAL INSTITUTIONS TABLE                                    |   |
|---|---|
| Full Name of Financial Institution or Other Source of Financing | ZIP Code of Most Frequently Used Office |
| 1)  |   |
| 2)  |   |
| 3)  |   |
| 4)  |   |
| 5)  |   |
| 6)  |   |
| 7)  |   |
| 8)  |   |

After you speak with an NORC interviewer, please return completed worksheet in the enclosed prepaid envelope to:  
NORC, 1 North State Street, Suite 1600, Chicago, Illinois 60602 or FAX toll free to 1-866-435-5637.  
Thank you!

Many of the following items may be obtained from your income **tax form 1120S**. Please answer questions 1–20 in terms of your firm's fiscal year that ended between **May 1, 2003** and **April 30, 2004**. Include business receipts, assets, and liabilities only. If an asset is used 50% or more of the time in the business or a business is responsible for 50% or more of a liability, then include these in your answers below.

The information provided below pertains to the fiscal year beginning 

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

 and ending 

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

.

| Item and Description  | Form 1120S Line #   | Amount                                       |
|---|---|--|
| <div>1. Did your firm use cash or accrual accounting to prepare its financial records? (check <input checked="" type="checkbox"/> one)</div> <div><input type="checkbox"/> Cash      <input type="checkbox"/> Accrual      <input type="checkbox"/> Other (specify) _____</div>   | Schedule B, Line 1  |  |
| 2. Total Sales or Business Receipts. Total sales less amounts for returned merchandise. Also called “gross receipts or sales less returns and allowances.”  | Line 1c   | \$ _____                                     |
| 3. Total Amount of Other Income. This amount is any other business income the firm may have had that was not included in gross receipts or sales, such as federal and state gasoline tax refunds or a fuel tax refund; this amount might also include income from the business’s investments, such as securities or rental property.  | Lines 4+5 plus<br>Schedule K lines 2+3c<br>+ 4 thru 6+17+18 | \$ _____                                     |
| 4a. Total Cost of Conducting Business. The cost of doing business is the sum of the cost of all goods and services sold, marketing expenses, administrative expenses, and other expenses.   | Lines 2+20 plus Schedule K<br>lines 7 thru 11a              | \$ _____                                     |
| 4b. Total Amount Paid in Salaries and Wages. Amount paid in salaries and wages less employment credits paid in previous fiscal year. Officer’s compensation should not be included in this item.  | Line 8+ Schedule A Line 3                                   | \$ _____                                     |
| 4c. Total Amount of Officer’s Compensation. Amount of officer’s compensation. Only nonnegative answers are allowed.   | Line 7  | \$ _____                                     |
| 5. Ordinary Income or Loss. Ordinary income or loss is the total amount of income or loss less the total amount of deductions. Please put parentheses around negative amounts.  | Schedule K line 23 less<br>lines 15g and 16b                | \$ _____                                     |
| 6. Total Dollar Amount of Cash Holdings. This includes the amount of cash on hand, in checking, savings, money market accounts, certificates of deposit (CDs), and other time deposits. Please put parentheses around negative amounts.   | Schedule L line 1d  | \$ _____                                     |
| 7. Dollar Amount of Accounts Receivable and Trade Notes Less Allowance for Bad Debts. Money owed to the firm by customers who bought goods or services on account.  | Schedule L line 2b(d)                                       | \$ _____                                     |
| 8. Total Amount of Business’s Inventories. Merchandise held for sale or materials for production such as raw materials, work in progress, or finished goods. Do not include office equipment or office supplies.  | Schedule L line 3d  | \$ _____                                     |
| 9. Total Amount of Stocks, Bonds, Prepaid Expenses, and Other Current Assets. Bonds include Treasury bonds and bills, bonds issued by federally sponsored credit agencies or corporations, and municipal bonds; stocks include publicly traded stocks held as temporary investment (do not include long term investment stock); prepaid expenses are payments for items such as insurance, interest, rents, taxes, advertising, and operating supplies that were made in advance but have not been used as of your fiscal year end. | Schedule L lines 4d+5d+6d                                   | \$ _____                                     |
| 10. Total Amount of Other Investments. These are amounts owed TO the firm, not owed BY the firm, including all loans to stockholders and real estate loans owed to the business, investments in other companies, and artwork owned by the firm, etc.  | Schedule L lines 7d+8d+9d                                   | \$ _____                                     |
| 11. Book Value of the Land. Book value of the land represents the cost of the land at the time the land was acquired by the firm. The value reported here should not include the cost of buildings or equipment that may have been purchased at the time it was acquired.   | Schedule L line 12d   | \$ _____                                     |
| 12. Net Book Value of Depreciable, Depletable, and Intangible Assets (including buildings). The acquisition cost minus any accumulated depreciation, depletion, and amortization. Depreciable assets are those whose usefulness wears out over time; depletable assets include natural resources; intangible assets include patents and copyrights. Include the depreciated value of buildings. Do not include the value of land.   | Schedule L lines<br>10b(d)+11b(d)+13b(d)                    | \$ _____                                     |
| 13. Total Amount of Other Assets Not Yet Described. These assets might be insurance, security deposits, or notes receivable.<br><br>Type and amount of the 3 largest other assets. Please describe.<br><br>1. _____<br>2. _____<br>3. _____   | Schedule L line 14d   | \$ _____<br>\$ _____<br>\$ _____<br>\$ _____ |
| 14. Total Dollar Amount of All Assets. Total assets is equal to the sum of the recorded year-end values of the firm’s assets.   | Schedule L line 15d<br>(or Line E of page 1)                | \$ _____                                     |
| 15. Total Amount Owed on All Loans, Mortgages, Notes and Bonds. Combined short and long term loans, mortgages, notes, and bonds, including any loans from stockholders.   | Schedule L 17d+19d+20d                                      | \$ _____                                     |
| 16. Total Amount of Accounts Payable. Accounts payable is typically money the firm owes to other businesses for supplies and services.  | Schedule L line 16d   | \$ _____                                     |
| 17. Total Amount of Other Current Liabilities. Other current liabilities are those that are due for payment within one year. They include accrued expenses, taxes payable, prepayments, deposits, and advances from customers.  | Schedule L line 18d   | \$ _____                                     |
| 18. Total Amount Owed on Other Debts or Liabilities Not Yet Described.<br><br>Type and amount of the 3 largest liabilities. Please describe.<br><br>1. _____<br>2. _____<br>3. _____  | Schedule L line 21d   | \$ _____<br>\$ _____<br>\$ _____<br>\$ _____ |
| 19. Total Dollar Amount of All Debts and Liabilities. Total liabilities equals the sum of recorded year-end values for all liability accounts.  | Schedule L lines 16d+17d+18d+<br>19d+20d+21d                | \$ _____                                     |
| 20. Total Amount of Shareholders’ Equity. Shareholders’ equity is the dollar-value sum of common and preferred stock, additional paid-in-capital, and retained earnings, less the cost of any treasury stock.   | Schedule L 22d+<br>23d+24d+25d less 26d                     | \$ _____                                     |
| 21. Does the owner with the largest ownership share own his/her home or primary residence?<br><br>No → Go to 22<br><br>Yes → What is the equity in the home? Please deduct all primary and secondary mortgages, as well as any other home equity loans, from the market value of the house.   |   | \$ _____                                     |
| 22. Total Net Worth of the Principal Owner. Excluding the value of the primary residence and the firm, what is the total net worth of the principal owner? That is, all personal assets minus all personal debts?   |   | \$ _____                                     |

Appendix V  
Worksheet WS4 (C Corporations)

Please indicate which financial services your business currently uses by checking ☒ yes or no in Rows A–J below. Record up to three sources for each service used. Be sure to include any personal loans or accounts for which 50% or more of the loan or account is used in the business. For each financial institution or source of financing that you record in the columns below, please go to the Financial Institutions table at the bottom of the page and record the full name of the institution and ZIP code of the office or branch you used most often. Sources that typically offer financial services include commercial banks, savings institutions, credit unions, finance companies, insurance companies, mortgage companies, and sometimes individuals and other firms. If there are more than 8 institutions, please list additional names and ZIP codes on a separate piece of paper.

Please also note that this list represents all the possible financial services a business might have; many businesses may only use one or two sources for one or two services.

If you have any questions, please call 1-800-692-4192 or send e-mail to 2003-SSBF@norc.uchicago.edu

| Financial Service  | SOURCES OF FINANCIAL SERVICES                                 |                           |                              |
|--|---|---------------------------|------------------------------|
|  | Most Important or Largest Balance                             | Secondary or Next Largest | Third or all Others Combined |
| A. Any Checking Accounts?  |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   | Record Institution Name and Other Requested Information Below |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |
| <div>Total balance currently or as of last statement date</div>  |   |                           |                              |
| B. Any Savings Accounts?   |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   |   |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |
| <div>Total balance currently or as of last statement date</div>  |   |                           |                              |
| C. Any Lines of Credit? (include home equity lines used for business purposes; do not include credit cards, trade credit with suppliers, or overdraft protection)  |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   |   |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |
| <div>Number of Credit Lines</div>  |   |                           |                              |
| <div>Total Credit Limit</div>  |   |                           |                              |
| <div>Amount owed currently or as of last statement date</div>  |   |                           |                              |
| D. Any Mortgages? (include any mortgages where the funds are used for business purposes; do not include home equity lines of credit)   |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   |   |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |
| <div>Number of Mortgages</div>   |   |                           |                              |
| <div>Total principal owed currently or as of last statement date</div>   |   |                           |                              |
| E. Any Motor Vehicle Loans?  |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   |   |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |
| <div>Number of Motor Vehicle Loans</div>   |   |                           |                              |
| <div>Total principal owed currently or as of last statement date</div>   |   |                           |                              |
| F. Any Equipment Loans?  |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   |   |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |
| <div>Number of Equipment Loans</div>   |   |                           |                              |
| <div>Total principal owed currently or as of last statement date</div>   |   |                           |                              |
| G. Any Loans from Stockholders?  |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   |   |                           |                              |
| <div>Number of Loans from Stockholders</div>   |   |                           |                              |
| <div>Total principal owed currently or as of last statement date</div>   |   |                           |                              |
| H. Any Capital Leases? (a form of financing where payments are referred to as lease payments but ownership of the asset purchased normally transfers to the firm at the end of the lease)  |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   |   |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |
| <div>Number of Leases</div>  |   |                           |                              |
| <div>Total principal owed currently or as of last statement date</div>   |   |                           |                              |
| I. Any Other Loans?  |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes   |   |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |
| <div>Number of Other Loans</div>   |   |                           |                              |
| <div>Total principal owed currently or as of last statement date</div>   |   |                           |                              |
| J. Any Other Financial Services? (such as coins and currency, wire transfers, night depository, cash management, sweep or zero balance accounts, lock box, bankers acceptance, letters of credit, sales financing or factoring, 401(K) plan, pension fund, business trust, brokerage, credit card receipt processing, signature-based (check card) transactions processing, and PIN-based debit transactions processing) |   |                           |                              |
| <input type="checkbox"/> No <input type="checkbox"/> Yes <div></div>   |   |                           |                              |
| <div>Institution Name</div>  |   |                           |                              |

| FINANCIAL INSTITUTIONS TABLE                                    |   |
|---|---|
| Full Name of Financial Institution or Other Source of Financing | ZIP Code of Most Frequently Used Office |
| 1)  |   |
| 2)  |   |
| 3)  |   |
| 4)  |   |
| 5)  |   |
| 6)  |   |
| 7)  |   |
| 8)  |   |

After you speak with an NORC interviewer, please return completed worksheet in the enclosed prepaid envelope to:  
NORC, 1 North State Street, Suite 1600, Chicago, Illinois 60602 or FAX toll free to 1-866-435-5637.

Thank you!

Many of the following items may be obtained from your income **tax form 1120 or 1120A**. Please answer questions 1–20 in terms of your firm’s fiscal year that ended between **May 1, 2003** and **April 30, 2004**. Include business receipts, assets, and liabilities only. If an asset is used 50% or more of the time in the business or a business is responsible for 50% or more of a liability, then include these in your answers below.

The information provided below pertains to the fiscal year beginning \_\_\_\_/\_\_\_\_/\_\_\_\_ and ending \_\_\_\_/\_\_\_\_/\_\_\_\_ *(write in month, day and year)*.

| Item and Description   | Form 1120<br>Line Number                        | Form 1120A<br>Line Number                       | Amount                           |
|--|---|---|----------------------------------|
| <b>1. Did your firm use cash or accrual accounting to prepare its financial records? (check <input checked="" type="checkbox"/> one)</b><br><input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____  | Schedule K, Line 1                              | Line F  |                                  |
| <b>2. Total Sales or Business Receipts.</b> Total sales less amounts for returned merchandise. Also called “gross receipts or sales less returns and allowances.”  | Line 1c   | Line 1c   | \$ _____                         |
| <b>3. Total Amount of Other Income.</b> This amount is any other business income the firm may have had that was not included in gross receipts or sales, such as federal and state gasoline tax refunds or a fuel tax refund; this amount might also include income from the business’s investments, such as securities or rental property.  | Lines 4 thru 10                                 | Lines 4 thru 10                                 | \$ _____                         |
| <b>4a. Total Cost of Conducting Business.</b> The cost of doing business is the sum of the cost of all goods and services sold, marketing expenses, administrative expenses, and other expenses.   | Lines 2+27                                      | Lines 2+23                                      | \$ _____                         |
| <b>4b. Total Amount Paid in Salaries and Wages.</b> Amount paid in salaries and wages less employment credits. Officer’s compensation should not be included in this item.   | Line 13+<br>Schedule A Line 3                   | Line 13+Line 3<br>from Cost of<br>Goods Sold WS | \$ _____                         |
| <b>4c. Total Amount of Officer’s Compensation.</b> Amount of officer’s compensation. Only nonnegative answers are allowed.   | Line 12   | Line 12   | \$ _____                         |
| <b>5a. Taxable Income.</b> Taxable income is the total amount of income less the total amount of deductions other than net operating loss and special deductions. Please put parentheses around negative amounts.  | Line 28   | Line 24   | \$ _____                         |
| <b>6b. Total Corporate Tax.</b> The corporate income tax paid on the firm’s annual taxable income.   | Line 31   | Line 27   | \$ _____                         |
| <b>6. Total Dollar Amount of Cash Holdings.</b> This includes the amount of cash on hand, in checking, savings, money market accounts, certificates of deposit (CDs), and other time deposits. Please put parentheses around negative amounts.   | Schedule L<br>line 1d                           | Part III<br>line 1b                             | \$ _____                         |
| <b>7. Dollar Amount of Accounts Receivable and Trade Notes Less Allowance for Bad Debts.</b> Money owed to the firm by customers who bought goods or services on account.  | Schedule L<br>line 2b(d)                        | Part III lines<br>2a(b) less 2b(b)              | \$ _____                         |
| <b>8. Total Amount of Business’s Inventories.</b> Merchandise held for sale or materials for production such as raw materials, work in progress, or finished goods. Do not include office equipment or office supplies.  | Schedule L<br>line 3d                           | Part III line 3b                                | \$ _____                         |
| <b>9. Total Amount of Stocks, Bonds, Prepaid Expenses, and Other Current Assets.</b> Bonds include Treasury bonds and bills, bonds issued by federally sponsored credit agencies or corporations, and municipal bonds; <u>stocks</u> include publicly traded stocks held as temporary investment (do not include long term investment stock); <u>prepaid expenses</u> are payments for items such as insurance, interest, rents, taxes, advertising, and operating supplies that were made in advance but have not been used as of your fiscal year end. | Schedule L lines<br>4d+5d+6d                    | Part III lines<br>4b+5b+6b                      | \$ _____                         |
| <b>10. Total Amount of Other Investments.</b> These include amounts owed TO the firm, not owed BY the firm, such as all loans to stockholders and real estate loans owed to the business, investments in other companies, and artwork owned by the firm, etc.  | Schedule L lines<br>7d+8d+9d                    | Part III lines<br>7b+8b                         | \$ _____                         |
| <b>11. Book Value of the Land.</b> Book value of the land represents the cost of the land at the time the land was acquired by the firm. The value reported here should not include the cost of buildings or equipment that may have been purchased at the time it was acquired.   | Schedule L<br>line 12d                          | Part III<br>line 10b                            | \$ _____                         |
| <b>12. Net Book Value of Depreciable, Depletable, and Intangible Assets (including buildings).</b> The acquisition cost minus any accumulated depreciation, depletion, and amortization claimed for tax purposes. Depreciable assets are those whose usefulness wears out over time; depletable assets include natural resources; intangible assets include patents and copyrights. Include the depreciated value of buildings. Do not include the value of land.  | Schedule L lines<br>10b(d)+11b(d)+<br>13b(d)    | Part III<br>line 9a(b)-<br>line 9b(b)           | \$ _____                         |
| <b>13. Total Amount of Other Assets Not Yet Described.</b> These assets might be insurance, security deposits, or notes receivable.<br><br>Type and amount of the 3 largest other assets. <i>Please describe.</i><br>1. _____<br>2. _____<br>3. _____  | Schedule L<br>line 14d                          | Part III line 11b                               | \$ _____<br>\$ _____<br>\$ _____ |
| <b>14. Total Dollar Amount of All Assets.</b> Total assets is equal to the sum of the recorded year-end values of the firm’s assets.   | Schedule L line<br>15d (or Line D pg 1)         | Part III line 12b<br>(or Line D pg 1)           | \$ _____                         |
| <b>15. Total Amount Owed on All Loans, Mortgages, Notes and Bonds.</b> Combined short and long term loans, mortgages, notes, and bonds, including any loans from stockholders.   | Schedule L lines<br>17d+19d+20d                 | Part III lines<br>15b+16b                       | \$ _____                         |
| <b>16. Total Amount of Accounts Payable.</b> Accounts payable is typically money the firm owes to other businesses for supplies and services.  | Schedule L<br>line 16d                          | Part III<br>line 13b                            | \$ _____                         |
| <b>17. Total Amount of Other Current Liabilities.</b> Other current liabilities are those that are due for payment within one year. They include accrued expenses, taxes payable, prepayments, deposits, and advances from customers.  | Schedule L<br>line 18d                          | Part III<br>line 14b                            | \$ _____                         |
| <b>18. Total Amount Owed on Other Debts or Liabilities Not Yet Described.</b><br><br>Type and amount of the 3 largest liabilities. <i>Please describe.</i><br>1. _____<br>2. _____<br>3. _____   | Schedule L<br>line 21d                          | Part III<br>line 17b                            | \$ _____<br>\$ _____<br>\$ _____ |
| <b>19. Total Dollar Amount of All Debts and Liabilities.</b> Total liabilities equal the sum of recorded year-end values for all liability accounts.   | Schedule L lines<br>16d+17d+18d+<br>19d+20d+21d | Part III lines<br>13b thru 17b                  | \$ _____                         |
| <b>20. Total Amount of Shareholders’ Equity.</b> Shareholders’ equity is the dollar-value sum of common and preferred stock, additional paid-in-capital, and retained earnings, less the cost of any treasury stock.   | 22d+23d+24d+<br>25d+26d less 27d                | 18b+19b+20b<br>21b less 22b                     | \$ _____                         |
| <b>21. Does the owner with the largest ownership share own his/her home or primary residence?</b><br><br>No → Go to 22<br>Yes → What is the equity in the home? Please deduct all primary and secondary mortgages, as well as any other home equity loans, from the market value of the house.   |   |   | \$ _____                         |
| <b>22. Total Net Worth of the Principal Owner.</b> Excluding the value of the primary residence and the firm, what is the total net worth of the principal owner? That is, all personal assets minus all personal debts?   |   |   | \$ _____                         |

Appendix W  
Worksheet Mailing: D&B Small Business Reports Brochure





## Run Your Business More Effectively

with D&B Small Business Solutions



As a token of appreciation for participating in the  
**Survey of Small Business Finances...**

...you may elect to receive the following five (5) reports to help you run your business. D&B will not contact you unless you request to be contacted during the registration process.

D&B reports can help you gauge your firm's performance relative to the industry. D&B reports can also help you minimize your risk by letting you check the business credit ratings of potential new customers, vendors, and suppliers. DUNS Demand letters can help you collect money owed to you.

If you choose the D&B Small Business Solutions incentive, you will be given a promotional code. You will have 30 days after receiving the code to register for the offer. After registering, the 5 reports must be ordered within 60 days.

**ONE**

### D&B Industry Research Report

...uses aggregate data to provide you with a statistical "snapshot" of the industry of your choice. Each report includes the following information to prepare competitive analyses:

- Concentration of sales
- Overall risk of late payment
- Headquarters locations

Also included are profiles and contact information for the top 25 companies in the industry, so you can see who's leading the market and how various companies rank within the industry.

**ONE**

### D&B Comprehensive Report

...offers an in-depth view of a company's financial position, includes scores and analysis to predict future payment habits and financial stability, and offers comparisons to industry norms to help your organization:

- Identify a company that has slow payment experiences or a company that may be undergoing financial stress.
- Use Business Ratios to help make sure a company has enough assets to pay you.
- Compare a company to others in the same industry locally or across the U.S.
- Look into the business background of a company's owners.
- Look at how many times a company has moved, and where – even how well it functioned under natural disasters or fires.
- Review public records in D&B's information base to see if any suits have been brought against a potential client.

**ONE**

### D&B Credit eValuator Report

...offers basic information to efficiently evaluate new customers, pre-screen prospects, or perform a quick credit review in lower risk situations. The Credit Check Report provides basic information on a company that includes, when available:

- D&B Rating
- D&B PAYDEX® Score
- Payment activity summary
- Special events
- Indicator of open public filings in D&B's information base

**plus  
Two**

### DUNS Demand Letters for Collections

Through our partnership with Dun & Bradstreet Receivable Management Services (RMS), we offer you two demand letters. These letters provide a method for getting the money owed you without alienating your customers.

To receive these five (5) reports, please use the following url: [www.dnb.com/smallbusiness/ssbf](http://www.dnb.com/smallbusiness/ssbf) and proceed through the registration process. Be sure to enter the **promotional code** received for completing the survey to receive this offer.



Appendix X  
Worksheet Mailing: NORC Confidentiality Statement

## **NORC'S COMMITMENT TO CONFIDENTIALITY**

### **Statement of Professional Ethics**

Pledge of Compliance by Staff, Interviewers,  
Contractors and Visiting Researchers

NORC's mission as a social science research center is to collect data on the attitudes and behavior of people and organizations and to analyze and report on these data. NORC undertakes significant scientific research--the results of which are made widely available in scholarly books and articles, university classrooms, to funding agencies (both governmental and non-governmental) and the media. As a not-for-profit research center, affiliated with the University of Chicago, NORC performs its mission according to these values:

- We value the integrity, professional standards, job satisfaction, and safety of our interviewers and staff.
- We value each respondent's right to privacy, to decide voluntarily whether to participate in our research, and to be informed about the purposes, scope, and importance of that involvement.
- We value the researcher's right to gather a complete and accurate picture of social realities through data collection from a systematically selected sample of respondents, with appropriate intensive follow-up of non-participants to insure valid findings, using the services of our carefully trained interviewing staff.
- We value our public's confidence in our management of human and financial resources so as to produce high quality work, on schedule, at an appropriate cost.

These values imply obligations. It is NORC's intent and policy to a) protect the rights, privacy and confidence of its respondents, b) to maintain the confidentiality of its documents, and c) to safeguard all internal methods, processes, and procedures not generally known in the field of data collection and analysis. Any breach of the Agreement (Statement of NORC Professional Ethics) may result in a severance of the relationship with NORC and/or the pursuit of legal action. The professional activities of each NORC staff member, interviewer, and visitor to secure areas of research activity are directed and regulated by the following policies:

The only permissible role for people directly involved with NORC data collection is that of professional researcher. Therefore, the total confidentiality of individuals and organizations from which information is collected must always be assured. Information learned about individuals or establishments in the course of research, either in locating attempts, interviewing, data abstraction from secondary sources, or incidentally, must be restricted to project personnel and appropriate others, and used strictly for research purposes.

More specifically, a condition of employment and/or affiliation, for all employees, researchers and contractors requires that:

**Interviewers** must interview respondents in situations which do not compromise respondents' privacy, and store survey documents where access by unauthorized people is prevented. They never interview people they know personally, except with prior research project approval. Interviewers must not discuss the respondents, their families or the organizations respondents may represent, with nonproject staff or with project staff for nonproject-related reasons. An exception may occur in attempts to locate respondents when strictly limited information (such as respondent name and the general purpose of the contact) may sometimes be disclosed.

**Interviewers** may do nothing that would bias respondent answers. This includes making statements that would lead respondents to change their answers; implying criticism or support of respondent's attitudes or behavior; or inventing or distorting respondent answers. They may not lie to respondents or use practices or methods which abuse, coerce, or humiliate them. They must deal humanely with respondents' requests for help and assistance, but follow project guidelines about referrals to appropriate resources. They must not offer personal assistance or direct aid.

**Project office staff** must treat all information linked to identifiable respondents as privileged information, unless respondents or their organization waives confidentiality for specified uses. This restriction applies to all communications from and about respondents, their relatives, and their organizations. Completed research documents that identify respondents or organizations are kept only in areas with limited access. When such documents are being handled and used, they are never left unattended and are locked away when not in immediate use. Access to survey data must be limited to appropriate personnel who have signed this statement.

**Corporate Documents** such as datatapes, printouts, photocopies and any other documents with respondent names or other identifying information must be stored, used in a manner for which it was intended and disposed of in a secure manner both in the field and central office. This restriction and commitment to confidentiality also applies to completed questionnaires; proposals; MIS and staff labor reports; the use, disclosure or reference to individual salary information; and any other memos or documents generally considered to be "confidential" or specifically labeled as such.

**Contractors** who process information with respondent identifiers, such as for data entry, must abide by these same restrictions and secure signatures to the accompanying pledge and compliance with this statement.

**Sponsoring agencies** are never provided with respondent names or other identifying data unless specifically authorized by respondents or incorporated in the contract. Data and other results of the research are presented only in summarized form without any names or other identifying information. Every effort will also be made to prevent deductive discovery. When appropriate, specific waivers are obtained to protect confidentiality of respondents under existing legal regulations. In studies where a respondent's identity and activities may be of interest to law enforcement agencies and waivers from subpoena cannot be obtained, further measures may be taken to remove data from the jurisdiction of U.S. authorities.

**No one given approved access to privileged information** may use this information for personal gain or for any non-research purpose.

**Privileged information** includes confidential information concerning NORC business and personnel as well as information about individual respondents. Personnel information may only be used for directly job-related purposes.

**Issued: 12/1/94 NORC's Commitment to Confidentiality**

**Revised: 8/1/95 2.4**

**EFFECTIVE DATE: 12/1/94**

Appendix Y  
Worksheet Mailing: FRB Structure & Functions Brochure



# Federal Reserve **Structure & Functions**

Like most industrialized nations, the United States has a central bank to meet certain needs of its complex economy and financial system. Unlike most central banks, however, the U.S. Federal Reserve System—often called the Fed—is, in a sense, a “decentralized” central bank. It consists of a Board of Governors in Washington, D.C., 12 regional Federal Reserve Banks and their branches, and the Federal Open Market Committee.

Established in December 1913 by the Federal Reserve Act, the Federal Reserve System was designed to address the conditions underlying the money panics that had plagued the country for many years. The act has been amended several times to enhance the Fed’s ability to foster a sound financial system and a healthy economy.

The Federal Reserve System advances this goal in several ways. Its monetary policy decisions affect the flow of money and credit in the economy. It contributes to the safety and soundness of the nation’s financial system by establishing regulations and acting as a commercial bank supervisor. And, by serving as a bank for depository institutions and the federal government, the Fed helps ensure that the system of paying for all kinds of business transactions works efficiently. In carrying out these three functions, the Fed also helps to stabilize the financial system and to contain systemic risk that may arise in financial markets.


## The Fed’s Structure

- The Board of Governors**
- Federal Reserve Banks**
- Federal Open Market Committee (FOMC)**

## The Fed’s Functions

- Monetary Policy**
- Supervision of Banks**
- Services to Depository Institutions**
- Services to the U.S. Treasury**

## Conclusion



# Federal Reserve **Structure & Functions**

- Introduction
- The Fed's Structure**
- The Fed's Functions
- Conclusion


## The Fed's Structure

To safeguard the Federal Reserve from short-term political pressures, the Fed was set up to be "independent" within government. The Fed operates on its own earnings rather than on congressional appropriations, and the members of its Board of Governors are appointed for long, staggered terms, limiting the influence of day-to-day political considerations.

But the Federal Reserve works within government in the sense that it formulates monetary policy to achieve overall goals set by Congress and the U.S. president. Although the Federal Reserve's specific decisions do not have to be approved by the president or the executive branch, the Fed must report to Congress, which created it. Congress has the power to alter or even abolish the Federal Reserve at any time.

The Fed's unique structure also provides internal checks and balances, ensuring that its decisions and operations are not dominated by any one part of the system. The various parts of the Federal Reserve System and their basic functions are described in this brochure.

- Introduction**
- The Board of Governors**
- Federal Reserve Banks**
- Federal Open Market Committee (FOMC)**



# Federal Reserve **Structure & Functions**

- Introduction
- The Fed's Structure**
- The Fed's Functions
- Conclusion

## The Fed's Structure

### The Board of Governors

The Board of Governors, located in Washington, D.C., is a federal government agency. It consists of seven members appointed by the president and confirmed by the Senate for staggered 14-year terms. The chairman and vice chairman are designated by the president, with Senate approval, for four-year terms (renewable during their Board-member terms).

The Board of Governors regularly reports to Congress, giving an annual report on operations and semiannual reports on the state of the economy and the Fed's objectives for the growth of money and credit. The chairman meets regularly with the president and the secretary of the Treasury. Board members testify frequently before congressional committees and meet frequently with the president's Council of Economic Advisers and other key economic officials.

Board members participate in formulating monetary policy, along with Reserve Bank presidents, through the [Federal Open Market Committee](#). The Board has sole responsibility for setting reserve requirements for depository institutions and approves discount rate changes proposed by Reserve Bank directors.

- Introduction
- The Board of Governors**
- Federal Reserve Banks
- Federal Open Market Committee (FOMC)

The Board establishes and administers financial safety and soundness and consumer protection regulations and administers regulations regarding bank consolidation. The Board also oversees Reserve Banks' services to depository institutions, bank supervision functions, and accounting procedures and approves Reserve Banks' budgets.


### Advisory Committees

Three committees advise the Board of Governors, providing information on various groups affected by Fed policies.

- **The Federal Advisory Council** confers with the Board of Governors at least four times a year on economic and banking issues.
- **The Consumer Advisory Council**, representing consumers and institutions that finance them, meets with the Board three times a year.
- **The Thrift Institutions Advisory Council** meets with the Board three times a year to share information and views on the special needs and problems of thrift institutions.

Advisory committees at the individual Reserve Banks advise the banks on these and other interests at the regional level.





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### Federal Reserve Banks

Federal Reserve Banks are the decentralized element of the U.S. central bank. There are 12 Reserve Banks, located in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. Branches are located in 25 other cities, and all but two Reserve Banks have at least one branch.

Each Federal Reserve Bank is separately incorporated, with a board of nine directors. Reserve Banks generate their own income, which comes mainly from interest on government securities acquired through open market operations. Each year, Reserve Banks turn over to the U.S. Treasury earnings in excess of the amount they need to pay expenses and dividends to member banks, to maintain a surplus equal to paid-in capital, and to pay operating expenses.

Reserve Bank directors, under Board of Governors supervision, oversee their bank's operations and appoint and recommend salaries of the bank's president and first vice president. Of the nine directors, six—three class A, representing the banking industry, and three class B—are elected by member banks, including all nationally chartered banks and state-chartered banks that meet certain requirements. Three class

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[Click the map to see the location of Federal Reserve Banks.](#)

C directors, including the chairman and deputy chairman, are appointed by the Board of Governors. Class B and C directors represent agriculture, commerce, industry, labor, and services in the Federal Reserve District; they cannot be officers, directors, or employees of a bank, and class C directors cannot be bank stockholders.

Branch banks' boards have five or seven directors; the majority are appointed by head-office directors and the rest by the Board of Governors.

Reserve Banks monitor national and international economic conditions and provide information on their districts that is used in formulating monetary policy. Reserve Banks hold reserve balances for and serve as "lender of last resort" to depository institutions. Directors establish the discount rate charged on such loans, subject to approval by the Board of Governors.

Reserve Banks also examine and supervise certain types of depository institutions and provide payment services to depository institutions and the U.S. Treasury.

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### Federal Open Market Committee (FOMC)

The Federal Open Market Committee directs open market operations, the most important tool of monetary policy. The committee meets in Washington, D.C., eight times a year and holds additional meetings or telephone consultations as needed.

The FOMC comprises 12 members—the seven members of the Board of Governors and five Reserve Bank presidents, one of whom is the president of the Federal Reserve Bank of New York. Other presidents serve one-year terms on a rotating basis, and all presidents participate in each meeting.

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As the U.S. central bank, the Federal Reserve carries out a number of functions that affect the nation's economic well-being. Through monetary policy, which influences the availability of money and credit, the Fed plays a major role in keeping inflation in check while promoting economic growth. By supervising and regulating commercial banks, the Fed fosters the U.S. financial system's safety and soundness. And by providing check-clearing and other payments services to depository institutions and the federal government, the Fed helps make commercial transactions more efficient.

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### Monetary Policy

Aside from market dynamics like consumer spending and business investment decisions, a major influence on a country's economic performance is public policy—particularly fiscal policy and monetary policy. Fiscal policy is determined by the legislative and executive branches of the U.S. government chiefly through decisions about taxation and spending. Monetary policy is carried out by the Federal Reserve.

The objectives of the nation's economic policy are to protect the purchasing power of the U.S. dollar, encourage conditions that sustain economic growth and a high level of employment, and foster a reasonable balance in transactions with other nations over the long run. The Federal Reserve contributes to these objectives through its monetary policy actions affecting the availability and cost of money and credit.

The Fed, seeking to adjust monetary policy to changing economic conditions, bases its policy decisions on current economic and financial information. For example, the FOMC's policy actions are influenced at least in part by the economic analysis provided by staff economists and analysts at the Reserve Banks and the Board of Governors. Each component of the Fed—the Board of

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Governors, the Reserve Banks, and the FOMC—plays various roles in formulating and carrying out monetary policy.

#### Tools of Monetary Policy

To foster economic growth while maintaining stable prices, the Federal Reserve must balance the flow of money and credit with the needs of the economy. The Board of Governors, the Reserve Banks, and the FOMC achieve this balance by influencing the levels of financial institutions' reserves, which in turn affect the institutions' ability to make loans or purchase investments. These reserves, required by law of all U.S. depository institutions, must be equal to specified percentages of the institutions' deposits and can be held either in the form of cash on hand or account balances at Reserve Banks.

The Fed has three policy tools for influencing reserves: open market operations, the discount rate, and reserve requirements.

**Open market operations.** The most flexible, and therefore most important, of the Fed's monetary policy tools is open market operations—the purchase and sale of government securities in the open market. The Fed's open market operations are directed by the FOMC and carried out through the trading desk of the Federal Reserve Bank of New York.

To increase the availability of money and credit, the Fed buys government securities. These purchases are paid for by crediting the reserve accounts (held at Reserve Banks) of the depository institutions handling the securities dealers' transactions. These larger reserve accounts give the banks more money for lending and investing elsewhere.

To tighten money and credit flows the Fed sells securities, thereby restraining the growth in banks' reserve balances and

restricting their lending and investing activities.

**The discount rate.** Depository institutions sometimes borrow money from Reserve Banks to cover temporary deposit drains. The discount rate, the rate of interest charged on these short-term, "discount window" loans, is set by Reserve Banks' boards of directors, subject to approval by the Board of Governors. A change in the discount rate can either inhibit or encourage financial institutions' lending and investment activities by making it more or less expensive for them to obtain funds. Although the discount rate may have little direct effect on market conditions, a change in the discount rate can be an important signal of the Fed's policy direction.

**Reserve requirements.** Within limits prescribed by law, the Board of Governors can change the percentage of deposits that depository institutions must set aside as reserves. The Federal Reserve changes reserve requirements much less often than it does the discount rate because such changes have a farther-reaching impact on the financial industry.

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### Supervision of Banks

Commercial banks are governed by a variety of regulations intended to ensure that they serve their depositors and communities well and are operated in accordance with sound banking principles.

Several federal and state agencies, including the Federal Reserve, share the responsibility for writing these regulations and for examining banks to determine their compliance. The Federal Reserve supervises all bank and financial holding companies as well as state-chartered banks that are members of the Federal Reserve System. The Fed also regulates foreign activities of all U.S. banks and certain U.S. activities of foreign banks.

Bank and financial holding companies and certain banks that wish to acquire or merge with other banks must get prior Federal Reserve approval. Staff at a Reserve Bank analyze the banks and financial markets that will be affected by a proposed merger or acquisition, taking into account the convenience and needs of the community to be served and the financial and managerial resources of the existing and proposed institutions. The Board of Governors approves or disapproves merger and acquisition applications based on Reserve Banks' findings and recommendations.

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In addition, Reserve Banks monitor commercial banks' compliance with consumer protection laws relating to credit, such as the Truth in Lending Act. Reserve Bank specialists help banks interpret technical requirements of the laws. They also provide information and assistance to consumers with questions or complaints regarding commercial banks' services.

**Discount Window Loans**

Reserve Banks also help maintain a sound banking system by acting as the "lender of last resort" for depository institutions. Institutions that find themselves temporarily short of reserves because of unexpected credit demands, deposit drains, or seasonal economic factors may be eligible to borrow from a Reserve Bank. The availability of credit from the Federal Reserve is intended to stabilize individual depository institutions as well as the banking and financial system as a whole. Depository institutions are expected to seek funds first from reasonably available alternative sources and to rely on the Federal Reserve discount window only in exceptional circumstances.

Generally, discount window loans are made for a day or two to help the borrowers adjust their reserve position. Discount window credit is subject to governing statutes and is administered according to Federal Reserve policy guidelines by lending officers at the individual Reserve Banks.

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### Services to Depository Institutions

As part of the nation's central bank, Reserve Banks are actively involved in the nation's payments system to help it operate as efficiently and safely as possible. Unlike private providers of payments services, Federal Reserve Banks do not offer these services to make a profit—their service fees must closely match and not exceed their costs.


Since the passage of the Depository Institutions Deregulation and Monetary Control Act of 1980, Reserve Banks' financial services have been available not just to banks that are members of the Federal Reserve System but also to nonmember commercial banks, savings and loan associations, credit unions, and mutual savings banks.

In some ways Federal Reserve Banks' services to depository institutions are similar to depository institutions' services to their customers—transferring funds, providing cash, and accepting and safeguarding deposits.

#### Payment System Services

Most of the nation's spending money is held in some form of checking accounts. Although checks are the most common

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means of paying for transactions, electronic transfers are gaining in use.

**Check collection.** Frequently a check is cashed or deposited at a depository institution far from the institution on which it is drawn. More than a third of such checks are collected through the Federal Reserve Banks' check collection system. (Another large portion is handled within banking organizations or their correspondent banks. The remainder are processed by commercial banks or other private-sector check-processors.) High-speed, computer-controlled machines at Reserve Banks sort checks, total the amounts, credit the depositing institution, and charge the institution on which they are drawn. The checks are then sent to the latter depository institution.

**Electronic transfers.** Electronic funds transfer (EFT) and automated clearinghouse (ACH) are terms that relate to computerized transfers of funds. Unlike a check—which may travel thousands of miles in several days and be processed many times—an electronic transfer can do the same job in seconds by computer, with no paper to mail. The Reserve Banks' computer-based communications network makes these operations possible.

**Cash services.** Although checks and electronic funds transfers account for most of the dollar volume of spending, cash is still an important medium of exchange.

New coins and notes are shipped from the U.S. Treasury to the Federal Reserve Banks, where the cash is stored until needed to fill orders from depository institutions. Depository institutions, of course, furnish cash to businesses and the public.


When depository institutions have excess cash on hand they may return it to the Reserve Banks, where the amount is verified and worn-out notes are destroyed.

Counterfeits are removed and sent to the Secret Service. Worn, bent, and foreign coins, too, are culled. Reusable coins and notes are stored until needed. When depository institutions order cash, the Reserve Banks fill the orders from their stocks of new and used coins and notes.

**Safekeeping and Transfer of Securities**

Depository institutions may request a Reserve Bank to hold securities either for safekeeping or as collateral for loans from the Federal Reserve. U.S. government securities are usually held in book-entry (computer record) form only, while other types may be held in paper form. Reserve Banks also perform such services as transferring securities between accounts, delivering coupons, and processing associated payments.

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### Services to the U.S. Treasury

Reserve Banks provide a number of banking and financial services to the U.S. Treasury, including two major services.


**The Treasury's Checking Account**  
Incoming federal government revenues are credited to the U.S. Treasury's accounts at Reserve Banks. Most of these revenues come from transfers of funds from depository institutions in which the Treasury initially deposited its receipts from taxes and the sale of securities. The transfers are accomplished by debiting the depository institutions' reserve balances with the Federal Reserve and crediting the Treasury's account with the Fed. The Treasury spends these funds primarily by issuing checks or ACH entries, such as Social Security and armed services payroll checks or EFT payments. These checks or entries are submitted for collection to Reserve Banks, where they are charged against the Treasury's account.

**The Treasury's Fiscal Agent**  
When its current expenses run ahead of its current cash resources, the Treasury borrows, mostly by auctioning government securities to investors. The auctions are held by the Federal Reserve Banks, acting as the Treasury's fiscal (financial) agents.

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The Fed also inscribes and delivers U.S. savings bonds sold through depository institutions and other issuing agents.



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Like the federal government, the Federal Reserve System was designed to be a compromise between national and regional powers. Its regional base—the 12 Reserve Banks—makes the Fed more flexible and innovative and ensures that its decisions and actions are broadly based. The Board of Governors, acting as general overseer of the Reserve Banks, helps coordinate the Fed's operations. And the Federal Reserve's most important function—formulating and implementing monetary policy—is carried out in light of both regional and national concerns by the Board of Governors, the Reserve Banks, and the FOMC.

The Federal Reserve's major functions account for its structure and for its unique position in the federal government. Accountable to the government but working independently within it, the Fed is able to pursue its monetary policy goals without undue pressures from short-term political considerations.

Since its founding in 1913, the Federal Reserve System has evolved to meet the needs of a changing financial system and a growing economy. Its unique structure, however, remains its most outstanding feature and its greatest strength.

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Appendix Z  
Worksheet Mailing: Folder





THE 2003 SURVEY OF SMALL BUSINESS FINANCES

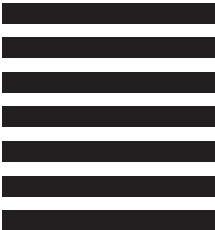
1 - 800 - 692 - 4192

Appendix AA  
Worksheet Mailing: Return Envelope



6128-SSBF

NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES



BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 38802, CHICAGO, ILLINOIS

POSTAGE WILL BE PAID BY ADDRESSEE

NORC  
1 NORTH STATE STREET, 16TH FLOOR  
CHICAGO IL 60602-9925



Appendix BB  
Worksheet Mailing: Organizational-Type-Unknown Letter

Dear Small Business Owner,

During our initial call, we were unable to determine how your business is organized for tax purposes, that is, whether it is a sole proprietorship, a partnership, a C-corporation, or an S-corporation. We are including a worksheet for each organization type in this package. Please select the one worksheet that is appropriate for your business and discard the other three. Refer to the information below for help if necessary.

| <b>ORGANIZATION TYPE</b> | <b>TAX FORM FILED</b> | <b>DEFINITION</b>  |
|--------------------------|-----------------------|--|
| Sole Proprietorship      | 1040 or 1040 EZ       | An unincorporated business owned by a single person, who has the right to all the profits from the business and is responsible for all the business's liabilities.   |
| Partnership              | 1065                  | An unincorporated business in which two or more owners agree to split the profits, losses, or capital of the business. There may be limited and/or general partners.   |
| C-Corporation            | 1120 or 1120-A        | A business that has been granted a state charter recognizing it as a separate legal entity having its own rights, privileges, and liabilities distinct from those of the individuals that form the business.   |
| S-Corporation            | 1120-S                | A business that does not pay taxes on its income because its shareholders are responsible for paying taxes on the business's income. To qualify for S-Corporation status, the business <ul style="list-style-type: none"><li>• must be a U.S. corporation,</li><li>• must have only one class of stock and no more than 75 shareholders, and</li><li>• may not have certain organizations or non-U.S. citizens as shareholders</li></ul> |

If your business is a Limited Liability Partnership (LLP) or Limited Liability Company (LLC), please base your worksheet selection on whether you file taxes as a partnership, a corporation, or a sole proprietor.

Appendix CC  
2003 SSBF Homepage at NORC Website

# NORC

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Sponsored by the Board of Governors of the Federal Reserve System

## Objective of the SSBF

NORC is conducting the Survey of Small Business Finances (SSBF) on behalf of the Federal Reserve Board. The objective of the SSBF is to understand the effects of changes in the economy and financial industry on small businesses, and to help ensure the availability of credit to all American small businesses.

## Why Participating in the SSBF Benefits You

As one of a select group of participants nationwide, the information you provide will help the Federal Reserve Board evaluate federal policies, helping to ensure the availability of credit to all American small businesses - including your business. This study is conducted just once every five years; if you have been chosen for the SSBF, your participation is extremely important to the study's success. Please feel free to explore this website to see why the SSBF is such a valuable tool for our nation's policy makers.

## Endorsement Letters:

**Note:** You need [Adobe Reader](#) to access these letters below. [Download Adobe Reader](#)

- [Letter from Chairman Alan Greenspan \(71 KB PDF\)](#)
- [Letter from the NORC Project Director \(31 KB PDF\)](#)

Links to Affiliated Organizations:

Last updated: June 08, 2004





Appendix DD  
2003 SSBF Homepage at the FRB Website



## 2003 Survey of Small Business Finances

The 2003 Survey of Small Business Finances (SSBF) is being conducted by the Board of Governors of the Federal Reserve System, with the help of the [National Opinion Research Center](#) (NORC) at the University of Chicago. The 2003 survey marks the fourth time that financial information from businesses with fewer than 500 employees will be collected by the Federal Reserve.

To better understand the finances of small businesses and the credit conditions they face, the Federal Reserve regularly seeks information on

- The factors that affect prices and availability of credit to small businesses
- The effects that bank consolidation may have on the availability of credit and other financial services
- The characteristics of small businesses and how these characteristics influence their credit needs
- The experiences that small businesses have with credit applications
- The impact that government regulations may have on small business credit access
- The financial and nonfinancial sources used by small businesses for their financing needs.

The information from this survey will be used to evaluate the effect of public policies on small businesses of different sizes, locations, and ownership characteristics. The information will also be used in the ["Report to Congress on the Availability of Credit to Small Business"](#) (IMB PDF) that is produced by the Federal Reserve every five years.

Below are excerpts of statements by Chairman Greenspan, Vice Chairman Roger W. Ferguson, Jr., and Governor Susan S. Bies, a letter from Chairman Greenspan, links to some examples of research that used data from the 1987, 1993, and 1998 surveys, and a list of frequently asked questions.

### Remarks by Chairman Alan Greenspan *Changes in small business finance*

At the Federal Reserve System Research Conference on Business Access to Capital and Credit, Arlington, Virginia

March 9, 1999

[Full text](#)

The Fed currently is working on its third survey of 6,000 small businesses--to be known as the 1998 Survey of Small Business Finances. We expect this new information, coupled with annual CRA reports, to add greatly to our knowledge of changes taking place in small business finance. I want to thank in advance any small business that is selected to be part of the Fed's new survey and to encourage them to participate. It takes a lot of time and effort for survey respondents to answer our detailed questions, but as evidenced by the presentations here, the information is very valuable to us. More broadly, it is the type of information that provides the basis for sound analytical research on many important issues.

### Remarks by Vice Chairman Roger W. Ferguson, Jr. *Economic Progress and Small Business*

Before the African American Chamber of Commerce of Western Pennsylvania, Pittsburgh, Pennsylvania

November 12, 2002

[Full text](#)

Given the importance of small businesses to our economy, and their heavy reliance on credit to facilitate growth, the Federal Reserve has taken a leading role in efforts to improve the understanding of factors that bear on the availability of funds to support small business activity. Our most recent report to the Congress in September on the availability of credit to small businesses provides an extensive review of developments in recent years.

An important input into our analysis of small businesses is the Board's Survey of Small Business Finances, which is conducted every five years; the most recent was in 1998. These surveys collect detailed information on the financial and other characteristics of a nationally representative sample of small businesses.

### **Remarks by Governor Susan S. Bies**

#### ***Credit Availability for Small Business***

Before local business owners, Federal Reserve Bank of New York, Buffalo Branch, Buffalo, New York

December 13, 2002

[Full text](#)

Given the importance of small businesses to our economy, and their need for credit to facilitate growth, the Federal Reserve has taken a leading role in efforts to better understand the factors that influence the availability of funds to support small business activity. Every five years, the Board of Governors submits a report to the Congress detailing the extent of small business lending by all creditors. Our most recent report to the Congress, submitted this past September, provides an extensive review of developments in recent years. An important input into this analysis is the Board's Survey of Small Business Finances, which is conducted every five years; the most recent was in 1998.

This survey provides the most comprehensive and up-to-date information available on small business finance available.

#### [Letter from Chairman Greenspan \(423 KB PDF\)](#)

A letter to owners of small businesses asking for participation in the 2003 SSBF.

#### [Frequently asked questions](#)

Answers to common questions, such as confidentiality and the types of information that the 2003 SSBF will collect.

#### [Research using the 1987, 1993, and 1998 SSBF](#)

References and abstracts of publicly available research that have used data from the 1987, 1993, and 1998 surveys.

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**Last update: March 15, 2004**

Appendix EE  
Final Data Collection Debriefing Memo

# *Memorandum*

February 15, 2004

**To:** John D. Wolken  
**From:** Nancy Potok  
**Re:** 2003 Survey of Small Business Finances  
**Summary Notes of Final Telephone Interviewer Debriefing**

**Participants:**

Federal Reserve Board: Traci Mach, John Wolken

NORC: Bob Bailey, Mireya Dominguez, Terri Kowalczyk, Nancy Potok, Bill Sherman, Ben Skalland, NORC telephone interviewers and supervisors

## **1. Introduction**

On February 9, 2005, NORC conducted a six-hour SSBF interviewer debriefing session. Six interviewers and four supervisors participated; all participants had extensive SSBF experience. The session was moderated by five members of the project team and observed by Traci Mach and John Wolken of the FRB. The session was held in NORC's call center in Downers Grove, Illinois.

Findings from the debriefing are qualitative. Interviewers were invited to the debriefing partly because of the breadth or depth of their SSBF experience – they brought a richness of commentary or insight to the discussion – and do not necessarily represent the population of SSBF interviewers.

## **2. General Observations**

- **Call it a study.** Interviewers say it is more effective for gaining cooperation to refer to SSBF as a study rather than a survey. The word survey was sometimes a roadblock, making some respondents think the call was for market research or telemarketing. The word *study*, on the other hand, tended to convey a more serious, academic purpose.
- **Respondents vary greatly in how much they know.** Respondents' knowledge of business and financial terminology – and their interest in the financial end of their business – varied widely. Some respondents appeared to be insulted or bored when having terminology read to them. Other respondents needed long definitions. An interviewer suggested two versions of the questionnaire, one shorter for more knowledgeable respondents, one longer for respondents who need all of the definitions.

- **Many respondents dislike the balance sheet and income statement sections.** Some respondents said upfront that they would only give ranges, and were then put off by having to go through a long series of amount and estimation questions. Interviewers noted, however, that sometimes in these situations respondents would cave in and start giving exact amounts just to move it along.
- **Teamwork leads to better individual work.** The interviewers enjoyed and appreciated the support from supervisors and other interviewers.
- **Put greater emphasis on the study's purpose in the questionnaire.** It is important for interviewers to be able to explain the purpose of the survey to the respondents, to make respondents feel their participation is worthwhile. Interviewers would like to see the purpose stressed more in the questionnaire introduction, since many respondents didn't read or skimmed the advance mailing. A supervisor suggested a national public-service announcement about SSBF, so that the survey would be in respondents' minds when then were called.

### 3. Training

- **Having representatives of the FRB at training sessions is valuable and appreciated by interviewers.**
- **Give more attention to question A1.** Emphasize that the preloaded owner's name is not always correct, and that there can be other owners who can do the survey if the preloaded owner is unavailable. Interviewers should be encouraged to read the preamble before dialing. When multiple pieces of preloaded information are incorrect, it is can be hard to locate the correct business and owner.
- **Consider presenting an entire scripted main interview from start to finish.** It is daunting to try to absorb all of the details given during training. Several interviewers thought it would be helpful to watch an entire interview from beginning to end, so that trainees can get a general sense of what they will be doing before being given details and theory. One interviewer suggested taping a real interview for this purpose.
- **Consider shorter training sessions over more days.** Shorter training sessions, spread over more days, might be more helpful than the long training sessions. Many interviewers agreed that a more general training should be given first, followed by shorter, specific training after the interviewers have a chance to get a little experience.
- **Provide more challenging mock interviews.** Interviewers at the debriefing thought that the mock interviews were too easy. A supervisor, however, noted that not every SSBF interviewer thought the mocks were so easy. It was suggested that there be mocks at different levels of difficulty, so that trainees can progress through easy to more difficult mocks as they gained experience and became comfortable with the questionnaire.

- **Consider a longer break between screening and main training.** A supervisor thought there should be more time between screener training and main interview training, so that as trainees are doing screener interviews, they can listen to experienced interviewers do main interviews before being trained on the main themselves.
- **Shadowing is popular.** Interviewers suggested having a new trainee shadow an experienced interviewer before trying to do interviews by him- or herself. Bob Bailey thought this would help limit damage done by inexperienced interviewers. Shadowing could also help teach new interviewers in gaining cooperation – actually hearing the words and techniques that are effective on real calls.
- **Give more attention to refusal aversion – learning to leave the door open for the next interviewer.** Call notes show a fair amount of respondent alienation. Knowing what *not* to say is important. Interviewers, even if they cannot gain cooperation, should know how to avoid final refusals and leave the door open for the next interviewer's attempt. (Work on refusal aversion first, then refusal conversion.) Working pass-two cases helped interviewers hone their gaining-cooperation skills.
- **Improve round robins.** Interviewers said the round robins were probably the least effective training technique. Trainees tend to zone out when it is not their turn to read a question. Interviewers agreed that round robins would be more effective if trainees were called in random order.
- **Be selective about detailed question-by-question analysis.** One interviewer felt that the analysis of each question during training was too much. Another said he appreciated question-by-question analysis. A third suggested that this detailed analysis should be delayed until the interviewers are more comfortable with the questionnaire in general.

#### 4. Gaining Cooperation During Screening

Participants identified numerous techniques for gaining cooperation during screening with gatekeepers, proxies and owners. Techniques that worked for some interviewers did not necessarily work for others. Generally, these experienced interviewers tended to find their own voice early on in the study, and spent the rest of the project perfecting their voice and adapting it to new situations.

- **Explain the purpose of the study as early as possible.**
- **Sound professional and knowledgeable.** When speaking to a gatekeeper, this tone helps get through to the owner.
- **Be matter of fact, calm, serious and confident.**
- **Say that a firm was chosen, not randomly selected.** De-emphasize the word *randomly* in the introduction and instead emphasize that a firm was *chosen* to participate. Explain that the selection was based on firm type, size, and geographic location.



- **Say that the call is to *qualify* the firm, or to confirm where to send information to allow the respondent to make an informed decision.** Say that we were just trying to verify basic information. The downside to this tactic is that when eligibility was mentioned, some respondents would try to disqualify themselves by guessing which answers would disqualify their firm.
- **Try mentioning the Federal Reserve Board. If that doesn't work, ask if the respondent has heard of Alan Greenspan.** Some interviewers found that even if respondents had not heard of the FRB, or were unsure of its function, most had heard of Alan Greenspan, and the reference to Mr. Greenspan could sometimes lend authority and star power to the study.
- **Put more focus on closing eligible firms.** The screener close sets the tone for the next phase of the relationship between the firm and NORC, and can have significant effect on the extent to which respondents are willing to cooperate in completing the main interview. Interviewers can be better trained to read the close slowly, carefully and with commitment; they need to be trained to avoid rushing the close. General comments and suggestions about the eligible-respondent screener close are below:
  - At the close, use the opportunity to ask if the respondent has questions or concerns. If so, the interviewer would give the respondent information about the website and SSBF hotline. One interviewer thought it would be good to have a question written into the close, asking if the respondent had questions or concerns.
  - It was good to get a time for the main interview during the screener and to put this in the call notes.
  - Many objections came at the end, during the close.
  - Many respondents, after hearing the incentive amount (near the end of the study when the respondent fees increased to \$200 or \$500), wanted to set appointments for the main interview at the close of the screening interview.
  - If talking to a proxy in the screener interview, it was helpful at the close to ask the proxy to make sure the owner knew about the study and the materials he or she should be receiving from NORC
  - Some screener-only interviewers were not conversant about the next steps and the content of the main interview, and consequently were not able to explain what happens next at the screener close, compared to interviewers who did both screener and main interviews.

## 5. Gaining Cooperation During Main Interview

- **Reassure respondents about the worksheet.** It helped to emphasize that completing the worksheet was not absolutely necessary to do the interview; tax returns could also be used. Half of the worksheet covered balance sheet and income statement, which led some respondents to think that half of the interview would be about those financials.

- **Be ready for privacy concerns.** Privacy issues are more of a problem in the main interview than in the screener. It helps to make it clear that estimates rather than specific amounts may be given, and to refer respondents to privacy-assurance information on the SSBF website. One interviewer says that privacy laws should be on FAQs (Frequently Asked Questions) as a quick reference.
- **Embarrassment can be a barrier.** Some interviewers thought that owners of firms that were not doing well were more reluctant to participate than owners of more successful firms.
- **Respondent fees work.** However, interviewers said that some respondents showed little interest in the incentive until it reached \$200.
- **Increasing respondent fees has some negative consequences.** Changing the incentive amounts made some respondents question if NORC actually intended to send them any money. Other respondents were cynical. (“Call me when it hits \$1,000.”)
- **Explain the purpose of the incentive.** It helps to give a reason for offering a financial incentive, e.g. “We have great respect for your time, sir.” If the respondent feels that we are just looking for his price, this could be insulting.
- **Offering a choice of incentives is good, but the D&B brand comes with baggage.** Mentioning Dun & Bradstreet might be more hurtful than helpful. For some respondents, it may have brought a marketing or commercial flavor to the study. Some respondents were concerned that their financial information would be shared with D&B. Interviewers liked the idea of two options, and they liked the idea offering something that might help a respondent’s business, like a *Wall Street Journal* subscription.
- **Improving cooperation in answering sensitive financial questions is possible.**
  - Toward the middle of the data collection period, a memo was distributed to interviewers to focus on getting respondents to give fewer “don’t know” and “refuse” responses to questions in sections P, R, and S. A meeting was held to walk interviewers through the memo. After the meeting, the completeness percentage noticeably improved.
  - It helps to emphasize to respondents that accuracy is important.
  - One interviewer did not give some respondents the option to refuse. Instead she told them that they could give an amount, an estimate, or a range. The tactic worked.
- **Interviewers mentioned other tactics that helped gain cooperation.**
  - Reading call notes beforehand to see why a respondent has refused in the past, so that a different approach could be attempted.
  - When getting the same gatekeeper repeatedly, setting callbacks and developing rapport, so that the gatekeeper would be less likely to feel harassed.
  - Faxing a signed confidentiality statement to the respondent.
  - Emphasizing that it the banking industry being evaluated, not the firm.

- When encountering a gatekeeper, the interviewer should not identify him- or herself until asked. Instead, just ask to speak with the owner.

## 6. Screener Questionnaire

- **Interviewers had numerous suggestions and comments about the screener questionnaire.** The list should not be construed as NORC's recommendations to the FRB for changing the instrument. Rather, this list is of observations from a group of seasoned interviewers who each administered the instrument hundreds of times.
  - Verify the owner's name during the screener introduction instead of waiting until the main questionnaire. (On the other hand, the verification might make gatekeepers suspicious about the nature of the call or the caller's lack of familiarity with the owner.) One suggestion was to ask in the introduction: "May I please speak with the owner, (NAME)?"
  - If an interviewer learns during the introduction that the firm is ineligible, there is no way to jump to the right eligibility question and enter the appropriate information.
  - A1 should be simplified and possibly divided into three screens.
  - At A1, sometimes "Owner not available" was selected inappropriately, so an interviewer talked to a proxy before the fourth attempt to reach the owner.
  - Sometimes on the first call attempt, a gatekeeper would direct the interviewer to a proxy. It is awkward to say on each of three calls that we cannot speak to the proxy, only to come back on the fourth call and say that speaking with the proxy is okay.
  - When the preloaded information is missing or erroneous, the questions as read can be awkward. For example, if the preloaded business name is the name of the owner, the confirmation of the business name question (A2) is awkward.
  - One interviewer would like a prompt or an option for doing business as a different firm name, e.g., DBA.
  - The office or branch question (A9.1) is not always clear. For example, for a restaurant with a separate business office, is the restaurant considered a branch? If yes, the firm becomes ineligible.
  - A3 is really two questions combined into one question. Some interviewers believe that not all respondents heard both parts of the question. They recommend that for future SSBF studies, A3 be broken into two questions. Several interviewers also recommend having a clearer or more detailed definition of what it means to be "in operation."
  - Put LLP and LLC answers on a different screen.
  - There were no problems with the "number of employees" question or in distinguishing for-profit firms from not-for-profit firms.

## 7. Main Questionnaire

- **Interviewers had numerous suggestions and comments about the main questionnaire.** The list should not be construed as NORC's recommendations to the FRB for changing the instrument. Rather, this list is of observations from a group of seasoned interviewers who each administered the instrument hundreds of times.
  - At A1, consider verifying the name of the owner during the introduction. There needs to be a way to update the name of the owner at A1, to make corrections if the case was screened improperly. Also, some interviewers did not like reading the sentence that the owner may be expecting the interviewer's call. They felt that for some gatekeepers the sentence rang hollow.
  - The wording of F3.2 and F6.2 might be improved. If the respondent says that credit cards are typically paid in full (F3 and F6), then currently F3.2 and F6.2 ask for the interest rate *paid*. Paid should be changed to used or charged. A few interviewers suggested that the worksheet provide space to record the interest rate of a firm's credit card. Many respondents took a long time providing the information.
  - The exception key was used a lot at F3.1 and F6.1. The range check should be removed.
  - It was problematic to read a question after which followed an explanatory sentence, before expecting an answer. Some respondents would try to answer immediately after the question was read and not wait to hear the additional explanation.
  - There was confusion between credit cards and lines of credit. READ11 is confusing. Interviewers read two sentences about lines of credit and then say "do not include credit card accounts." One recommendation is to exclude credit cards at the beginning of READ11 and then reiterate it at the end.
  - Asking MRL questions is sometimes seen by respondents as repeating earlier questions that are similar to those asked in section MRL.
  - There should be an automated CATI process for capturing a new name and address to which to send the Federal Express package, if the respondent has not received it.
  - A definition of paid day laborer should be embedded in question A10.7.
  - For the number of owners question (A10.1) "worked" should be highlighted on the CATI screen, and interviewers should get better training in reading the word with emphasis.
  - One interviewer liked the simplicity and structure of the language in A10.5 and thinks similar questions should use this language.
  - An interviewer reported a shift in verb tense following C20 if the firm has more than one stockholder.
  - At A7, most respondents from trust-owned firms didn't consider a trust to be a company. If a trust is the only stockholder, the CATI tries to get demographic information about the trust. There were similar problems with employee stock ownership plans.

- If the largest shareholder is a company owning more than 50%, the CATI should kick the case out as ineligible. This would be a double-check on the screener and section A.
- No exception is allowed at D1, and an interview can get stuck if the respondent insists on answering zero at D1.
- Many interviewers felt that question N1 was premature and that some respondents used the question as an excuse to postpone the rest of the interview, when, according to some interviewers, the worksheet is most necessary for sections P, R, and S. It was suggested that N1 be moved to before section P.
- The XXX fake institution name convention worked well.
- Some respondents confused auto loans with capital leases. A better explanation or an additional question would help.
- The institution look-ups were easy to use and worked well. Interviewers thought that too much time was spent in training on look-ups. Interviewers who did have problems were trying to input all of the information into a single search, instead of using simpler search techniques.
- There was a lot of estimation in section L. Possibly some of this information could be entered on the worksheet in advance of the main interview.
- Many respondents didn't know what was meant by cost of doing business, even with prompts. There should be a more simple definition and/or some examples for very small businesses.
- At R6 many respondents misunderstood book value of land and gave the current land value, not the value at the time the land was acquired.
- In the loans and line of credit section, the loan amount the owner said he received was almost always the same amount he said he asked for. Asking what amount the owner believed he *should* have received, rather than what he asked for, might be more useful information for the FRB.
- Some interviewers thought the close did not work well. Many respondents never completed a worksheet, and some of them were annoyed when they were asked about the worksheet at the end of the interview. Sometimes a respondent was not the person who possessed the worksheet. "Can I count on you..." was seen by a few interviewers as patronizing to respondents.
- Instead of telling a respondent that we have provided him with a postage-paid envelope, we should ask if he has the postage-paid envelope, and if not, then the interviewer should give him the address.

## 8. Job Aids

- The job aids and CATI did not always match in their references to the worksheet.
- One interviewer thought that the answering machine script did not flow well.
- One interviewer thought that SSBF FAQs should return to their original format, which was divided into sections like the REACH FAQs.

## 9. Contact Materials

- **Interviewers think the advance mailing is effective, when respondents read it.** Among respondents who read the advance letter and were expecting a call, the response rate was high, according to interviewers. The nearer the call followed the advance letter, the better the likelihood of a completed interview. Several interviewers thought that the advance letters were very well written. Sometimes interviewers had to fax the advance mailing to a respondent, to help orient him or her.
- **Some respondents were intimidated by the worksheet.** However, it was good for interviewers to be able to refer to the worksheet package materials. Interviewers were unsure of how many respondents actually read the materials included with the worksheet. Interviewers did not strongly suggest that the package contain fewer materials or that the worksheet be shortened. One interviewer reported that a respondent had called the design of the worksheet “genius.”
- Some owners mailed in the worksheet before doing the main interview. It should be made clearer that the worksheet should not be returned until after the main interview.
- **Have a form letter for accountants and lawyers.** A supervisor suggested sending a letter to lawyers and accountants in addition sending one to owners, because some lawyers and accountants were advising their clients – with insufficient information –to not do the survey.

## 10. Interviewer Incentives

- **Posting daily goals is an effective motivator.** Interviewers liked the use of white boards in the production center on which goals by batch, day and hour were posted. Many said it was a terrific motivational tool.
- **Paid lunches and relatively small monetary rewards are appreciated.** Interviewers had more comments about the daily-goal boards than about the extra money they could earn by working more hours, but they still appreciated the lunches and the monetary incentives.

## 11. Locating

- The 5% follow-up locating went quickly and smoothly once all of the systems were in place. For the locating part of fieldwork, one interviewer would have liked an all-encompassing check list to help ensure that she/he had performed all possible locating steps.

Appendix FF  
Agenda for Screener Training

## Survey of Small Business Finances

### *Telephone Interviewer Screening Training Agenda*

| Module       | Topic                         | Training Goals  | Format         | Trainer | Duration   | Time             |
|--------------|-------------------------------|---|----------------|---------|------------|------------------|
| <b>DAY 1</b> |                               |   |                |         |            |                  |
| 1            | Introductions and Objectives  | Relax the training room by introducing the Screener interviewing staff to one another and to the key project staff through a simple icebreaker activity. Briefly explain the key objectives for the next two days of training.  | Group activity | Carol   | 30 minutes | 9:00 - 9:30 am   |
| 2            | Study Purpose and Design      | Introduce trainees to the purpose of the SSBF, the survey sponsor, the sample, and the study design. Mention that the study benefits small businesses; it is in the interest of respondents to participate. Briefly explain why it is important that those contacted participate; e.g. to minimize response bias. Acquaint interviewers with the new design features of the SSBF.   | Lecture        | John    | 45 minutes | 9:30 - 10:15 am  |
|              | BREAK                         |   |                |         | 15 minutes | 10:15 - 10:30 am |
| 3            | Overview of Screening Process | Discuss why we are screening, and point out that not all firms will be eligible for the survey. Acquaint trainees with the five parts of the screening process: 1) identifying an appropriate respondent, 2) gaining cooperation, 3) determining whether the location contacted is the main office or headquarters, 4) determining firm eligibility, 5) collecting information about the firm in order to mail the appropriate version of the worksheet. Define key terms. Acquaint trainees with the questions in the screening interview, and the QxQs. Explain the different company types. Explain how to handle firms with zero employees. | Lecture        | Carol   | 90 minutes | 10:30-12:00 pm   |



| Module | Topic  | Training Goals  | Format                     | Trainer     | Duration   | Time             |
|--------|--|---|----------------------------|-------------|------------|------------------|
|        | LUNCH  |   |                            |             | 30 minutes | 12:00 – 12:30 am |
| 4      | Eligibility Criteria (cont.) and Identifying Appropriate Respondents | Provide trainees with more practice in applying the eligibility criteria. Help trainees understand the importance of interviewing an owner or an appropriate proxy. Discuss the qualifications of an appropriate proxy. Discuss inappropriate proxies. Explain the requirement to make three attempts to speak with the owner before accepting a proxy.                             | Lecture and Exercises      | Bob         | 30 minutes | 12:30 - 1:00 pm  |
| 5      | Respondent Confidentiality   | Review importance of safeguarding respondent confidentiality and the interviewer's role in doing so. Review the contents of the advance materials mailed to respondents, focusing on the confidentiality statements contained in each. Practice reading the confidentiality statement in the survey introduction. Practice responding to respondent concerns about confidentiality. | Lecture and Round Robin    | Carol       | 30 minutes | 1:00 – 1:30 pm   |
| 6      | Using Survey Craft Telephone Number Management System                | To acquaint trainees with the TNMS: its purpose, how it works, and how to use it effectively. To help trainees understand the importance of assigning disposition codes correctly and writing complete call notes, and to give them practice in doing both activities   | Lecture/ Exercises         | Bob         | 45 minutes | 1:30 – 2:15 pm   |
|        | BREAK  |   |                            |             | 15 minutes | 2:15 – 2:30 pm   |
| 7 & 9  | Mock Screening Interviews #1 & 2                                     | To practice the 3-attempts rule to reach the firm owner (Mocks #1a to #1c), and to familiarize trainees with the CATI version of the screening interview.   | Round Robin in Call Center | Toni & Troy | 45 minutes | 2:30 – 3:15 pm   |

| Module | Topic                         | Training Goals  | Format                  | Trainer | Duration   | Time              |
|--------|-------------------------------|---|-------------------------|---------|------------|-------------------|
| 8      | Gaining Cooperation -- Part 1 | To introduce trainees to the techniques used to gain respondent cooperation and familiarize them with the Answers-to-Frequently-Asked-Questions Job Aid | Lecture/<br>Round Robin | Bob     | 45 minutes | 3:15 –<br>4:00 pm |
| 10     | Wrap Up Day 1                 | Summarize the main points from Day 1. Review agenda for Day 2. Explain Homework for Day 1. Note earlier start time on Day 2.                            | Lecture                 | Carol   | 30 minutes | 4:00 –<br>4:30 pm |

| Module       | Topic   | Training Goals   | Format                   | Trainer     | Duration   | Time           |
|--------------|---|--|--------------------------|-------------|------------|----------------|
| <b>DAY 2</b> |   |  |                          |             |            |                |
| 11           | Review of Day 1                                       | Summarize the main points from Day 1. Answer Trainee questions on Day 1. Review agenda for Day 2   | Lecture                  | Carol       | 15 minutes | 8:30 – 8:45 am |
| 12           | Gaining Cooperation, Part 2/<br>Respondent Incentives | To provide trainees with additional practice in gaining respondent cooperation, and to acquaint them with the respondent incentive options and how to describe these to respondents. Interviewers will be expected to present the FAQ's and explanations of the incentives in their own words. Discuss inappropriate techniques, e.g., calling from the FRB, paying Rs to participate.                   | Round Robin              | Bob         | 60 minutes | 8:45 – 9:45 am |
| 13           | Respondent Worksheets                                 | To familiarize trainees with the purpose and content of respondent worksheets. To give trainees practice in explaining to respondents that we will be mailing them a worksheet and calling them back to conduct the main interview. To help trainees understand how the screening interview data are used to determine which version of the respondent worksheet to mail.                                | Lecture/<br>Exercises    | Carol       | 30 minutes | 9:45-10:15 am  |
|              | BREAK   |  |                          |             | 15 minutes | 10:15-10:30 am |
| 14           | Duo Mock Screening Interviews 3 & 4                   | To provide interviewers with further practice in gaining respondent cooperation, explaining the incentive options, answering respondent questions, independently administering the CATI interview and using the QxQs, explaining the worksheet mailing, and setting the appointment for the main interview. When playing the role of the respondent, each interviewer will work from a different script. | Duo Mocks in Call Center | Toni & Troy | 60 minutes | 10:30–11:30 pm |

| Module | Topic   | Training Goals   | Format                       | Trainer     | Duration   | Time             |
|--------|---|--|------------------------------|-------------|------------|------------------|
| 15     | Question & Answer Period                                | To give trainees an opportunity to get any remaining questions answered.   | Group Discussion             | Carol       | 30 minutes | 11:30 – 12:00 pm |
|        | Lunch   |  |                              |             | 30 minutes | 12:00-12:30pm    |
| 16     | Production Goals and Performance Evaluation             | To inform trainees of the production goals for the study and how their performance will be evaluated.  | Lecture                      | Bob         | 30 minutes | 12:30 – 1:00 pm  |
| 17     | In-class Certification Quiz/Training Evaluation         | To assess the effectiveness of the training. Quiz will cover the major topics of training, including the purpose of the survey, the survey sponsor, the source of the sample, the eligibility criteria, the purpose of screening, the purpose of the worksheets, and the respondent incentive options available. | Exercise/ Discussion         | Carol       | 30 minutes | 1:00 - 1:30 pm   |
| 18     | Wrap-up   | To provide closure to the training and inform interviewers of the schedule for the Certification Mock interviews.  | Discussion                   | Carol       | 15 minutes | 1:30 - 1:45 pm   |
| 19     | Schedule Certification Mock Interviews with Supervisors | To certify that each interviewer has acquired the necessary knowledge and skills to effectively screen businesses for this survey.   | Conversation with supervisor | Toni & Troy | 15 minutes | 1:45 – 2:00 pm   |

Appendix GG  
Agenda for Main Interview Training

# Survey of Small Business Finances

## *Main Questionnaire Interviewer Training Agenda*

| Module       | Topic  | Training Goals  | Format                                 | Trainer                      | Duration   | Time             |
|--------------|--|---|--|------------------------------|------------|------------------|
| <b>DAY 1</b> |  |   |  |                              |            |                  |
| 1            | Welcome and Introductions                            | Relax the training room environment by re-introducing the interviewing staff through a simple icebreaker activity.  | Group activity                         | CE                           | 30 minutes | 8:30 – 9:00 am   |
| 2            | Overview of Questionnaire and Worksheet              | Review the contents of the worksheet mailing, the sections of the worksheet and the sections of the main interview questionnaire.   | Lecture and Demonstration              | CE                           | 45 minutes | 9:00 – 9:45 am   |
| 3            | Questionnaire Conventions                            | Discuss the following questionnaire conventions: verifying dollar amounts in words, using the exception key for hard range check failures, using 0, using -1, and using the breakpoint function. Complete exercise on translating amounts expressed in words to numeric dollar amounts. | Lecture and Exercise                   | CE                           | 30 minutes | 9:45 – 10:15 am  |
|              | BREAK  |   |  |                              | 15 minutes | 10:15 – 10:30 am |
| 3            | Questionnaire Conventions (Continued)                | Introduce and demonstrate the Institution Look-up.  | Lecture and Demo                       | BB                           | 30 minutes | 10:30 – 11:00 am |
| 4            | Questionnaire Section I, Characteristics of the Firm | Become familiar with and practice administering the questions in Section I Characteristics of the Firm, and the zip code look-up application. Understand the effects of a screener done by an owner versus a proxy respondent. Become familiar with QxQ's.                              | Lecture and Round Robin Mock Interview | BS – Lecture<br>TD/TL - Mock | 60 minutes | 11:00 – 12:00 pm |

| Module | Topic   | Training Goals  | Format                  | Trainer                                | Duration   | Time             |
|--------|---|---|-------------------------|--|------------|------------------|
|        | LUNCH   |   |                         |  | 30 minutes | 12:00 – 12:30 pm |
| 5      | Duo Mocks: Section I  | Reinforce concepts learned in Module 4. Gain additional practice administering Section I.   | Duos                    | ALL                                    | 45 minutes | 12:30 – 1:15 pm  |
| 6      | Subsection E: Use of Deposit Services and F: Use of Credit and Financing  | Become familiar with the roster building sections of the questionnaire and the institution look-up application. Discuss and demonstrate proper handling of refused institution names. Stress importance of not entering duplicate institutions. Become familiar with QxQ's. | Lecture and Round Robin | BB – Lecture<br>TD/TL - Mock           | 60 minutes | 1:15 – 2:15 pm   |
|        | BREAK   |   |                         |  | 15 minutes | 2:15 – 3:00 pm   |
| 7      | Duo Mocks: Subsection E & F   | Reinforce the concepts learned in Module 6. Gain additional practice administering Subsections E and F.   | Duos                    | ALL                                    | 60 minutes | 3:00 – 4:00 pm   |
| 8      | Subsections MRL: Most Recent Loan, and G: Use of Other Financial Services | Become familiar with the concepts and mechanics of the Most Recent Loan and Use of Other Financial Services sections  | Lecture and Round Robin | Bob Blessing – Lecture<br>TD/TL - Mock | 45 minutes | 4:00 – 4:45 pm   |
| 9      | Wrap-up/Agenda for Day 2  | Briefly cover the agenda and training location for Day 2.   | Lecture                 | BB                                     | 15 minutes | 4:45 – 5:00 pm   |

| Module       | Topic   | Training Goals   | Format                       | Trainer                             | Duration   | Time             |
|--------------|---|--|------------------------------|-------------------------------------|------------|------------------|
| <b>DAY 2</b> |   |  |                              |                                     |            |                  |
| 10           | Review of Day 1                                       | Review the concepts covered in Day 1 and the agenda for Day 2. Answer trainee questions about Day 1 material.                          | Lecture and Group Discussion | CE                                  | 30 minutes | 8:30 – 9:00 am   |
| 11           | Duo Mocks: Subsections MRL and G                      | Reinforce the concepts learned in Module 8. Gain additional practice administering Subsections MRL and G.                              | Duos                         | ALL                                 | 45 minutes | 9:00 – 9:45 am   |
|              | BREAK   |  |                              |                                     | 15 minutes | 9:45 – 10:00 am  |
| 12           | Mock Interview of Questionnaire Subsection H (C-Corp) | Become familiar with gathering information about each institution and the institution look-up application. Become familiar with OxQ's. | Lecture and Round robin      | BB – Lecture TD/TL - Mock           | 90 minutes | 10:00 – 11:30 am |
| 13           | Duo Mock: Section H (C-Corp)                          | Reinforce concepts learned in Module 12. Gain additional practice administering Subsection H.  | Duos                         | ALL                                 | 30 minutes | 11:30 – 12:00 pm |
|              | LUNCH   |  |                              |                                     | 30 minutes | 12:00 – 12:30 pm |
| 13           | Duo Mock: Section H (C-Corp) Continued                | Reinforce concepts learned in Module 12. Gain additional practice administering Subsection H.  | Duos                         | ALL                                 | 30 minutes | 12:30 – 1:00 pm  |
| 14           | Trade Credit and New Equity Investments               | Become familiar with the Trade Credit and Equity Investments subsections of the questionnaire. Become familiar with OxQ's.             | Lecture and Round robin Mock | Bob Blessing – Lecture TD/TL - Mock | 30 minutes | 1:00 – 1:30 pm   |
|              | BREAK   |  |                              |                                     | 15         | 1:30 –           |



| Module | Topic  | Training Goals   | Format      | Trainer | Duration   | Time              |
|--------|--|--|-------------|---------|------------|-------------------|
|        |  |  |             |         | minutes    | 1:45 pm           |
| 15     | Duo Mock:<br>Trade Credit<br>and New Equity<br>Investments                                   | Reinforce concepts learned in Module 12. Gain additional practice administering Subsection L.  | Duos        | ALL     | 30 minutes | 1:45 –<br>2:15 pm |
| 16     | Overview of<br>Income &<br>Expenses and<br>Balance Sheet                                     | Become familiar with the Income and Expenses Subsection of the Questionnaire and the QxQs for this section.  | Lecture     | CE      | 60 minutes | 2:15 –<br>3:15 pm |
| 17     | Mock Interview:<br>Income &<br>Expenses,<br>Balance Sheet,<br>Credit History,<br>& R Payment | Become familiar with the Balance Sheet Subsections of the Questionnaire. Discuss electronic filing of tax forms and how to prompt for record look-up, contents of the tax info boxes and references to the Worksheets. Become familiar with QxQ's. | Round robin | TD/TL   | 45 minutes | 3:15 –<br>4:00 pm |
| 18     | Duo Mocks:<br>Income &<br>Expenses,<br>Balance Sheet,<br>Credit History,<br>& R Payment      | Reinforce concepts learned in Module 17. Gain additional practice administering Subsections P, R, S, T and U. .  | Duos        | ALL     | 60 minutes | 4:00 –<br>5:00 pm |

| Module       | Topic                                       | Training Goals   | Format                     | Trainer | Duration   | Time             |
|--------------|---|--|----------------------------|---------|------------|------------------|
| <b>DAY 3</b> |   |  |                            |         |            |                  |
| 19           | Review of Day 2                             | Address any questions/comments the interviewers have from Day 2.   | Open discussion            | CE      | 30 minutes | 8:30 – 9:00 am   |
| 20           | Duo Mock – Part 1: Sole Proprietorship      | Acquaint trainees with the differences in the questionnaire for sole proprietorships. Practice administering the questionnaire to a sole proprietorship.   | Lecture/Duo                | ALL     | 60 minutes | 9:00 – 10:00 am  |
|              | BREAK                                       |  |                            |         | 15 minutes | 10:00 – 10:15 am |
| 21           | Gaining Cooperation                         | Review basic principles of gaining the respondent's cooperation and avoiding refusals. Discuss screening experience in gaining cooperation. Review SSBF Commonly Asked Questions and Questionnaire Timing Job Aid. | Lecture and Group activity | BB      | 45 minutes | 10:15 – 11:00 am |
| 22           | Duo Mock – Part 2: Partnerships             | Acquaint trainees with the differences in the questionnaire for partnerships. Practice administering the questionnaire to a partnership.   | Lecture/Duo                | ALL     | 60 minutes | 11:00 – 12:00 pm |
|              | LUNCH                                       |  |                            |         | 30 minutes | 12:00 – 12:30 pm |
| 22           | Duo Mock – Part 2: Partnerships (Continued) | Practice administering the questionnaire to a partnership  | Lecture/Duo                | ALL     | 60 minutes | 12:30 – 1:30 pm  |

|    |   |   |                                  |       |            |                |
|----|---|---|----------------------------------|-------|------------|----------------|
| 23 | Confidentiality                             | Review confidentiality statements in worksheet materials. Review confidentiality and the D&B non-monetary incentive. Remind the interviewers of the confidentiality statement that they signed and how to use confidentiality to prompt response in sensitive areas of the questionnaire. offering. | Lecture and Round Robin Activity | CE    | 30 minutes | 1:30 – 2:00 pm |
|    | BREAK                                       |   |                                  |       | 15 minutes | 2:00 – 2:15 pm |
| 24 | Using the TNMS for the Main Interview       | Discuss call records and disposition codes for the main study. Complete disposition code and call record exercise.  | Lecture and Exercise             | TL    | 60 minutes | 2:15 – 3:15 pm |
| 25 | Missed Financial Institutions               | Review the protocol for collecting data about financial institutions that the respondent recalls after Sections F and G are completed.  | Lecture                          | BB    | 30 minutes | 3:15 – 3:45 pm |
| 26 | Production Goals and Performance Evaluation | Review production goals and performance evaluation criteria for main interview. Also review charge codes, and other administrative details.   | Lecture/Q&A                      | BB    | 30 minutes | 3:45 – 4:15 pm |
| 27 | Final Exam and Training Evaluation          | Assess effectiveness of training, both objectives (via the exam) and subjectively (via trainees' evaluation).   | Written Exercise                 | CE    | 30 minutes | 4:15 – 4:45 pm |
| 28 | Wrap-Up                                     | Bring training session to a close. Answer any final questions trainees may have.  | Group Discussion                 | CE    | 15 minutes | 4:45 – 5:00 pm |
| 29 | Schedule Certification Mock Interview       | Have the interviewers recall their login procedure and TNMS/CATI functions. Have the interviewers complete the certification mock for S-Corps.  | Discussion with Supervisor       | TL/TD | As needed  | 5:00 pm        |

Appendix HH  
Number of Calls to Complete by Screener

**Appendix HH**  
**Frequency of Call Attempts for Completed Screeners**

| Number of Calls | Frequency | Percentage | Cumulative Percentage |
|-----------------|-----------|------------|-----------------------|
| 1               | 1,994     | 14.2       | 14.2                  |
| 2               | 1,723     | 12.3       | 26.4                  |
| 3               | 1,534     | 10.9       | 37.3                  |
| 4               | 1,307     | 9.3        | 46.6                  |
| 5               | 1,111     | 7.9        | 54.5                  |
| 6               | 929       | 6.6        | 61.2                  |
| 7               | 778       | 5.5        | 66.7                  |
| 8               | 667       | 4.7        | 71.4                  |
| 9               | 612       | 4.4        | 75.8                  |
| 10              | 533       | 3.8        | 79.6                  |
| 11              | 416       | 3.0        | 82.5                  |
| 12              | 360       | 2.6        | 85.1                  |
| 13              | 325       | 2.3        | 87.4                  |
| 14              | 298       | 2.1        | 89.5                  |
| 15              | 235       | 1.7        | 91.2                  |
| 16              | 218       | 1.6        | 92.7                  |
| 17              | 158       | 1.1        | 93.9                  |
| 18              | 145       | 1.0        | 94.9                  |
| 19              | 122       | 0.9        | 95.8                  |
| 20              | 105       | 0.8        | 96.5                  |
| 21              | 100       | 0.7        | 97.2                  |
| 22              | 76        | 0.5        | 97.8                  |
| 23              | 50        | 0.4        | 98.1                  |
| 24              | 52        | 0.4        | 98.5                  |

Frequency of Call Attempts for Completed Screeners **(Continued)**

| Number of Calls | Frequency | Percentage | Cumulative Percentage |
|-----------------|-----------|------------|-----------------------|
| 25              | 38        | 0.3        | 98.8                  |
| 26              | 37        | 0.3        | 99.0                  |
| 27              | 27        | 0.2        | 99.2                  |
| 28              | 29        | 0.2        | 99.4                  |
| 29              | 18        | 0.1        | 99.5                  |
| 30              | 15        | 0.1        | 99.7                  |
| 31              | 12        | 0.1        | 99.7                  |
| 32              | 8         | 0.1        | 99.8                  |
| 33              | 5         | 0.0        | 99.8                  |
| 34              | 2         | 0.0        | 99.9                  |
| 35              | 1         | 0.0        | 99.9                  |
| 36              | 6         | 0.0        | 99.9                  |
| 37              | 2         | 0.0        | 99.9                  |
| 38              | 1         | 0.0        | 99.9                  |
| 39              | 2         | 0.0        | 99.9                  |
| 40              | 1         | 0.0        | 99.9                  |
| 41              | 5         | 0.0        | 100.0                 |
| 42              | 1         | 0.0        | 100.0                 |
| 48              | 1         | 0.0        | 100.0                 |
| 57              | 1         | 0.0        | 100.0                 |
| 62              | 1         | 0.0        | 100.0                 |
|                 | 14,061    | 100.0      |                       |

Appendix II  
Sample Level of Effort Report

# 2003 SSBF

## Sample Level of Effort Report

| Category                | Subcode | Description  | N of cases  | %            | Cum N of cases | Cum % | Min N of calls | Max N of calls | Avg N of calls | Median N of calls |
|-------------------------|---------|--|-------------|--------------|----------------|-------|----------------|----------------|----------------|-------------------|
| <b>Final Outcomes</b>   |         |  |             |              |                |       |                |                |                |                   |
|                         | 11      | 1 Ineligible - Owner Screened                            | 702         | 10.3%        | 702            | 10.3% | 1              | 21             | 5.0            | 4.0               |
|                         | 11      | 2 Ineligible - Proxy Screened                            | 426         | 6.3%         | 1128           | 16.6% | 1              | 23             | 6.7            | 6.0               |
|                         | 11      | 3 Ineligible - DK Response - Owner Screened              | 55          | 0.8%         | 1183           | 17.4% | 1              | 22             | 5.6            | 5.0               |
|                         | 11      | 5 Ineligible - RF Response - Owner Screened              | 11          | 0.2%         | 1194           | 17.6% | 1              | 13             | 5.0            | 4.0               |
|                         | 11      | 9 Unconfirmed Firm Name                                  | 2           | 0.0%         | 1196           | 17.6% | 13             | 21             | 17.0           | 17.0              |
|                         | 11      | 11 Not Screened - Not In Operation In 2003               | 3           | 0.0%         | 1199           | 17.6% | 4              | 9              | 6.3            | 6.0               |
|                         | 11      | 12 Not Screened - Not Currently In Operation             | 20          | 0.3%         | 1219           | 17.9% | 2              | 16             | 9.3            | 10.0              |
|                         | 11      | 13 Not Screened – Majority Owned Subsidiary              | 3           | 0.0%         | 1222           | 18.0% | 2              | 19             | 9.7            | 8.0               |
|                         | 11      | 14 Not Screened – Not For Profit                         | 4           | 0.1%         | 1226           | 18.0% | 4              | 12             | 8.5            | 9.0               |
|                         | 11      | 18 Farm Or Financial Institution                         | 3           | 0.0%         | 1229           | 18.1% | 3              | 12             | 6.7            | 5.0               |
|                         | 19      | 0 Complete Eligible                                      | 2649        | 39.0%        | 3878           | 57.0% | 1              | 37             | 5.9            | 5.0               |
|                         | 25      | 1 Final Language Barrier                                 | 23          | 0.3%         | 3901           | 57.4% | 3              | 17             | 8.7            | 8.0               |
|                         | 25      | 3 Final Computer/Fax Tone                                | 33          | 0.5%         | 3934           | 57.9% | 3              | 14             | 5.9            | 5.0               |
|                         | 25      | 6 Final Fast Busy  | 37          | 0.5%         | 3971           | 58.4% | 2              | 10             | 4.4            | 4.0               |
|                         | 25      | 7 Final Disconnected                                     | 327         | 4.8%         | 4298           | 63.2% | 1              | 21             | 3.1            | 2.0               |
|                         | 25      | 8 Final Wrong Number                                     | 155         | 2.3%         | 4453           | 65.5% | 1              | 15             | 5.4            | 5.0               |
|                         | 25      | 80 Final No Longer in Business                           | 22          | 0.3%         | 4475           | 65.8% | 1              | 13             | 4.4            | 3.5               |
|                         | 33      | 87 Final Non-Contact w/Busy and No Answers               | 9           | 0.1%         | 4484           | 65.9% | 9              | 35             | 14.7           | 11.0              |
|                         | 33      | 90 Final Non-Contact w/All No Answer or All Busy         | 50          | 0.7%         | 4534           | 66.7% | 7              | 37             | 10.1           | 10.0              |
|                         | 33      | 94 Final Away For Entire Field Period                    | 3           | 0.0%         | 4537           | 66.7% | 4              | 5              | 4.3            | 4.0               |
|                         | 33      | 96 Final Physically/Mentally Incapacitated               | 1           | 0.0%         | 4538           | 66.7% | 1              | 1              | 1.0            | 1.0               |
|                         | 33      | 99 Final Hostile Refusal                                 | 34          | 0.5%         | 4572           | 67.2% | 2              | 22             | 7.4            | 6.0               |
| <b>SUB-TOTAL</b>        |         |  | <b>4572</b> | <b>67.2%</b> |                |       |                |                |                |                   |
| <b>Pending Outcomes</b> |         |  |             |              |                |       |                |                |                |                   |
|                         | 7       | 1 Refusal Letter Request - Confidentiality               | 15          | 0.2%         | 4587           | 67.5% | 7              | 20             | 12.6           | 11.0              |
|                         | 7       | 2 Refusal Letter Request - Does not borrow or use credit | 2           | 0.0%         | 4589           | 67.5% | 5              | 14             | 9.5            | 9.5               |
|                         | 7       | 3 Refusal Letter Request - Too Busy/Not Enough Time      | 59          | 0.9%         | 4648           | 68.4% | 7              | 25             | 12.5           | 11.0              |
|                         | 7       | 4 Refusal Letter Request - Legitimacy                    | 7           | 0.1%         | 4655           | 68.5% | 10             | 15             | 11.7           | 11.0              |
|                         | 7       | 5 Refusal Letter Request - General Letter                | 252         | 3.7%         | 4907           | 72.2% | 5              | 61             | 12.8           | 12.0              |



# 2003 SSBF

## Sample Level of Effort Report

| Category | Subcode | Description   | N of cases | %    | Cum N of cases | Cum % | Min N of calls | Max N of calls | Avg N of calls | Median N of calls |
|----------|---------|---|------------|------|----------------|-------|----------------|----------------|----------------|-------------------|
| 7        | 9       | Unconfirmed Firm Name - Needs Locating                                      | 2          | 0.0% | 4909           | 72.2% | 13             | 24             | 18.5           | 18.5              |
| 7        | 31      |   | 1          | 0.0% | 4910           | 72.2% | 9              | 9              | 9.0            | 9.0               |
| 7        | 33      | Sent to Locating By Interviewer   | 17         | 0.3% | 4927           | 72.5% | 10             | 31             | 14.7           | 14.0              |
| 7        | 43      | Sent to Locating By Tnms Rule   | 18         | 0.3% | 4945           | 72.7% | 10             | 20             | 14.4           | 14.0              |
| 7        | 55      | Hostile Refusal - Needs Supervisor Review                                   | 4          | 0.1% | 4949           | 72.8% | 8              | 10             | 8.8            | 8.5               |
| 7        | 65      | Hostile Refusal - Needs Supervisor Review - Suspend                         | 15         | 0.2% | 4964           | 73.0% | 7              | 22             | 10.9           | 9.0               |
| 7        | 150     | Refer To Supervisors  | 2          | 0.0% | 4966           | 73.0% | 12             | 12             | 12.0           | 12.0              |
| 7        | 156     | Supervisor Review - Suspend   | 4          | 0.1% | 4970           | 73.1% | 9              | 16             | 11.8           | 11.0              |
| 16       | 35      | Regular Busy  | 18         | 0.3% | 4988           | 73.4% | 11             | 37             | 16.9           | 15.5              |
| 17       | 31      | Ring No Answer  | 472        | 6.9% | 5460           | 80.3% | 7              | 36             | 14.9           | 15.0              |
| 17       | 32      | Answering Machine No Message Left<br>Number Disconnected/Number Temporarily | 256        | 3.8% | 5716           | 84.1% | 7              | 25             | 15.3           | 15.0              |
| 17       | 33      | Disconnected  | 4          | 0.1% | 5720           | 84.1% | 13             | 19             | 15.5           | 15.0              |
| 17       | 34      | Answering Machine Message Left  | 125        | 1.8% | 5845           | 86.0% | 5              | 29             | 16.0           | 15.0              |
| 17       | 36      | Transferred To Voicemail Message Left                                       | 4          | 0.1% | 5849           | 86.0% | 10             | 16             | 13.8           | 14.5              |
| 17       | 37      | Transferred To Voicemail No Message Left                                    | 40         | 0.6% | 5889           | 86.6% | 8              | 26             | 15.2           | 15.0              |
| 17       | 38      | Owner/Proxy To Call 800 Number  | 15         | 0.2% | 5904           | 86.8% | 12             | 21             | 15.4           | 15.0              |
| 17       | 39      | Owner Not Available/Message Left  | 13         | 0.2% | 5917           | 87.0% | 10             | 38             | 18.8           | 17.0              |
| 17       | 51      | Hung Up During Intro  | 23         | 0.3% | 5940           | 87.4% | 9              | 19             | 12.9           | 12.0              |
| 17       | 53      | Owner Refusal   | 24         | 0.4% | 5964           | 87.7% | 6              | 20             | 10.5           | 10.0              |
| 17       | 54      | Gatekeeper Refusal  | 7          | 0.1% | 5971           | 87.8% | 9              | 23             | 15.1           | 15.0              |
| 17       | 59      | Owner Unavailable/No CB Established   | 11         | 0.2% | 5982           | 88.0% | 9              | 27             | 15.5           | 15.0              |
| 17       | 60      | Advance Letter Re-mail Request  | 8          | 0.1% | 5990           | 88.1% | 7              | 25             | 14.3           | 13.0              |
| 17       | 61      | Fax Or Email Advance Letter Request   | 3          | 0.0% | 5993           | 88.1% | 15             | 19             | 16.7           | 16.0              |
| 17       | 62      | Proxy Refusal - Suspend   | 19         | 0.3% | 6012           | 88.4% | 10             | 26             | 15.7           | 14.0              |
| 17       | 63      | Owner Refusal - Suspend   | 136        | 2.0% | 6148           | 90.4% | 6              | 25             | 12.1           | 11.0              |
| 17       | 64      | Gatekeeper Refusal - Suspend  | 45         | 0.7% | 6193           | 91.1% | 8              | 24             | 12.9           | 12.0              |
| 17       | 66      | Privacy Manager   | 8          | 0.1% | 6201           | 91.2% | 11             | 26             | 15.4           | 14.5              |
| 22       | 0       |   | 3          | 0.0% | 6204           | 91.2% | 16             | 34             | 24.0           | 22.0              |
| 22       | 141     | Callback Requested - Soft   | 109        | 1.6% | 6313           | 92.8% | 3              | 27             | 14.7           | 14.0              |
| 22       | 142     | Callback Requested - Soft (Suspend)   | 405        | 6.0% | 6718           | 98.8% | 2              | 38             | 15.4           | 14.0              |

# 2003 SSBF

## Sample Level of Effort Report

| Category    | Subcode | Description                                | N of cases | %     | Cum N of cases | Cum %  | Min N of calls | Max N of calls | Avg N of calls | Median N of calls |
|-------------|---------|--|------------|-------|----------------|--------|----------------|----------------|----------------|-------------------|
| 23          | 141     | Callback Requested - Hard                  | 6          | 0.1%  | 6724           | 98.9%  | 2              | 20             | 13.5           | 15.5              |
| 23          | 142     | Callback Requested - Hard (Suspend)        | 42         | 0.6%  | 6766           | 99.5%  | 7              | 29             | 14.1           | 14.0              |
| 25          | 40      | Language Barrier - Needs Supervisor Review | 2          | 0.0%  | 6768           | 99.5%  | 14             | 18             | 16.0           | 16.0              |
| 33          | 89      | Final Partial Complete                     | 32         | 0.5%  | 6800           | 100.0% | 1              | 30             | 4.6            | 3.0               |
| SUB-TOTAL   |         |  | 2228       | 32.8% |                |        |                |                |                |                   |
| GRAND TOTAL |         |  | 6800       | 100%  | 6800           | 100%   |                |                |                |                   |

Appendix JJ  
Screener Conversion Letters Not Offering \$2

## **List of 2003 SSBF Screener Conversion Letters Not Offering \$2**

1. Letter Type 1 – Concern About Confidentiality
2. Letter Type 2 – Firm Does Not Use Credit
3. Letter Type 3 – Too Busy/Concern About Time and Effort
4. Letter Type 4 – Concern About Study Legitimacy
5. Letter Type 5 – Generic/Non-Specific Refusal

May 9, 2005

«First\_Name» «Last\_Name», «Title»  
«Company»  
«Address»  
«City», «STATE» «Zip»-«Zip4»

Dear «First\_Name» «Last\_Name»,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF).

We appreciate how you might be reluctant to share information about your business with our interviewers. The information provided by participants in the study is highly confidential and is used for statistical purposes only.

We need your help in this legitimate, scientific, and confidential study that benefits small businesses. To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops.

Only a small number of authorized staff at the Federal Reserve Board and NORC will ever have access to confidential information. These individuals are bound by confidentiality agreements. Furthermore, respondents' answers are protected under the 2001 Confidential Information Protection and Statistical Efficiency Act (CIPSEA). Under this law, any person who makes an unauthorized disclosure of confidential information is subject to five years in prison and a \$250,000 fine.

Because you are so important to the survey, I am asking you again to consider participating in the study. You always have the option to not answer any question you choose. Ultimately, the data collected in the SSBF will help policymakers ensure that all U.S. small businesses, including your business, have equal access to credit.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have additional questions, or would like to schedule an interview appointment directly, you can call us at 1-800-692-4192, or e-mail [6128-ssbf@norc.org](mailto:6128-ssbf@norc.org).

Sincerely,



Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview by Friday, January 28<sup>th</sup>, 2005, will be given \$50 or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.



Appendix JJ.2  
Letter Type 2 – Firm Does Not  
Use Credit



Date

Business Owner

Address 1

Address 2

City, State, Zipcode

Dear Owner,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF).

We appreciate how the relevance of this study may appear distant from the needs of your business. However, I hope that if you take a moment to review the materials we have sent you, you will see that this survey is a scientifically valid study worthy of your attention.

**We need your help in this legitimate, scientific, and confidential study that benefits small businesses. To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops.**

Even if your business is not presently using credit, your participation in the SSBF is crucial. In order for public policies to address the needs of all small businesses, it is important to gather data from all types of companies on a number of issues. For example, the survey asks small business owners about experiences with financial services, and their opinion on the most important problem facing their business today.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have any questions about the study, or would like to schedule an interview appointment directly, you can contact us by telephone at 1-800-692-4192, or by e-mail at [6128-ssbf@norc.org](mailto:6128-ssbf@norc.org).

To learn more about how this study will benefit all small businesses, including those that have not yet used credit, please visit [www.norc.org/ssbf](http://www.norc.org/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,

Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview by Friday, January 28<sup>th</sup>, 2005, will be given **\$50** or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.



Appendix JJ.3  
Letter Type 3 – Too Busy/Concern  
About Time and Effort



Date

Business Owner

Address 1

Address 2

City, State, Zip code

Dear Owner,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF).

We understand that you have many demands on your time. However, I hope that if you take a moment to review the materials we have sent you, you will see that this survey is a scientifically valid study worthy of your time and attention.

**We need your help in this legitimate, scientific, and confidential study that benefits small businesses. To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops.**

We will make every effort to conduct the telephone interview at your convenience. You may choose to do the interview on a more convenient day at virtually any time. If necessary, the interview can be broken up into shorter sessions to fit your busy schedule.

The information we collect will be used to evaluate the impact of public policies on small businesses. It is essential that we survey small businesses of all different sizes and locations. Ultimately, the data gathered in SSBF 2003 will help policymakers ensure that all U.S. small businesses have equal access to credit.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have any questions about the study, or would like to schedule an interview appointment directly, you can contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.org](mailto:6128-ssbf@norc.org).

To learn more about the study and how your time can make a real difference, please visit [www.norc.org/ssbf](http://www.norc.org/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,

Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview by Friday, January 28<sup>th</sup>, 2005, will be able to choose **\$50** or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.

Date

Business Owner

Address 1

Address 2

City, State, Zip code

Dear Owner,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF).

We appreciate how you might be skeptical about the study's legitimacy. This is not a telemarketing call or a marketing survey. NORC, the organization conducting the survey, is a nonprofit research agency that collects data of national significance. Please visit [www.norc.org](http://www.norc.org) to learn more about the quality and importance of NORC's work in social science.

We need your help in this legitimate, scientific, and confidential study that benefits small businesses. To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops.

Funded by the Federal Reserve Board, the government agency responsible for regulating the U.S. banking industry, the 2003 SSBF is done in the interest of small businesses like yours. The information will be used to evaluate the impact of public policies on small businesses of all types. More information about the 2003 SSBF can be found on [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf) and [www.norc.org/ssbf](http://www.norc.org/ssbf).

Because you are so important to the survey, I am asking you again to participate. We need your help in this scientific study that benefits small businesses.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.org](mailto:6128-ssbf@norc.org).

Sincerely,



Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview by Friday, January 28<sup>th</sup>, 2005, will be given **\$50** or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.





Appendix JJ.5  
Letter Type 5 – Generic/Non-Specific  
Refusal



Date

Business Owner  
Address 1  
Address 2  
City, State, Zip code

Dear Owner,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF). Because you are so important to the study, I am asking you again to participate:

We need your help in this legitimate, scientific, and confidential study that benefits small businesses. To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops.

Funded by the U. S. Federal Reserve Board, the government agency responsible for regulating the U.S. banking industry, the 2003 SSBF is done in the interest of small businesses. The information will be used to evaluate the impact of public policies on small businesses of different sizes and locations. Ultimately, the data will help policymakers ensure that all U.S. small businesses have equal access to credit.

We will make every effort to conduct the telephone interview at your convenience. You may choose to do the interview on a more convenient day at virtually any time. All of your responses will be held in the strictest confidence, and you always have the option to not respond to any question you are uncomfortable answering.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.org](mailto:6128-ssbf@norc.org).

To learn more about this study and its benefits, please visit [www.norc.org/ssbf](http://www.norc.org/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,

Carol-Ann Emmons  
Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview by Friday, January 28<sup>th</sup>, 2005, will be able to choose **\$50** or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.

Appendix KK  
FRB In Plain English Brochure

# *In Plain English:*

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MAKING SENSE  THE FEDERAL RESERVE

# Warning!

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The illustration you are about to uncover may overwhelm you at first glance, but trust us. We'll make sense of it together and discover not only who makes up the Federal Reserve, but also what exactly we do. Stick with us, and by the time we end this tour, you too will be able to explain the Federal Reserve in plain English.



We weren't kidding; there's a lot happening on this page! Truth is, there's a lot going on in the Federal Reserve System. But keep in mind that the whole is really just the sum of its parts.

Basically, the Federal Reserve (or as most people call it, the Fed) consists of three parts: the Board of Governors (building at left), Reserve banks (12 buildings at right) and the Federal Open Market Committee (meeting room inside the Board of Governors). Congress and the White House are here, too, but we'll touch on their roles later.



# First Things First

## WHY A FEDERAL RESERVE SYSTEM?

In Plain English:

The Federal Reserve was created in 1913 in response to the nation's recurring banking panics; its mission has since expanded into fostering a healthy economy.

Before we dig into the Fed's structure and how it works, let's start with some background on the Federal Reserve—how and why we were created in the first place.

Just before the founding of the Federal Reserve, the nation was plagued with financial crises. At times, these crises led to “panics” in which people raced to their banks to withdraw their deposits. A particularly severe panic in 1907 resulted in bank runs that wreaked havoc on the fragile banking system and ultimately led Congress in 1913 to write the Federal Reserve Act. Initially created to address these banking panics, the Federal Reserve is now charged with a number of broader responsibilities, including fostering a sound banking system and a healthy economy.

Establishing the nation's first central bank was no simple task. Although the need for banking reform was undisputed, for decades early supporters debated the delicate balance between national and regional interests. On a national front, the central bank had to be structured to facilitate the exchange of payments

among regions and to strengthen the U.S. standing in the world economy. On a regional front, it had to be responsive to local liquidity needs, which could vary across regions.

Another critical balancing act was that between the private interests of banks and the centralized responsibility of government. What emerged with the Federal Reserve System was a central bank under public control, with countless checks and balances.

As our diagram illustrates, Congress oversees the entire Federal Reserve System. And the Fed must work within the objectives established by Congress. Yet Congress gave the Federal Reserve the autonomy to carry out its responsibilities insulated from political pressure. Each of the Fed's three parts—the Board of Governors, the regional Reserve banks and the Federal Open Market Committee—operates independently of the federal government to carry out the Fed's core responsibilities.

Now let's break down the structure and responsibilities on the following pages—to see who we are and then what we do.





# Who We Are

## BOARD OF GOVERNORS

### In Plain English:

The Board of Governors is the federal government agency that regulates banks, contributes to the nation's monetary policy and oversees the activities of Reserve banks.

At the core of the Federal Reserve System is the Board of Governors, or Federal Reserve Board. The Board of Governors, located in Washington, D.C., is a federal government agency that is the Fed's *centralized* component. The Board consists of seven members—called governors—who are appointed by the president of the United States and confirmed by the Senate. These governors guide the Federal Reserve's policy actions.

A governor's term is 14 years. The appointments to the Board are staggered—one term expiring every two years—to ensure stability and continuity in the group. The seven governors, along with a host of economists and support staff, help write the policies that make our banks financially sound and help formulate the policies that make our nation economically strong.

Governors actively lead committees that study prevailing economic issues—from affordable housing and consumer banking laws to interstate banking and electronic commerce. The Board also exercises broad supervisory control over certain state-chartered financial institutions, called member banks, as well as the

companies that own banks. This ensures that commercial banks operate responsibly and comply with federal regulations and that the nation's payments system functions smoothly. In addition, the Board oversees the activities of Reserve banks, approving the appointments of their presidents and three members of the Reserve banks' boards of directors. Probably the Board's most important responsibility is participating on the Federal Open Market Committee (FOMC), the committee that directs the nation's monetary policy (see page 7).

Heading the Board are a chairman and vice chairman, who are appointed by the U.S. president to serve four-year terms. The chairman of the Board of Governors has a highly visible position. Indeed, when the chairman speaks, Wall Street and the public listen!

The chairman reports twice a year to Congress on the Fed's monetary policy objectives, testifies before Congress on numerous other issues and meets periodically with the Secretary of the Treasury. Other Board officials are also called to testify before Congress, and they maintain regular contact with other government organizations as well.





# Who We Are

## FEDERAL RESERVE BANKS

### In Plain English:

Reserve banks conduct research on the economy, supervise banks in their regions and provide financial services to banks and the U.S. government.

Visit a Federal Reserve bank, and you'll see that its operations resemble the activities that go on in private business.

Reserve banks are the *decentralized* components of the Fed's structure, meaning that they operate somewhat independently but under the general oversight of the Board of Governors. Reserve banks contribute to national policy discussions, providing a regional banking perspective and the expert knowledge about their local economies. This decentralized structure is a good example of the Federal Reserve's complex, yet effective, design.

The Federal Reserve System is divided into 12 districts. Each district is served by a regional Reserve bank. Most Reserve banks have one or more branches (see pages 8 and 9).

Reserve bank activities serve primarily three audiences—bankers, the U.S. Treasury and the public. Reserve banks are often called the “bankers’ banks” because they store commercial banks’ excess currency and coins and they process and settle their checks and electronic payments. Reserve banks also supervise commercial banks in their regions.

As banks for the U.S. government, Reserve banks process the Treasury's payments, sell its securities and assist with its cash management and investment activities. Finally, Reserve banks conduct research on the national and regional economies, prepare Reserve bank presidents for their participation in the FOMC and disseminate information about the economy through publications, speeches, educational workshops and web sites.

Each Reserve bank has its own board of directors that oversees the activities of the organization. These directors contribute local business experience, community involvement and leadership, and reflect the diverse interests of each district. The boards have nine members: six, including the chairman and deputy chairman, represent the public while three represent banking. (Reserve bank branch offices have smaller boards of directors.)

The boards of directors impart to Reserve banks a private-sector management perspective that emphasizes efficiency and quality. The boards also appoint presidents of their respective Reserve banks, with the approval of the Board of Governors.





THE FEDERAL RESERVE SYSTEM

# Who We Are

## FEDERAL OPEN MARKET COMMITTEE

### *In Plain English:*

The FOMC determines the nation's monetary policy to help foster a healthy economy.

The Federal Open Market Committee, or FOMC, is the Fed's chief body for monetary policy-making. Its voting membership combines the seven members of the Board of Governors, the president of the Federal Reserve Bank of New York and four other Reserve bank presidents, who serve one-year terms on a rotating basis. The chairman of the FOMC is also the chairman of the Board of Governors.

The FOMC typically meets eight times a year in Washington, D.C. At each meeting, a senior official of the Federal Reserve Bank of New York discusses developments in the financial and foreign exchange markets, as well as activities of the New York Fed's domestic and foreign trading desks. (Read about the New York Fed's role in monetary policy on pages 10 and 11). Staff from the Board of Governors then present their economic and financial forecasts. In addition, the Board's governors and all 12 Reserve Bank presidents—whether they are voting members that year or not—offer their views on the economic outlook.

Armed with this wealth of up-to-date national and regional information, the FOMC discusses the mone-

tary policy options that would best promote the economy's sustainable growth. After all participants have deliberated the options, members vote on a directive that is issued to the New York Fed's domestic trading desk. This directive informs the desk of the Committee's objective for "open market operations"—whether to ease, tighten or maintain the current policy. The desk then buys or sells U.S. government securities on the open market to achieve this objective.

How do open market operations actually work? Currently, the FOMC establishes a target for the federal funds rate (the rate banks charge each other for overnight loans). Open market purchases of government securities increase the amount of reserve funds that banks have available to lend, which puts downward pressure on the federal funds rate. Sales of government securities do just the opposite—they shrink the reserve funds available to lend and tend to raise the funds rate.

By targeting the federal funds rate, the FOMC seeks to provide the monetary stimulus required to foster a healthy economy. After each FOMC meeting, the funds rate target is announced to the public.



Still With us?

Great, you're halfway through! Now that you know who we are at the Federal Reserve—1) the Board of Governors as the federal government agency; 2) the Reserve banks as the operational arms; and 3) the FOMC, the committee that sets monetary policy—let's move on to the “what we do” portion. (Is our main fold-out illustration starting to make sense yet?)

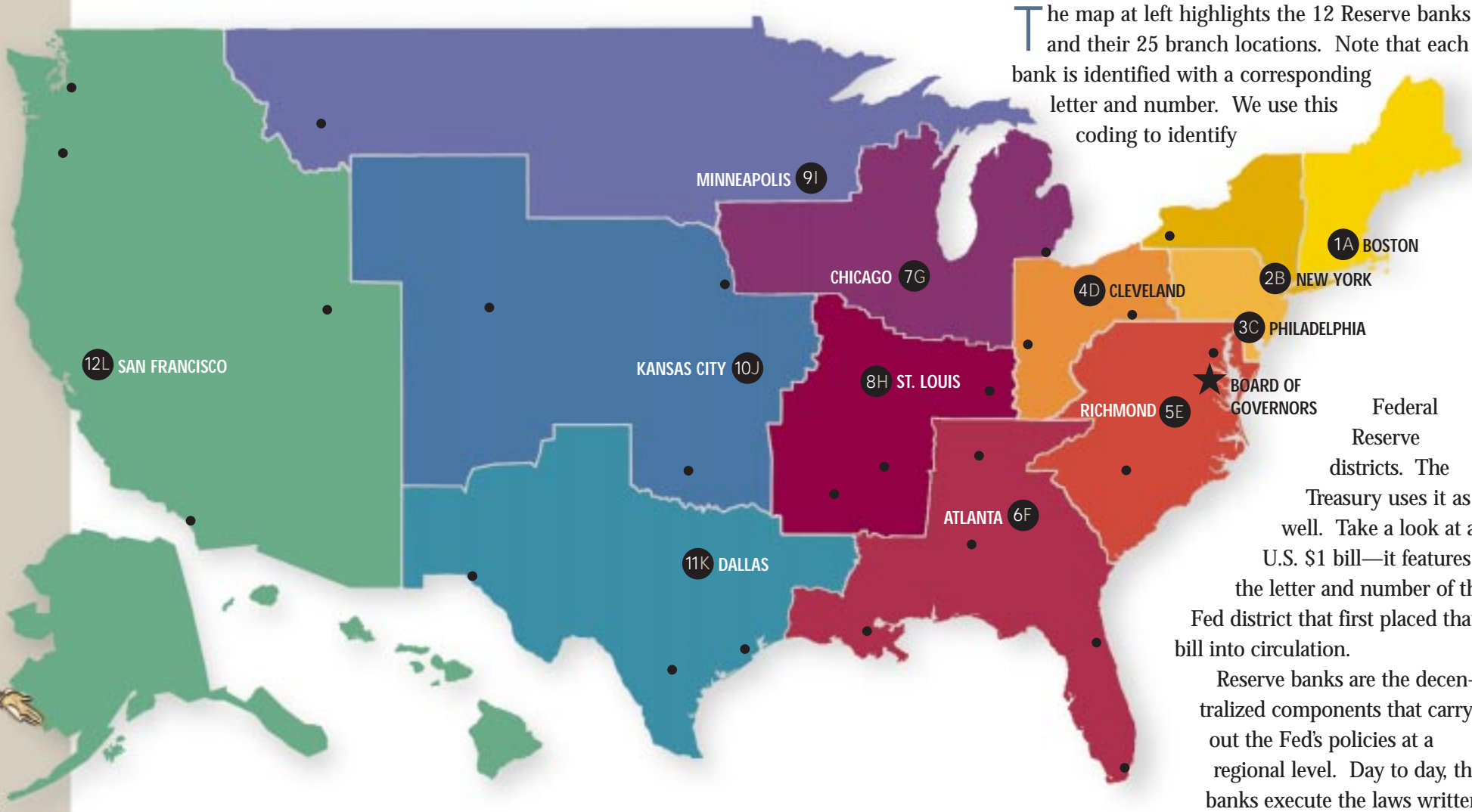
In the second half of this booklet, we'll walk through the activities of the Federal Reserve—looking primarily at those performed by regional Reserve banks—to see how we carry out the Fed's three main responsibilities: conducting monetary policy, supervising banks and providing financial services.



The Federal Reserve System's centralized component, the Board of Governors, is located in Washington, D.C. (see star on map). Its decentralized components, Reserve banks, are scattered throughout the country. Listed at the bottom of the page are the 12 Reserve banks and their branches.

The Big Picture  
THE FED'S REGIONAL STRUCTURE

The map at left highlights the 12 Reserve banks and their 25 branch locations. Note that each bank is identified with a corresponding letter and number. We use this coding to identify



by Congress and the regulatory policies written by the Board of Governors. The banks also play a critical role in bringing local economic perspectives to the national arena.

For example, an economist at a Reserve bank may learn of the anticipated expansion or shut-down of a major local employer. Such news will obviously affect the local economic outlook, but will it have an effect on the national economy? The economist's proximity to the region and expertise about it can help policy-makers who participate in FOMC discussions evaluate whether regional pockets of economic data skew the national picture or reflect it.

Also, because Reserve bank staff members interact directly with local bankers—examining their books and offering financial services—they are knowledgeable about the effects of national policies on local bankers and can funnel that information to the Board of Governors.

The Reserve banks do much more than just add regional perspectives, though. They also contribute to the ongoing exchange of ideas across the Federal Reserve System that allows the Fed to make better policy. This tradition of independent thought is one of the beauties of the Fed's decentralized structure.

Now, back to the tour and on to “what we do.”

TWELVE RESERVE BANKS AND THEIR BRANCHES

|          |                       |                |   |                                      |  |                      |   |                         |  |  |  |
|----------|-----------------------|----------------|---|--------------------------------------|--|----------------------|---|-------------------------|--|--|--|
| 1 BOSTON | 2 NEW YORK<br>Buffalo | 3 PHILADELPHIA | 4 CLEVELAND<br>Cincinnati<br>Pittsburgh | 5 RICHMOND<br>Baltimore<br>Charlotte | 6 ATLANTA<br>Birmingham<br>Jacksonville<br>Miami<br>Nashville<br>New Orleans | 7 CHICAGO<br>Detroit | 8 ST. LOUIS<br>Little Rock<br>Louisville<br>Memphis | 9 MINNEAPOLIS<br>Helena | 10 KANSAS CITY<br>Denver<br>Oklahoma City<br>Omaha | 11 DALLAS<br>El Paso<br>Houston<br>San Antonio | 12 SAN FRANCISCO<br>Los Angeles<br>Portland<br>Salt Lake City<br>Seattle |
|----------|-----------------------|----------------|---|--------------------------------------|--|----------------------|---|-------------------------|--|--|--|

# What We Do

## CONDUCTING MONETARY POLICY

### In Plain English:

The Federal Reserve manages the nation's money supply to keep inflation low and the economy growing at a sustainable rate.

One of the most important jobs of the Federal Reserve is to keep our economy healthy. It does this by managing the nation's system of money and credit—in other words, conducting monetary policy.

Experience has shown us that the economy performs well when inflation is low. When inflation is low—and is expected to remain low—interest rates are usually low as well. Such an environment fosters low unemployment and allows the economy to achieve its growth potential. Free from the disruptive effects of high and variable inflation, consumers and producers make economic decisions with confidence and wisdom.

The ability to maintain a low inflation rate is a long-term measure of the Fed's success. To achieve this, the Fed sets a variety of intermediate targets, including monetary aggregates, reserve aggregates and interest rates, to gauge the impact of its policies on the economy.

The actions that the Fed takes today influence the economy and the inflation rate for some time to come. Consequently, policy-makers must be forward-looking and must take pre-emptive action to head off inflation before it gathers momentum.

#### HOW MONETARY POLICY WORKS

The Fed uses three main tools to carry out its monetary policy goals: the discount rate, reserve requirements and open market operations. All three affect the amount of funds in the banking system. The *discount rate* is the interest rate Reserve banks charge banks for short-term loans. Discount rate changes are made by Reserve banks and the Board of Governors. *Reserve requirements* are the portions of deposits that banks must hold in reserve, either in their vaults or on deposit at a Reserve bank. The Board of Governors has sole authority over changes to reserve requirements. By far, the most frequently used tool is *open market operations*, which involve the buying and selling of U.S. government securities. As we learned earlier, this tool is directed by the FOMC and carried out by the Federal Reserve Bank of New York. We'll have to get technical to explain how this works.

After each FOMC meeting, the Committee issues a directive to the domestic trading desk at the New York Fed (see page 7). This directive reflects the Committee's policy goals: easing, tightening or maintaining the growth of the nation's money supply. Several times a

week, the domestic trading desk buys or sells Treasury securities on the open market. The term “open market” means that the Fed doesn't decide on its own which securities dealers it will do business with. Rather, various securities dealers compete on the basis of price. When the Fed wishes to increase reserves, it buys securities; when it wishes to reduce reserves, it sells securities. Because open market operations greatly affect the amount of money and credit banks have on hand, they ultimately affect interest rates and the performance of the U.S. economy.

#### GATHERING DATA

Research economists at all 12 Reserve banks, as well as at the Board of Governors, contribute to the policy-making process. Generally speaking, economists at Reserve banks are monitoring the economies of their districts and studying relationships among national economic indicators. Their primary duty is to prepare their Reserve bank president for his or her participation in FOMC meetings.

Members of the research staff gather, analyze and disseminate information about the economy. Just before each FOMC meeting, for example, researchers survey key industry contacts and assemble a report called *The Beige Book*, which can often highlight meaningful trends in economic activity before they show up in national statistics. *The Beige Book* serves as an

up-to-the-minute resource for FOMC discussions and is widely reported on in the press.

The loan and deposit data that Reserve banks collect from banks and bank holding companies are some of the most critical statistics the Fed gathers. Such information is used in analyzing regional and national bank performance, credit demand and other banking topics.

Figuring out what to make of all this information is the hard part, of course. At the Board of Governors, economists are funneling data into forecasting models to predict the outcome of various economic scenarios. All the while, all economists are looking for key pieces of information that will contribute to better monetary policy. The variety of research interests around the Federal Reserve System fosters a diversity of views and influences wider economic thought.

#### SPREADING THE WORD

The Federal Reserve shares the viewpoints that emerge from its research. Besides producing publications for audiences of all kinds, Fed speakers address numerous groups on the economic outlook, participate in professional forums, conduct educational seminars for area teachers, provide economic backgrounders for local reporters, give tours of Federal Reserve banks and lend videos about the economy to classrooms. Web sites at each Reserve bank and the Board of Governors broaden the reach of the Federal Reserve's economic expertise.





# What We Do

## SUPERVISING AND REGULATING BANKS

### In Plain English:

The Federal Reserve writes regulations and supervises banks to ensure that the banking system is safe, sound and able to respond to a financial crisis.

One of Congress' paramount concerns in creating the Federal Reserve was to address the nation's banking panics. This need led to one of the Fed's three main responsibilities: to foster safe, sound and competitive practices in the nation's banking system.

To accomplish this, Congress gave the Fed responsibility to regulate the banking system and to supervise certain types of financial institutions. What's the difference between these two responsibilities? Bank *regulation* refers to the written rules that define what acceptable behavior is for financial institutions. The Board of Governors carries out this responsibility. Bank *supervision* refers to the enforcement of these rules. The 12 Reserve banks carry out this responsibility, supervising state-chartered member banks, the companies that own banks and international organizations that do banking business in the United States. The Federal Deposit Insurance Corp. (FDIC), the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS) also supervise financial institutions.

For the Fed, supervising banks generally means carrying out three duties: establishing safe and sound

banking practices, protecting consumers in financial transactions and ensuring the stability of U.S. financial markets by acting as lender of last resort. The goal of these duties is to minimize risk in the banking system.

#### SAFETY AND SOUNDNESS

The banking system is only as safe and sound as the banks within the system. So the Federal Reserve examines banks regularly to identify and contain bank risk.

In the past, Reserve bank examiners reviewed each bank in much the same way—looking over the bank's books on site and evaluating the quality of its assets and its ability to cover loan losses. Today, Fed examinations are more customized for each bank; they take into account that banks differ markedly in their services and products and that a bank's own management should be held responsible for monitoring the institution's exposure to risk. By looking at the bank's risk-management procedures and internal controls, Reserve bank examiners assess whether a bank's ability to manage risk matches the level of risk it assumes. Examiners also review a bank's performance in complying with its

own internal policies, as well as with federal and state laws and regulations.

At the end of an on-site review, Fed examiners issue the bank a rating that reflects the institution's condition. The rating indicates whether the institution is sound enough to withstand fluctuations in the economy or whether it exhibits weaknesses that require corrective action and close monitoring. Between examinations, Reserve banks monitor financial institutions by examining reports filed with the Fed.

Another way the Federal Reserve helps keep the banking system safe and sound is by reviewing major changes in a bank's structure or service offerings. When a bank wishes to expand, merge with another bank, acquire another bank or introduce new products, it must first get permission from the Federal Reserve. Reserve banks have two objectives when evaluating any application: ensuring that the resulting organization or product will be safe and sound, and maintaining competition in the regional banking market.

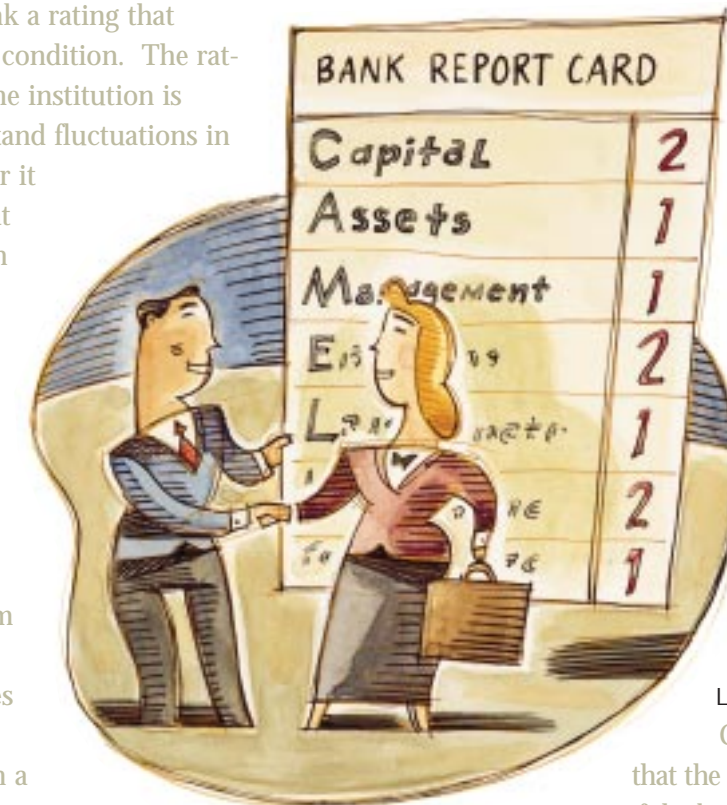
#### CONSUMER PROTECTION

Another Fed goal is to protect consumers in lending and deposit transactions. Congress has given the Fed

broad power to make, interpret and enforce laws that protect consumers from lending discrimination and inaccurate disclosure of credit costs or interest rates. Fed examiners specially trained in consumer compliance laws examine banks for their adherence to such regulations. In their Community Affairs departments, Federal Reserve banks also take active roles in helping institutions broaden access to capital and credit by hosting forums and bringing together lenders, government agencies and community development groups.

#### LENDER OF LAST RESORT

One of the most important ways that the Fed ensures safety and soundness of the banking system is acting as lender of last resort. Through its discount window, the Fed lends money to banks so that a shortage of funds at one institution does not disrupt the flow of money and credit in the entire banking system. Typically, the Fed makes loans to satisfy a bank's unanticipated needs for short-term funds. But the Fed also makes longer-term loans to help banks manage seasonal fluctuations in their customers' deposit or credit demands. Agricultural banks, whose customers need funds for spring planting and can repay these funds after the fall harvest, often take advantage of the Fed's seasonal borrowing program.



# What We Do

## PROVIDING FINANCIAL SERVICES

### In Plain English:

The Federal Reserve offers financial services to banks and the U.S. government to foster competition, innovation and efficiency in the marketplace.

When Congress established the Federal Reserve, it charged the Fed with the critical task of providing a safe and efficient method of transferring funds throughout the banking system. Reserve banks and their branches carry out this mission, offering financial services to all financial institutions in the United States, regardless of size or location. Hand in hand with that mission is the obligation to improve the payments system by encouraging the use of efficient procedures and technology.

Essentially, a Reserve bank serves as a bankers' bank, offering a wide variety of financial services. It distributes currency and coin, processes checks and offers electronic forms of payment. The Fed competes with the private sector in its financial services to foster competition in the marketplace and promote innovation and efficiency in the payments system. It does not seek to make a profit from its participation; it sets prices only to recover costs.

#### TRADITIONAL FORMS OF PAYMENT

Regional Reserve banks are responsible for meeting public demand for currency and coin within their dis-

tricts. The Reserve banks' primary responsibility in providing this service is to ensure that fluctuations in the demand for currency and coin do not disrupt the banking industry. Reserve banks process and store currency and coins for financial institutions.

Besides providing currency and coin, Reserve banks process commercial checks, to the tune of approximately 15-20 billion checks a year. At a regional Reserve bank, the process of receiving, processing and dispatching checks goes on 24 hours a day.

To improve the payments system, regional Reserve banks introduce new services and enhance old ones. The Fed is leading the industry's push to replace paper forms of payment like checks with electronic forms of payment, which offer lower risk and higher efficiency to the payments system.

In keeping with its goal of evolving toward electronic payments, the Fed has developed several electronic initiatives in check processing. One of these—image technology—scans checks as they pass through high-speed sorting equipment and captures their images in electronic form for processing. Another initiative—

electronic check presentment—also processes an electronic file, increasing the speed of check collection and reducing the costs of transporting paper.

#### ELECTRONIC FORMS OF PAYMENT

Every day, billions of dollars are transferred electronically among U.S. financial institutions. The Reserve banks provide two electronic payment services: funds transfer and the automated clearing house, or ACH.

The funds transfer service provides a communications link among financial institutions and government agencies. Funds transfers are usually for high dollar amounts—they can average several million dollars or more. Funds transfers are originated and received through a sophisticated telecommunications network known as Fedwire,<sup>®</sup> which links all Reserve banks electronically. Institutions can move their balances at the Fed or send funds to another institution through this network. Most of the transactions sent over Fedwire are bank-to-bank transfers of funds, made on behalf of bank customers.

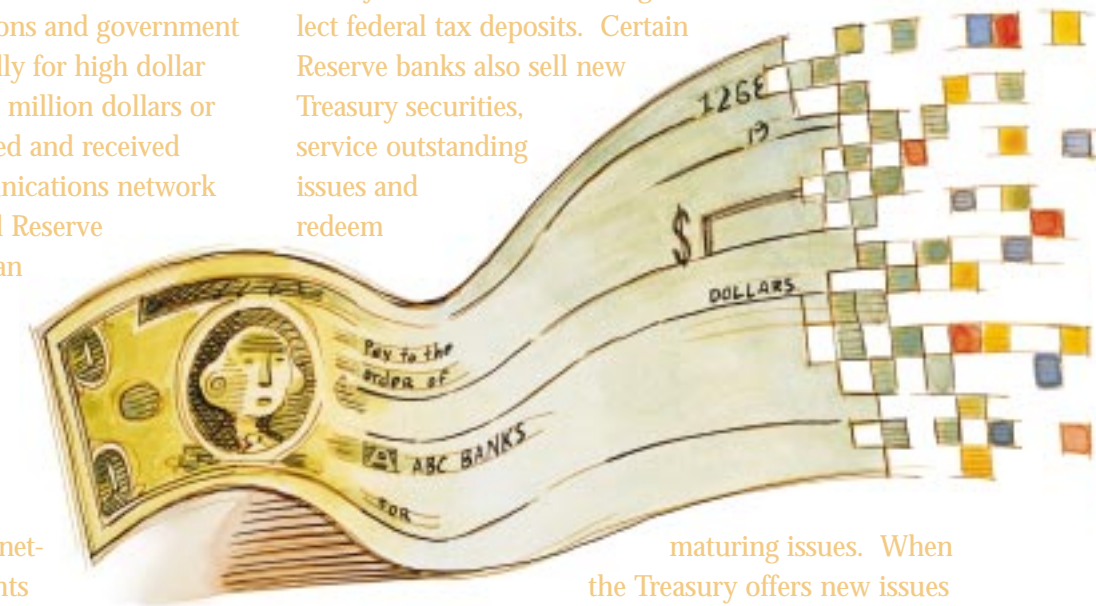
The ACH provides a nationwide network to exchange paperless payments among financial institutions and government agencies. The ACH accommodates a wide range of recurring corporate and consumer transactions, such as payroll deposit, electronic bill payment, insurance payments and Social Security disbursements. ACH transactions are generally for much smaller dollar amounts than funds transfer transactions.

Meanwhile, other forms of electronic payment like smart cards, debit cards and Internet payment are

making inroads. While the Fed does not directly provide these services, it is involved in the research and development of universal standards to ensure safety, convenience and accessibility.

#### THE FED AS FISCAL AGENT

In addition to serving as the bankers' bank, the Federal Reserve System acts as banker for the U.S. government. Federal Reserve banks maintain accounts for the U.S. Treasury; process government checks, postal money orders and U.S. savings bonds; and collect federal tax deposits. Certain Reserve banks also sell new Treasury securities, service outstanding issues and redeem



maturing issues. When the Treasury offers new issues of marketable securities to the public, certain Reserve banks disseminate information about the issues, process orders from customers, collect payments, credit the Treasury's account for the proceeds and deliver the securities.

In recent years, the Fed and the U.S. Treasury have introduced electronic processing and delivery in many of these services.

® Fedwire is a registered trademark of the Federal Reserve banks.



# A SUMMARY

For the past several pages, we have introduced you to who we are at the Federal Reserve—the Board of Governors, the 12 Reserve banks and the FOMC—as well as what we do.

We have also described our three main responsibilities—conducting monetary policy, supervising banks and providing financial services. We hope we have helped you make sense of the complex, yet effective, function of the Federal Reserve System.

What becomes apparent is not only how important our functions are but just how effective our structure is in fulfilling the purposes of the Federal Reserve System.

It was a financial crisis that led to our creation, and a financial crisis is exactly what the Federal Reserve is best prepared to handle. Should a financial crisis arise in any part of the country, a Reserve bank is close at hand with the banking and payments system expertise and emergency funds necessary to respond quickly.

Through the combined efforts of the Board of Governors, the Reserve banks and the FOMC, the Federal Reserve system is in a strong position to make monetary policy, provide a safe banking system and contribute to an effective payments system, all of which contribute to a healthy economy.

**FEDERAL RESERVE WEB SITES**  
Board of Governors:  
www.federalreserve.gov  
FRB Atlanta: www.frbatlanta.org  
FRB Boston: www.bos.frb.org  
FRB Chicago: www.chicagofed.org

FRB Cleveland: www.clev.frb.org  
FRB Dallas: www.dallasfed.org  
FRB Kansas City: www.kc.frb.org  
FRB Minneapolis:  
www.minneapolisfed.org

FRB New York: www.newyorkfed.org  
FRB Philadelphia: www.phil.frb.org  
FRB Richmond: www.rich.frb.org  
FRB San Francisco: www.frbsf.org  
FRB St. Louis: www.stls.frb.org

**FEDERAL RESERVE PHONE NUMBERS**  
Board of Governors: (202) 452-3000  
FRB Atlanta: (404) 498-8500  
FRB Boston: (617) 973-3000  
FRB Chicago: (312) 322-5322  
FRB Cleveland: (216) 579-2000

FRB Dallas: (214) 922-6000  
FRB Kansas City: (816) 881-2000  
FRB Minneapolis: (612) 204-5000  
FRB New York: (212) 720-5000  
FRB Philadelphia: (215) 574-6000

FRB Richmond: (804) 697-8000  
FRB San Francisco: (415) 974-2000  
FRB St. Louis: (314) 444-8444

**ADDITIONAL RESOURCES**  
For web-based educational resources, click on www.FederalReserveEducation.org. There, you'll find FED101, an interactive web site on the Federal Reserve System. You can also order free Fed educational resources from that site by choosing the Resources

and Research category and going to the Public Information Catalog.  
  
To order additional copies of *In Plain English*, call Public Affairs at the Federal Reserve Bank of St. Louis at 1-800-333-0810, ext. 44-8560.

### Can You Answer These In Plain English?

- Who created the Federal Reserve System? (page 1)
- Name the three parts of the Federal Reserve System. (page 1)
- What is the name of the Fed's chief monetary policy-making body? (page 7)
- How many districts make up the Federal Reserve System? (page 9)
- In which Federal Reserve District do you live? (pages 8-9)
- What are the three responsibilities of the Federal Reserve System? (page 8)
- Name three activities you might see at Reserve banks. (pages 10-15)
- What is the Fed's most frequently used tool for conducting monetary policy? (page 10)
- How does banking supervision differ from banking regulation? (page 12)
- Name three financial services the Fed offers. (pages 14-15)

TESTING ... ONE, TWO

We hope you can now make sense of the Federal Reserve. So let's see if we've done our job by testing your newly acquired knowledge. If we stump you, refer to the page numbers in parentheses where you can turn for the answer.

Good luck!

*Congrats,  
you made it!*



Published by the Federal Reserve Bank of St. Louis  
on behalf of the Federal Reserve System

*I'm outta here!  
You take the  
next tour!*



Appendix LL  
Screener Conversion Letters Offering \$2

## **List of 2003 SSBF Screener Conversion Letters Offering \$2**

1. Letter Type 1 – Concern About Confidentiality (\$2)
2. Letter Type 2 – Firm Does Not Use Credit (\$2)
3. Letter Type 3 – Too Busy/Concern About Time and Effort (\$2)
4. Letter Type 4 – Concern About Legitimacy (\$2)
5. Letter Type 5 – Generic/Non-Specific Refusal (\$2)





Appendix LL.1  
Letter Type 1 – Concern about  
Confidentiality (\$2)



Date

Business Owner

Address 1

Address 2

City, State, Zipcode

Dear First Name – Last Name,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF).

We appreciate how you might be reluctant to share information about your business with our interviewers. The information provided by participants in the study is highly confidential and is used for statistical purposes only.

To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops. Because I am confident that you will complete this brief qualifying interview, I have enclosed two dollars as a token of our appreciation.

Only a small number of authorized staff at the Federal Reserve Board and NORC will ever have access to confidential information. These individuals are bound by confidentiality agreements. Furthermore, respondents' answers are protected under the 2001 Confidential Information Protection and Statistical Efficiency Act (CIPSEA). Under this law, any person who makes an unauthorized disclosure of confidential information is subject to five years in prison and a \$250,000 fine.

Because you are so important to the survey, I am asking you again to consider participating in the study. You always have the option to not answer any question you choose. Ultimately, the data collected in the SSBF will help policymakers ensure that all U.S. small businesses, including your business, have equal access to credit.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have additional questions, or would like to schedule an interview appointment directly, you can call us at 1-800-692-4192, or e-mail [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

Sincerely,

Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview will be given \$50 or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.

Date

Business Owner  
Address 1  
Address 2  
City, State, Zipcode

Dear Owner,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF).

We appreciate how the relevance of this study may appear distant from the needs of your business. However, I hope that if you take a moment to review the materials we have sent you, you will see that this survey is a scientifically valid study worthy of your attention.

To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops. Because I am confident that you will complete this brief qualifying interview, I have enclosed two dollars as a token of our appreciation.

Even if your business is not presently using credit, your participation in the SSBF is crucial. In order for public policies to address the needs of all small businesses, it is important to gather data from all types of companies on a number of issues. For example, the survey asks small business owners about experiences with financial services, and their opinion on the most important problem facing their business today.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have any questions about the study, or would like to schedule an interview appointment directly, you can contact us by telephone at 1-800-692-4192, or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

To learn more about how this study will benefit all small businesses, including those that have not yet used credit, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,



Carol-Ann Emmons  
Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview will be given **\$50** or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.



Appendix LL.3  
Letter Type 3 – Too Busy/Concern  
About Time and Effort (\$2)



Date

Business Owner

Address 1

Address 2

City, State, Zip code

Dear Owner,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF).

We understand that you have many demands on your time. However, I hope that if you take a moment to review the materials we have sent you, you will see that this survey is a scientifically valid study worthy of your time and attention.

To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops. Because I am confident that you will complete this brief qualifying interview, I have enclosed two dollars as a token of our appreciation.

We will make every effort to conduct the telephone interview at your convenience. You may choose to do the interview on a more convenient day at virtually any time. If necessary, the interview can be broken up into shorter sessions to fit your busy schedule.

The information we collect will be used to evaluate the impact of public policies on small businesses. It is essential that we survey small businesses of all different sizes and locations. Ultimately, the data gathered in SSBF 2003 will help policymakers ensure that all U.S. small businesses have equal access to credit.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have any questions about the study, or would like to schedule an interview appointment directly, you can contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

To learn more about the study and how your time can make a real difference, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,

Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview will be able to choose **\$50** or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.

Date

Business Owner  
Address 1  
Address 2  
City, State, Zip code

Dear Owner,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF).

We appreciate how you might be skeptical about the study's legitimacy. This is not a telemarketing call or a marketing survey. NORC, the organization conducting the survey, is a nonprofit research agency that collects data of national significance. Please visit [www.norc.org](http://www.norc.org) to learn more about the quality and importance of NORC's work in social science.

To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops. Because I am confident that you will complete this brief qualifying interview, I have enclosed two dollars as a token of our appreciation.

Funded by the Federal Reserve Board, the government agency responsible for regulating the U.S. banking industry, the 2003 SSBF is done in the interest of small businesses like yours. The information will be used to evaluate the impact of public policies on small businesses of all types. More information about the 2003 SSBF can be found on [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf) and [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf).

Because you are so important to the survey, I am asking you again to participate. We need your help in this scientific study that benefits small businesses.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

Sincerely,



Carol-Ann Emmons  
Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview will be given **\$50** or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.



Appendix LL.5  
Letter Type 5 – Generic/  
Non-Specific Refusal (\$2)



Date

Business Owner  
Address 1  
Address 2  
City, State, Zip code

Dear Owner,

Recently an interviewer from NORC at the University of Chicago called you to participate in the 2003 Survey of Small Business Finances (SSBF). Because you are so important to the study, I am asking you again to participate. We need your help in this legitimate, scientific, and confidential study that benefits small businesses.

To see if you qualify, we have a few questions we would like to ask you in a very short phone call – five minutes, tops. Because I am confident that you will complete this brief qualifying interview, I have enclosed two dollars as a token of our appreciation.

Funded by the U. S. Federal Reserve Board, the government agency responsible for regulating the U.S. banking industry, the 2003 SSBF is done in the interest of small businesses. The information will be used to evaluate the impact of public policies on small businesses of different sizes and locations. Ultimately, the data will help policymakers ensure that all U.S. small businesses have equal access to credit.

We will make every effort to conduct the telephone interview at your convenience. You may choose to do the interview on a more convenient day at virtually any time. All of your responses will be held in the strictest confidence, and you always have the option to not respond to any question you are uncomfortable answering.

I have asked one of our interviewers to call you shortly after you receive this letter to schedule an interview. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

To learn more about this study and its benefits, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,

Carol-Ann Emmons  
Project Director, Survey of Small Business Finances

P.S. As a token of our appreciation, individuals who complete the main SSBF interview will be able to choose **\$50** or Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199. Please help us help all American small businesses by participating in this important study.

Appendix MM  
Level of Effort by Screener Final Disposition Codes

### Level of Effort by Final Screener Outcomes

| Final Disposition | Description                               | # of Cases | % of Cases | # of Calls | % of Calls | Average # of Calls |
|-------------------|---|------------|------------|------------|------------|--------------------|
| 11/1              | Ineligible - Owner Screened               | 2308       | 9.70       | 13767      | 6.09       | 5.96               |
| 11/11             | Ineligible - Proxy Screened               | 49         | 0.21       | 323        | 0.14       | 6.59               |
| 11/12             | Ineligible - DK Response - Owner Screened | 173        | 0.73       | 929        | 0.41       | 5.37               |
| 11/13             | Ineligible - RF Response - Owner Screened | 10         | 0.04       | 64         | 0.03       | 6.40               |
| 11/14             | Not Screened - Not In Operation In 2003   | 22         | 0.09       | 170        | 0.08       | 7.73               |
| 11/15             | Not Screened - Not Currently In Operation | 7          | 0.03       | 45         | 0.02       | 6.43               |
| 11/16             | Not Screened – Majority Owned Subsidiary  | 4          | 0.02       | 51         | 0.02       | 12.75              |
| 11/17             | Not Screened – Not For Profit             | 3          | 0.01       | 40         | 0.02       | 13.33              |
| 11/18             | Not Screened – Not Privately Owned        | 17         | 0.07       | 103        | 0.05       | 6.06               |
| 11/2              | Not Screened – 500 Employees Or More      | 1499       | 6.30       | 11620      | 5.14       | 7.75               |
| 11/3              | Not Screened – Not The Headquarters       | 223        | 0.94       | 1322       | 0.58       | 5.93               |
| 11/5              | Farm Or Financial Institution             | 59         | 0.25       | 375        | 0.17       | 6.36               |
| 19/0              | Complete Interview and Eligible           | 9687       | 40.71      | 65581      | 29.00      | 6.77               |
| 25/1              | Final Language Barrier                    | 85         | 0.36       | 763        | 0.34       | 8.98               |
| 25/3              | Final Computer/Fax Tone                   | 145        | 0.61       | 870        | 0.38       | 6.00               |
| 25/6              | Final Fast Busy                           | 120        | 0.50       | 807        | 0.36       | 6.73               |
| 25/7              | Final Disconnected                        | 1101       | 4.63       | 3342       | 1.48       | 3.04               |
| 25/8              | Final Wrong Number                        | 646        | 2.71       | 4072       | 1.80       | 6.30               |
| 25/91             | Subsampled out B1P2 Screener Code         | 1131       | 4.75       | 11174      | 4.94       | 9.88               |
| 25/93             | Subsampled out B2P2 Screener Code         | 1099       | 4.62       | 14491      | 6.41       | 13.19              |
| 25/95             | Subsampled out B3P2 Screener Code         | 1056       | 4.44       | 11617      | 5.14       | 11.00              |
| 33/66             | Final Privacy Manager                     | 65         | 0.27       | 1114       | 0.49       | 17.14              |

Level of Effort by Final Screener Outcomes **(Continued)**

| Final Disposition | Description                                   | # of Cases | % of Cases | # of Calls | % of Calls | Average # of Calls |
|-------------------|---|------------|------------|------------|------------|--------------------|
| 33/87             | Final Non-Contact w/Busy and No Answers       | 28         | 0.12       | 496        | 0.22       | 17.71              |
| 33/88             | Nonrespondents selected for 5% follow-up      | 201        | 0.84       | 4174       | 1.85       | 20.77              |
| 33/89             | Noncontacts selected for 5% follow-up         | 113        | 0.47       | 450        | 0.20       | 3.98               |
| 33/90             | Final Non-Contact w/All No Answer or All Busy | 159        | 0.67       | 1801       | 0.80       | 11.33              |
| 33/91             | Final Unavailable                             | 1068       | 4.49       | 26392      | 11.67      | 24.71              |
| 33/92             | Final Answering Machine                       | 384        | 1.61       | 8922       | 3.94       | 23.23              |
| 33/93             | Final Proxy Refusal                           | 178        | 0.75       | 3629       | 1.60       | 20.39              |
| 33/94             | Final Away For Entire Field Period            | 29         | 0.12       | 290        | 0.13       | 10.00              |
| 33/95             | Final R/Owner Refusal                         | 1254       | 5.27       | 21875      | 9.67       | 17.44              |
| 33/96             | Final Physically/Mentally Incapacitated       | 10         | 0.04       | 70         | 0.03       | 7.00               |
| 33/97             | Final Gatekeeper Refusal                      | 687        | 2.89       | 13599      | 6.01       | 19.79              |
| 33/99             | Final Hostile Refusal/Other*                  | 178        | 0.75       | 1840       | 0.81       | 10.34              |
| All               |   | 23798      | 100.00     | 226178     | 100.00     | 9.50               |

-Dispositions 15/99 and 15/182 in the call history file are not considered call attempts.

\*Includes respondents who called the SSBF hotline and asked to be removed from the study; supervisors determined that these cases should not be called again.



Appendix NN  
5% Follow-Up: Self-Administered Questionnaire

# 2003 Survey of Small Business Finances – Short Form

Please answer all questions for: **FIRM NAME**

|   |                                   |   |   |
|---|-----------------------------------|---|---|
| 1. Is [FIRM NAME] the correct name of your business?  |                                   | <input type="checkbox"/> Yes <b>Skip to #2</b>            | <input type="checkbox"/> No <b>Continue</b> |
| a. Was this business ever called [FIRM NAME]?   |                                   | <input type="checkbox"/> Yes                              | <input type="checkbox"/> No                 |
| b. What is the correct name of your business?   |                                   | <input type="text"/>                                      |   |
| 2. During December 2003, was the business in operation under the direction of one or more of the current owners? (A business is in operation if it is generating expenses or revenues.)   |                                   | <input type="checkbox"/> Yes                              | <input type="checkbox"/> No                 |
| 3. During [MONTH] 2004, was the business in operation?  |                                   | <input type="checkbox"/> Yes                              | <input type="checkbox"/> No                 |
| 4. Is [STREET ADDRESS] the correct address for the business's headquarters or main office?  |                                   | <input type="checkbox"/> Yes <b>Skip to #5</b>            | <input type="checkbox"/> No <b>Continue</b> |
| a. Was [STREET ADDRESS] ever the address for the business's headquarters or main office?  |                                   | <input type="checkbox"/> Yes                              | <input type="checkbox"/> No                 |
| 5. Does another company own 50% or more of the business?  |                                   | <input type="checkbox"/> Yes                              | <input type="checkbox"/> No                 |
| 6. Is the business a nonprofit organization?  |                                   | <input type="checkbox"/> Yes                              | <input type="checkbox"/> No                 |
| 7. Is the business owned by a local, state, or federal government agency?   |                                   | <input type="checkbox"/> Yes                              | <input type="checkbox"/> No                 |
| 8. How many owners worked in the business during a typical pay period in 2003?  |                                   | # of owners working in business:                          | <input type="text"/>                        |
| 9. Other than owners, how many individuals worked in the business during a typical pay period in 2003? (Include individuals that worked in the business but were not on the payroll. Count each worker, whether full-time or part-time, as one individual.) |                                   | # of individuals (other than owners) working in business: | <input type="text"/>                        |
| 10. (If you are unsure about your answers to #8 or #9, please answer #10.) Please indicate the approximate number of individuals, including owners, that worked for the business during a typical pay period in 2003.                                       |                                   |   |   |
| <input type="checkbox"/> less than 5  | <input type="checkbox"/> 10 to 19 | <input type="checkbox"/> 50 to 99                         | <input type="checkbox"/> 500 or more        |
| <input type="checkbox"/> 5 to 9   | <input type="checkbox"/> 20 to 49 | <input type="checkbox"/> 100 to 499                       |   |
| 11. Our records indicate that the principal activity of the firm is [SIC CATEGORY]. Is this correct?  |                                   |   |   |
|   |                                   | <input type="checkbox"/> Yes                              | <input type="checkbox"/> No                 |
| IF NO: What is the principal activity of the business? That is, what does the business do or make?  |                                   |   |   |
| <input type="text"/>  |                                   |   |   |

Thank you! Please fax this completed survey toll-free to 1-866-435-5637  
or mail to NORC, 1 North State St, 16<sup>th</sup> floor, Chicago, IL 60602,  
**no later than Friday, January 7, 2005.**

Appendix OO  
5% Follow-Up: Project Director Letter to Noncontacts



1/14/2005

Business Owner  
Address 1  
Address 2  
City, State, Zip code

Dear Owner,

You are one of a select group of small business owners throughout the country being asked to participate in a study of the cost and availability of financial services.

The 2003 Survey of Small Businesses (SSBF) is a legitimate, scientific and confidential study sponsored by the United States Federal Reserve Board. The study is intended to help small businesses, but it only works if the selected firms – including your firm – participate.

This study has been endorsed by the National Business Association, the National Federation of Independent Business, and the U.S. Small Business Administration.

**Your firm's participation is limited to completing the enclosed one-page questionnaire and returning it to us by Friday, January 21, 2005. Just for completing this short, simple questionnaire, you will receive, as a token of our appreciation, a check for \$25.**

Please take just a moment now to complete the one-page questionnaire and return it using the enclosed postage-paid envelope. (You may also fax your completed questionnaire toll-free to 1 866 435-5637.)

Of course, participation is voluntary and you may skip any question you choose. If you have questions about the study, or would like to complete the questionnaire with an interviewer, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.org](mailto:6128-ssbf@norc.org).

To learn more about how this study will benefit small businesses, please visit [www.norc.org/ssbf](http://www.norc.org/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,

Carol-Ann Emmons  
Project Director, Survey of Small Business Finances

P.S. We hope you will do your part to help American small businesses by taking a moment to complete the attached questionnaire. The study is legitimate, scientific and confidential. After you have returned the enclosed questionnaire by Friday, January 21, 2005, your participation in the 2003 SSBF will be complete, and we will send you a check for \$25.

Appendix PP  
5% Follow-Up: Facesheet for Noncontacts

# 2003 SSBF

## Facesheet, Quex and Call Record for Nonrespondents

|  |  |
|--|--|
| <b>SUID</b>  | <b>Tel. Number</b>   |
| <b>Owner Name</b><br><b>Owner Title</b>                      | <b>Business Name</b><br><b>Street</b><br><b>City</b><br><b>State</b><br><b>Zip</b> |
| Codes for Org Type:<br><br>Codes for Number<br>Of employees: | <b>Industry Desc.</b><br><b>Org type</b>   |
|  | <b>N. of employees</b>   |

Hello, may I speak with ([merge owner name]/the owner) of [merge business name]?

**PROMPT1:** (My name is \_\_\_\_\_) I'm calling from the University of Chicago, on behalf of the United States Federal Reserve Board. We are conducting a scientific research study with a select number of businesses.

**PROMPT2:** I'm calling (simply) to verify some basic information about your business, as requested by the Federal Reserve Board. It takes two minutes. This is not a sales call.

**IF OWNER IS UNAVAILABLE:** Is there someone other than the owner who can verify information such as the name and address of the firm, and tell us some basic facts about the firm, such as the number of employees?

**INTRO:** (Hello, my name is \_\_\_\_\_. I'm calling from the National Opinion Research Center, on behalf of the Federal Reserve Board.) Your firm has been randomly chosen to participate in a national, scientific study of small businesses. The interview takes two minutes. Participation is voluntary and you may skip any question you choose. After this short interview, your participation in this study will be completed.

1. Is [merge business name] the correct name of your business?

|                      |  |
|----------------------|--|
| YES..... 1           | GO TO Q2                               |
| NO ..... 2           | CONTINUE                               |
| DK or RF ..... DK/RF | PROMPT FOR YES/NO; IF DK/REF, CONTINUE |

- a. Was the business ever called [merge business name]?

|                      |          |
|----------------------|----------|
| YES..... 1           | CONTINUE |
| NO ..... 2           | CONTINUE |
| DK or RF ..... DK/RF | CONTINUE |

- b. What is the correct name of your business?

WRITE IN: \_\_\_\_\_

2. During December 2003, was [merge business name] in operation under the direction of one or more of the current owners?

[IF R IS NOT SURE: The business was in operation if it was generating expenses or revenues during December 2003.]

|                |       |  |
|----------------|-------|--|
| YES.....       | 1     | CONTINUE                               |
| NO .....       | 2     | GO TO CLOSE                            |
| DK or RF ..... | DK/RF | PROMPT FOR YES/NO; IF DK/REF, CONTINUE |

3. During [merge batch month] 2004, was the business in operation?

[IF R IS NOT SURE: The business was in operation if it was generating expenses or revenues during that time period.]

|                |       |  |
|----------------|-------|--|
| YES.....       | 1     | CONTINUE                               |
| NO .....       | 2     | GO TO CLOSE                            |
| DK or RF ..... | DK/RF | PROMPT FOR YES/NO; IF DK/REF, CONTINUE |

4. Is [merge physical street address] the correct address for the firm's headquarters or main office?

|                |       |  |
|----------------|-------|--|
| YES.....       | 1     | GO TO Q5                               |
| NO .....       | 2     | CONTINUE                               |
| DK or RF ..... | DK/RF | PROMPT FOR YES/NO; IF DK/REF, CONTINUE |

- a. Was [merge physical address] ever the address for the business's headquarters or main office?

|                |       |          |
|----------------|-------|----------|
| YES.....       | 1     | CONTINUE |
| NO .....       | 2     | CONTINUE |
| DK or RF ..... | DK/RF | CONTINUE |

5. Does another company own 50% or more of [merge business name]?

[IF R IS NOT SURE: That is, is the business a majority-owned subsidiary of another business?]

|                |       |  |
|----------------|-------|--|
| YES.....       | 1     | GO TO CLOSE                            |
| NO .....       | 2     | CONTINUE                               |
| DK or RF ..... | DK/RF | PROMPT FOR YES/NO; IF DK/REF, CONTINUE |

6. Is [merge business name] a nonprofit organization, or a for-profit organization?

[IF R IS NOT SURE: Nonprofit organizations have a special designation from the IRS as a nonprofit organization. For-profit firms, on the other hand, do not have this IRS designation. Even if a firm has losses, it can still be a for-profit organization. The key factor is whether the profits go to the owners – if so, the firm is for-profit.]

|                  |       |  |
|------------------|-------|--|
| NONPROFIT .....  | 1     | GO TO CLOSE                            |
| FOR-PROFIT ..... | 2     | CONTINUE                               |
| DK or RF .....   | DK/RF | PROMPT FOR YES/NO; IF DK/REF, CONTINUE |

7. Is [merge business name] owned by a local, state, or federal government agency?

[IF R IS NOT SURE: If your firm is privately held, then it is not owned by a government agency.]

|                |       |  |
|----------------|-------|--|
| YES.....       | 1     | GO TO CLOSE                            |
| NO .....       | 2     | CONTINUE                               |
| DK or RF ..... | DK/RF | PROMPT FOR YES/NO; IF DK/REF, CONTINUE |

8. I would like to know the total number of individuals that worked at [merge business name] during a typical pay period in 2003. First I'm going to ask about owners. How many owners worked in [merge business name] during a typical pay period in 2003?

[IF R IS NOT SURE: This would be the number of owners actively working at the firm, not the number of people who own the firm. A business may have multiple owners, only some of which may actually work at the firm.]

NUMBER: \_\_\_\_\_  
DK or RF ..... DK/RF

9. Other than owners, how many individuals worked in [merge business name] during a typical pay period in 2003?

[IF R IS NOT SURE: Include individuals that worked in the business but were not on the payroll. Count each worker, whether full-time or part-time, as one individual.]

NUMBER: \_\_\_\_\_  
DK or RF ..... DK/RF

**SKIP1**

IF DK/RF IN Q9 OR DK/REF IN Q9, ASK Q10  
IF R PROVIDED A NUMBER FOR Q9 AND Q10, GO TO Q11

10. Please indicate the approximate number of individuals, including owners, that worked for [merge business name] during a typical pay period in 2003. Was it **READ RANGES...**?

|                         |       |                                       |
|-------------------------|-------|---------------------------------------|
| Less than 5 .....       | 1     | CONTINUE                              |
| Between 5 and 9.....    | 2     | CONTINUE                              |
| Between 10 and 19.....  | 3     | CONTINUE                              |
| Between 20 and 49.....  | 4     | CONTINUE                              |
| Between 50 and 99.....  | 5     | CONTINUE                              |
| Between 100 and 499.... | 6     | CONTINUE                              |
| 500 or more.....        | 7     | GO TO CLOSE                           |
| DK or RF .....          | DK/RF | PROMPT FOR RANGE; IF DK/REF, CONTINUE |

11. Our records indicate that the principal activity of the business is [merge SIC description]. Is this correct?

|                |       |             |
|----------------|-------|-------------|
| YES.....       | 1     | GO TO CLOSE |
| NO .....       | 2     | CONTINUE    |
| DK or RF ..... | DK/RF | CONTINUE    |

- a. What is the principal activity of the business? That is, what does the business do or make?  
WRITE IN: \_\_\_\_\_

**CLOSE:** Thank you for answering all my questions today!



# **RECORD OF CALLS FOR (merge SU\_ID) – (merge firm name)**

| <b>Disposition Codes</b>       |                                 |
|--------------------------------|---------------------------------|
| 3 - COMPUTER TONE (FAX, MODEM) | 35 - REGULAR BUSY               |
| 6 - PHONE PROBLEM              | 50 - REFER TO SUPERVISOR        |
| 7 - DISCONNECTED/CHANGED #     | 51 - HUNG UP DURING INTRO       |
| 31 - RING NO ANSWER            | 52 - REFUSAL                    |
| 32 - ANSWERING MACHINE -NML    | 55 - HOSTILE REFUSAL            |
| 34 - ANSWERING MACHINE -ML     | 58 - NON-CONTACT ON APPOINTMENT |

| <b>Call #</b> | <b>(A)<br/>DATE OF CALL<br/>(B)<br/>TIME CALLED</b> | <b>(C)<br/>NUMBER DIALED</b> | <b>(D)<br/>DISP<br/>CODE</b> | <b>(E)<br/>IWER<br/>INIT</b> | <b>(F)<br/>RESULTS</b> | <b>(G)<br/>CALLBACKS</b>         |
|---------------|---|------------------------------|------------------------------|------------------------------|------------------------|----------------------------------|
| 1             | ____/____/____<br>:____<br>AM PM                    |                              |                              |                              |                        | ____/____/____<br>:____<br>AM PM |
| 2             | ____/____/____<br>:____<br>AM PM                    |                              |                              |                              |                        | ____/____/____<br>:____<br>AM PM |
| 3             | ____/____/____<br>:____<br>AM PM                    |                              |                              |                              |                        | ____/____/____<br>:____<br>AM PM |
| 4             | ____/____/____<br>:____<br>AM PM                    |                              |                              |                              |                        | ____/____/____<br>:____<br>AM PM |
| 5             | ____/____/____<br>:____<br>AM PM                    |                              |                              |                              |                        | ____/____/____<br>:____<br>AM PM |
| 6             | ____/____/____<br>:____<br>AM PM                    |                              |                              |                              |                        | ____/____/____<br>:____<br>AM PM |
| 7             | ____/____/____<br>:____<br>AM PM                    |                              |                              |                              |                        | ____/____/____<br>:____<br>AM PM |

Appendix QQ  
5% Follow-Up: Interviewer-Administered Questionnaire

SU\_ID: \_\_\_\_\_ Firm Name: \_\_\_\_\_ Owner Name: \_\_\_\_\_

|               | QUESTION  | LEAD 1<br>Number Dialed:   | LEAD 2<br>Number Dialed:   |
|---------------|---|--|--|
| <b>INTRO1</b> | (I'm calling from the University of Chicago, on behalf of the United States Federal Reserve Board). Can I please speak to [(OWNER NAME)/the owner of [FIRM NAME]]?<br><br>IT IS OK TO SPEAK TO A FORMER OR EX-OWNER OF THE FIRM.                          | Date and Time of Call<br>January _____, 2005<br>____:____ AM/PM<br><br>Circle One:<br>Owner.....Continue<br>Non-owner or DK.....Continue | Date and Time of Call<br>January _____, 2005<br>____:____ AM/PM<br><br>Circle One:<br>Owner.....Continue<br>Non-owner or DK.....Continue |
| <b>Q1</b>     | I am trying to confirm some very basic information about a business called [FIRM NAME]. Are <u>you</u> able to verify information about [FIRM NAME], such as whether or not it is in business?  | Circle One<br><br>Yes.....Skip to Q4<br>No.....Continue<br>DK/Refuse.....Continue  | Circle One<br><br>Yes.....Skip to Q4<br>No.....Continue<br>DK/Refuse.....Continue  |
| <b>Q2</b>     | Is there anyone else who knows about [FIRM NAME], who might be able to confirm whether it is still in business?<br>IF NECESSARY: This could be anyone that may have worked for [FIRM NAME], or was in some way connected to the business or to the owner. | Circle One<br><br>Yes.....Continue<br>No.....GO TO CLOSE 1<br>DK/Refuse.....GO TO CLOSE 1  | Circle One<br><br>Yes.....Continue<br>No.....GO TO CLOSE 1<br>DK/Refuse.....GO TO CLOSE 1  |
| <b>Q2A</b>    | May I please speak to (him/her)?  | Circle One<br><br>Yes.....Return to Q1<br>No.....Continue<br>DK/Refuse.....Continue  | Circle One<br><br>Yes.....Return to Q1<br>No.....Continue<br>DK/Refuse.....Continue  |
| <b>Q3</b>     | Could you please tell me (his/her) name and how I could reach this person?<br><br>COLLECT INFORMATION, THANK R, AND TERMINATE. RECORD CB INFO, IF APPROPRIATE, ON CALL RECORD.  | Record new information below<br><br>Name: _____<br><br>Phone Number: (____) ____ - ____<br><br>Callback: _____<br><br>Other info:        | Record new information below<br><br>Name: _____<br><br>Phone Number: (____) ____ - ____<br><br>Callback: _____<br><br>Other info:        |

SU\_ID: \_\_\_\_\_ Firm Name: \_\_\_\_\_ Owner Name: \_\_\_\_\_

|           |   |  |   |
|-----------|---|--|---|
| <b>Q4</b> | Is [FIRM NAME] currently <u>in</u> business, or has it gone <u>out</u> of business? | <u>Check One</u><br>____ In business under current name  | <u>Check One</u><br>____ In business under current name |
|           | [IF OOB, ASK] <u>When</u> did the firm go out of business?                          | ____ In business under different name                    | ____ In business under different name                   |
|           | MONTH: _____ YEAR: _____  | NEW NAME: _____  | NEW NAME: _____   |
|           | ____ Out of Business<br>____ DK/Refuse.....Go Back to Q2                            | ____ Out of Business<br>____ DK/Refuse.....Go Back to Q2 |   |

| IF YOU ARE SPEAKING WITH:       | FIRM OUT OF BUSINESS   | FIRM IN BUSINESS   |
|---------------------------------|--|--|
| AN OWNER OF THE FIRM            | GO TO Q5, FOLLOW SKIPS TO CLOSE1   | GO TO CLOSE3   |
| A PROXY WHO WORKED FOR THE FIRM | GO TO Q5, FOLLOW SKIPS TO CLOSE1   | GO TO Q5, Q6 AND Q6A. IF R SEEMS KNOWLEDGEABLE ABOUT THE FIRM, GO TO CLOSE3. OTHERWISE GO TO CLOSE1. |
| THE BBB OR CHAMBER OF COMMERCE  | GO TO CLOSE1   | GO TO CLOSE2   |
| A NEIGHBORING BUSINESS          | GO TO Q6 AND 6A TO CLEARLY DOCUMENT R'S RELATIONSHIP TO THE FIRM OR OWNER, THEN GO TO CLOSE1 | ASK Q6 AND 6A TO CLEARLY DOCUMENT R'S RELATIONSHIP TO THE FIRM OR OWNER, THEN GO TO CLOSE2           |

|            |   |  |  |
|------------|---|--|--|
| <b>Q5</b>  | (Just to confirm) Were you an owner of [FIRM NAME]?   | Circle One<br><br>Yes.....Skip to Q6A<br>No.....Continue<br>DK/Refuse.....Continue | Circle One<br><br>Yes.....Skip to Q6A<br>No.....Continue<br>DK/Refuse.....Continue |
| <b>Q6</b>  | What was your relationship to the owner of [FIRM NAME]? [IF NECESSARY: For example, were you the spouse or other relative of the owner, or were you an employee of the owner?] <u>PROBE FOR SPECIFICITY AND COMPLETENESS.</u> Did you have any other connections with either the owner or the firm? | RECORD BELOW, THEN CONTINUE TO Q6A.  | RECORD BELOW, THEN CONTINUE TO Q6A   |
| <b>Q6A</b> | For verification purposes only, what is your name? (IF NECESSARY: You would only be recontacted in case my supervisor wanted to verify this interview.)   | RECORD NAME BELOW:   | RECORD NAME BELOW:   |

SU ID: \_\_\_\_\_ Firm Name: \_\_\_\_\_ Owner Name: \_\_\_\_\_

|               |  |   |   |
|---------------|--|---|---|
| <u>CLOSE1</u> | <p>Thank you, those are all my questions.</p> <p>IF OWNER <u>ASKS</u> FOR \$25, RECORD NAME AND ADDRESS FOR CHECK. DO <u>NOT</u> VOLUNTEER INFORMATION ABOUT AN INCENTIVE.</p>   | <u>CLOSE1</u>   | <u>CLOSE1</u>   |
| <u>CLOSE2</u> | <p>Thank you. I just have one more question. Could you tell me the name and phone number of the business's owner, or of anyone you think might be connected to the business, or have knowledge of the business?</p>  | <p>Record new information below</p> <p>Name: _____</p> <p>Phone Number: (____) ____ - _____</p> | <p>Record new information below</p> <p>Name: _____</p> <p>Phone Number: (____) ____ - _____</p> |
| <u>CLOSE3</u> | <p>Now I would like to ask you a few additional questions that take about two minutes to answer. (For answering these few questions, we will send you a check for \$25.) Please answer the questions for the business called [BUSINESS NAME].</p> <p>DO NOT OFFER \$25 IF YOU HAVE ALREADY TALKED TO R ABOUT \$25. IF YOU HAVE NOT ALREADY COMMITTED TO SENDING R \$25, THEN READ THE SENTENCE IN CLOSE3 ABOUT \$25.</p> | <p><u>CLOSE3</u></p> <p>GO TO INTRO OF NONRESPONDENT QUESTIONNAIRE</p>                          | <p><u>CLOSE3</u></p> <p>GO TO INTRO OF NONRESPONDENT QUESTIONNAIRE</p>                          |

Appendix RR  
5% Follow-Up: Project Director Letter to Nonrespondents



Date

Business Name

Address 1

Address 2

City, State, Zip code

Dear <FIRST NAME> <LAST NAME> or Current Owner,

We are sorry that you have been unable to participate in the 2003 Survey of Small Business Finances (SSBF).

The 2003 SSBF is a legitimate, scientific and confidential study sponsored by the United States Federal Reserve Board. The study is intended to help small businesses, but it only works if the selected firms – including your firm – participate.

This study has been endorsed by the National Business Association, the National Federation of Independent Business, and the U.S. Small Business Administration.

Please take just a moment now to complete and return the enclosed one-page questionnaire. This short, simple questionnaire will help us to more accurately interpret the survey results.

As a token of our appreciation, **we have enclosed a check for \$25.** The check is our way of thanking you for taking a moment to fill out this very short questionnaire and returning it to us by **Thursday, December 30, 2004**, using the postage-paid return envelope. (You may also fax your completed questionnaire toll-free to 1-866-435-5637)

Of course, participation is voluntary and you may skip any question you choose. If you have questions about the study, or would like to complete the questionnaire with an interviewer, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

To learn more about how this study will benefit small businesses, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,

Carol-Ann Emmons  
Project Director, Survey of Small Business Finances

P.S. We hope you will do your part to help American small businesses by taking a moment to complete the attached questionnaire. The enclosed check for \$25 is our token of appreciation. After you have returned this questionnaire by Thursday, December 30th, 2004, your participation in the 2003 SSBF will be completed.

Appendix SS  
Main Conversion Letters



## **List of 2003 SSBF Main Conversion Letters**

1. Letter Type 1 – Concern About Confidentiality
2. Letter Type 2 – Too Busy/Concern About Time and Effort
3. Letter Type 3 – Conversion Letter Sent to Firms That Have Not Explicitly Refused
4. Letter Type 4 – General/Non-Specified Reason for Refusal
5. Letter Type 5 – Letter Sent to Firms That Had Partially Completed the Main Interview

Date

«First\_Name» «Last\_Name», «Title»  
«Company»  
«Address»  
«City», «STATE» «Zip»-«Zip4»

Dear «First\_Name» «Last\_Name»,

We are sorry that you have declined to participate in the 2003 Survey of Small Business Finances (SSBF). You are very important to this study, and we therefore want to give you another opportunity to participate in research designed to help ensure equal access to credit to all small business owners in our country.

This study is sponsored by the U.S. Federal Reserve Board. It is conducted every five years in the interest of small businesses. The information you voluntarily provide will be held in the strictest confidence, and will not be shared with any other government agency. Only a small number of authorized staff at the Federal Reserve Board and NORC will ever have access to confidential information. These individuals are bound by confidentiality agreements.

As a token of our appreciation, you will receive a check for **one hundred dollars (\$100)** for completing the main interview. Or, if you prefer, you can choose Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199.

We will make every effort to conduct the telephone interview at your convenience. The interview can be broken up into shorter sessions to fit your busy schedule. An appointment can be made at virtually any time: before or after work, during a weekend, at your convenience.

I have asked one of our interviewers to call you shortly after you receive this letter to ask you to reconsider being interviewed. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

To find out more information about the study and the organizations involved, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,



Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. In order to receive our token of appreciation of **\$100**, please complete the main survey as soon as possible, and no later than Friday, January 28<sup>th</sup>.

Date

«First\_Name» «Last\_Name», «Title»  
«Company»  
«Address»  
«City», «STATE» «Zip»-«Zip4»

Dear «First\_Name» «Last\_Name»,

We are sorry that you have declined to participate in the 2003 Survey of Small Business Finances (SSBF). Your time and effort is very important to this study, and we want to ask you again to participate in research designed to help ensure equal access to credit to all small business owners in our country.

We understand that you have many demands on your time. Therefore, we will make every effort to conduct the telephone interview at your convenience. The interview can be broken up into shorter sessions to fit your busy schedule. Appointments can be scheduled at virtually any time: before or after work, during a weekend, at your convenience.

As a token of our appreciation, you will receive a check for **one hundred dollars (\$100)** for completing the main interview. Or, if you prefer, you can choose Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199.

I have asked one of our interviewers to call you shortly after you receive this letter to ask you to reconsider being interviewed. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

To learn more about how your time can make a real difference, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,



Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. In order to receive our token of appreciation of **\$100**, please complete the main survey as soon as possible, and no later than Friday, January 28<sup>th</sup>.

Date

«First\_Name» «Last\_Name», «Title»  
«Company»  
«Address»  
«City», «STATE» «Zip»-«Zip4»

Dear «First\_Name» «Last\_Name»,

We are sorry that you have been unable to participate in the 2003 Survey of Small Business Finances (SSBF). You are very important to this study, and therefore we want to give you every chance to participate in research designed to help ensure equal access to credit to all small business owners in our country.

We understand that you have many demands on your time. Therefore, we will make every effort to conduct the telephone interview at your convenience. The interview can be broken up into shorter sessions to fit your busy schedule. Appointments can be scheduled at virtually any time: before or after work, during a weekend, at your convenience.

As a token of our appreciation, you will receive a check for **one hundred dollars (\$100)** for completing the main interview. Or, if you prefer, you can choose Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199.

I have asked one of our interviewers to call you shortly after you receive this letter to ask you to reconsider being interviewed. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

To find out more information about the study and the organizations involved, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,



Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. In order to receive our token of appreciation of **\$100**, please complete the main survey as soon as possible, and no later than Friday, January 28<sup>th</sup>.

Date

«First\_Name» «Last\_Name», «Title»  
«Company»  
«Address»  
«City», «STATE» «Zip»-«Zip4»

Dear «First\_Name» «Last\_Name»,

We are sorry that you have declined to participate in the 2003 Survey of Small Business Finances (SSBF). You are very important to this study, and we therefore want to give you another opportunity to participate in research designed to help ensure equal access to credit to all small business owners in our country.

The 2003 SSBF is a legitimate, scientific, and confidential study, sponsored by the U. S. Federal Reserve Board. The study benefits small businesses, but it only works if the selected firms – including your firm – participate.

As a token of our appreciation, you will receive a check for **one hundred dollars (\$100)** for completing the main interview. Or, if you prefer, you can choose Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199.

We will make every effort to conduct the telephone interview at your convenience. The interview can be broken up into shorter sessions to fit your busy schedule. An appointment can be made at virtually any time: before or after work, during a weekend, at your convenience.

I have asked one of our interviewers to call you shortly after you receive this letter to ask you to reconsider being interviewed. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-sbf@norc.net](mailto:6128-sbf@norc.net).

To learn more about how this study will benefit small businesses, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,



Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. In order to receive our token of appreciation of **\$100**, please complete the main survey as soon as possible, and no later than Friday, January 28<sup>th</sup>.



Appendix SS.5  
Letter Type 5 – Letter Sent to Firms  
That Had Partially Completed the  
Main Interview

**NORC**  
*A national organization for research  
at the University of Chicago*

Date

«First\_Name» «Last\_Name», «Title»  
«Company»  
«Address»  
«City», «STATE» «Zip»-«Zip4»

Dear «First\_Name» «Last\_Name»,

We hope you will be able to complete the 2003 Survey of Small Business Finances (SSBF). You are very important to this study, and we want you to have every opportunity to fully participate in research designed to help ensure equal access to credit to all American small business owners.

We understand that you have many demands on your time. Therefore, we make every effort to conduct the telephone interview at your convenience. The interview can be broken up into shorter sessions to fit your busy schedule. Appointments can be scheduled at virtually any time: before or after work, during a weekend, at your convenience.

As a token of our appreciation, you will receive a check for **one hundred dollars (\$100)** for completing the main interview. Or, if you prefer, you can choose Dun and Bradstreet's Small Business Solutions® information package, which retails for \$199.

I have asked one of our interviewers to call you after you receive this letter in order to continue the interview. If you have questions about the study, or would like to schedule an interview appointment directly, please contact us at 1-800-692-4192 or by e-mail at [6128-ssbf@norc.net](mailto:6128-ssbf@norc.net).

To find out more information about the study and the organizations involved, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

Sincerely,

Carol-Ann Emmons

Project Director, Survey of Small Business Finances

P.S. In order to receive our token of appreciation of **\$100**, please complete the main survey as soon as possible, and no later than Friday, January 28<sup>th</sup>.

Appendix TT  
Email Message Sent to Main Respondents

Date 2004

Dear Recipient,

I am writing to confirm that you recently received a Federal Express package that contained a letter from me. As my letter explained, your participation in the 2003 Survey of Small Business Finances is critical. For the study to succeed in helping ensure equal access to credit for all U.S. small business owners, we need your help.

The fact is that we need you to participate in this legitimate, scientific and confidential study sponsored by the United States Federal Reserve Board.

As a token of our appreciation, you will receive a check for \$100 for completing the main interview. Or, if you prefer, you can choose the Dun and Bradstreet Small Business Solutions information package, which retails for \$199.

To learn more about how this study will benefit small businesses, and why your participation is so important, please visit [www.norc.uchicago.edu/ssbf](http://www.norc.uchicago.edu/ssbf) or [www.federalreserve.gov/ssbf](http://www.federalreserve.gov/ssbf).

We look forward to your input to this invaluable study that helps U.S. small businesses grow stronger and more competitive. Please expect a phone call in the next few days, if you have not already received a call, from one of our interviewers, who are trained to take you through the survey as efficiently as possible.

Best regards,

Carol Emmons, Project Director



Appendix UU  
Interviewer Letter for Sections P-S Conversions

To: All SSBF Interviewers

From: Bob Bailey

Date: September 30, 2004

Re: Section III, Income and Expenses, and Section IV, Balance Sheet

Copy: Mireya, Troy, Bob, Jessie, Tim, Sadia, Terri, Tony, Shehzad, Mindy, Trish

The folks who do data review, editing, and delivery have reported the results of the completeness check. You may remember from training that the FRB has very specific limits on how many questions can be answered DK or RF in a case and still have it qualify as a completed interview with useful data. About 10% of the cases we complete are failing the check. Most of the cases that have failed the check have too much missing data in sections P, R, and S, that is, Income and Expenses, Assets, and Liabilities and Equity, where 75% of the questions have to be answered to pass the check. With the end so close, it's painful to realize that we've made it through the difficult sections and yet we're unable to collect the data we need in these last few sections.

When you encounter a respondent who is reluctant to report these amounts,

- Remind respondent about our assurance of confidentiality. Owner names and firm names will be removed from the data prior to public release. In the public data, firms are identified only by general characteristics such as "manufacturer in the Northeast." Only a handful of analysts at the FRB, literally 5 or 6 people, see the data with the identifiers attached, and they have signed extremely rigorous confidentiality agreements. They are prevented by law from revealing these data to unauthorized persons.
- Confidently ask for estimates and ranges as presented in the CATI questionnaire. Use all your skills as an interviewer to make the respondent comfortable with reporting at least an estimate or range. If respondent refuses, don't just accept that as the last word. It is true, they are allowed to refuse any questions they choose, but by this time they have invested quite a bit of time and energy in participating. We need to try to gently but firmly leverage that investment. One or two missing items in these sections will not be fatal, but routine repeated refusals to these questions will be. Make sure respondent is hearing each question and considering it, not just refusing on principle throughout a section.
- If respondent answers "Don't Know" to item after item in these sections, try to find out if there's a better respondent for these questions at the firm. We would prefer to interview a more knowledgeable respondent rather than push on to the finish and close the case with too much missing data.

Appendix VV  
Interviewer Monitoring Form

**MONITORING FORM****Rating scale:**

1=far exceeds expectations

2=exceeds expectations

3=meets expectations, no misses

4=mostly meets, a few misses

5=only rarely meets expectations

( ) Interviewing, ( ) Refusal Conversion

Monitored by

Date

Time

Case(s)

|                        |  |              |  |                |  |
|------------------------|--|--------------|--|----------------|--|
| Interviewer name       |  | Project name |  | Project number |  |
|                        |  | SSBF         |  | 6128 Main      |  |
| CALL 1                 |  | CALL 2       |  | CALL 3         |  |
| CALL 4                 |  |              |  |                |  |
| Monitored by           |  |              |  |                |  |
| Date                   |  |              |  |                |  |
| Time                   |  |              |  |                |  |
| Case(s)                |  |              |  |                |  |
| SCR MAIN               |  | SCR MAIN     |  | SCR MAIN       |  |
| Interviewer Signature: |  |              |  |                |  |

**PERFORMANCE ATTRIBUTE**

| A Phone Voice                                     |   | Rating | Comment | Dials Monitored Total: |
|---|---|--------|---------|------------------------|
| 1   | Sounds professional - confident tone and attitude   |        |         |                        |
| 2   | Pronounces key/technical words correctly            |        |         |                        |
| 3   | Speaks clearly and distinctly                       |        |         |                        |
| 4   | Speaks enthusiastically, not monotone               |        |         |                        |
| Further comments:                                 |   |        |         |                        |
|   |   |        |         |                        |
| B Screening For Respondents                       |   | Rating | Comment |                        |
| 1   | Understands screening protocol                      |        |         |                        |
| 2   | Maintains Confidentiality with Gatekeeper/Informant |        |         |                        |
| 3   | Handles difficult questions as directed             |        |         |                        |
| 4   | Identifies R/Screens properly.                      |        |         |                        |
| Further comments:                                 |   |        |         |                        |
|   |   |        |         |                        |
| C Gaining Cooperation/Refusal Aversion/Conversion |   | Rating | Comment |                        |
| 1   | Calls at appropriate times/intervals                |        |         |                        |
| 2   | Listens carefully/Responds appropriately            |        |         |                        |
| 3   | Identifies/Responds to Special Needs situations     |        |         |                        |
| 4   | Handles refusals and appointments correctly         |        |         |                        |
| Further comments:                                 |   |        |         |                        |
|   |   |        |         |                        |

Monitors on this form:

Screeners 1 2 3 4

Main 1 2

| D Reading Questionnaire/Instrument    |  | Rating | Comment |         |         |
|---------------------------------------|--|--------|---------|---------|---------|
| 1                                     | Reads verbatim                                   |        |         |         |         |
| 2                                     | Reads entire scale as directed                   |        |         |         |         |
| 3                                     | Uses appropriate pacing                          |        |         |         |         |
| 4                                     | Redirects/repeats questions without bias/leading |        |         |         |         |
| Further comments:                     |  |        |         |         |         |
|                                       |  |        |         |         |         |
| E Probing                             |  | Rating | Comment |         |         |
| 1                                     | Clarifies incomplete responses                   |        |         |         |         |
| 2                                     | Clarifies confused responses                     |        |         |         |         |
| 3                                     | Clarifies "Don't Know" responses                 |        |         |         |         |
| 4                                     | Probes aided/unaided questions as directed       |        |         |         |         |
| Further comments:                     |  |        |         |         |         |
|                                       |  |        |         |         |         |
| F Recording - Responses and Callnotes |  | Rating | Comment |         |         |
| 1                                     | Records open-end responses verbatim              |        |         |         |         |
| 2                                     | Spells understandably                            |        |         |         |         |
| 3                                     | Uses code sheets effectively                     | NA     |         |         |         |
| 4                                     | Records relevant info in callnotes               |        |         |         |         |
| 5                                     | Verifies preload information correctly           |        |         |         |         |
| Further comments:                     |  |        |         |         |         |
|                                       |  |        |         |         |         |
| G CATI Skills(Paper Study N/A)        |  | Rating | Comment |         |         |
| 1                                     | Uses correct disposition codes                   |        |         |         |         |
| 2                                     | Demonstrates mechanical proficiency              |        |         |         |         |
| 3                                     | Maneuvers well in systems.                       |        |         |         |         |
| 4                                     | Enters data correctly                            |        |         |         |         |
| Further comments:                     |  |        |         |         |         |
|                                       |  |        |         |         |         |
| H Locating/Tracing                    |  | Rating | Comment | Comment | Comment |
| I Paper Studies(CATI Studies N/A)     |  | Rating | Comment | Comment | Comment |
| Overall comments                      |  |        |         |         |         |
|                                       |  |        |         |         |         |
|                                       |  |        |         |         |         |

1=far exceeds expectations

2=exceeds expectations

3=meets expectations

4=mostly meets, a few misses

5=only rarely meets expectations

Appendix WW  
Sample PDR Form

---

**POLICY DECISION REQUEST FORM**

---

## 2003 Survey of Small Business Finances

|                                    |  |
|------------------------------------|--|
| PDR Number                         | 3  |
| Title                              | <b>Incorrectly Defined MRL-Only Institutions</b> |
| Date Created                       | <b>September 14, 2004</b>                        |
| Name of Person Who Created Request |  |
| Track+ Ticket                      |  |
| Date of last revision              | <b>2/03/05</b>                                   |
| Who last revised?                  | <b>NORC</b>                                      |

|                        |   |
|------------------------|---|
| Description of Problem | <p>Financial institutions used for a most recent loan only (MRL-only) have a different skip pattern and – importantly – a different text fill for a key question in subsection H, compared to other financial institutions.</p> <p>The CATI program (since fixed) had incorrectly defined an MRL-only institution as: A financial institution for which the firm most recently applied for a loan that was approved (MRL5 or READ18A), OR for a loan that was denied (MRL23 or READ20A), AND that was not used by the firm for any other services in section G (no, DK/RF for G1 and G3 and G5 and G7 and G9 and G11).</p> <p>The actual FRB-approved definition of an MRL-only institution is as follows:</p> <ol style="list-style-type: none"><li>1. Most recent approved-loan institution or most recent denied-loan institution (i.e. MRL5 or READ18A or MRL23 or READ20A equals the institution at roster position X), AND,</li><li>2. Firm has no other services at that institution (i.e. no checking (E2 loops), no savings (E4 loops), no lines of credit (F8 loops), no mortgages (F21 loops), no motor vehicle loans (F28 loops), no equipment loans (F34 loops), no capital leases (F51 loops), no other loans (F55 loops), no transaction services (G2 loops), no cash mgt services (G4 loops), no credit services (G6 loops), no trust services (G8 loops), no brokerage services (G10 loops), and no card services (G12 loops).</li></ol> <p>The correct MRL-only definition is narrower than the incorrect definition. As a result, too many institutions were defined as MRL-only institutions. In actuality, these institutions were used by firms for a most recent denied or approved loan AND for other services, such as checking and saving accounts, mortgages for business purposes, etc.</p> |
|------------------------|---|

Our investigation reveals that 158 financial institutions were incorrectly defined MRL-only institutions. We believe all these situations are eligible candidates for data retrieval – even cases in which a respondent used a disguised institution name.

The area of data retrieval is subsection H, including the zip code, branch and bank ID look-up functions. Specifically:

- Affected cases have skipped questions H3 through H4.5. These questions cover two topics: (1) What factors influenced a firm's decision to use the institution? [for all services, not just as a loan institution] And (2) For how long has the firm conducted business with the financial institution? For an MRL-only institution, H3 through H4.5 are redundant to questions in subsection MRL; for an institution used by a firm for multiple services, H3-H4.5 are similar but not redundant to their MRL counterparts
- The text fill for READ24 is asked incorrectly, therefore the data from READ24 through H8 are suspect.
  - o Affected cases have been asked about the office or branch of the institution where the firm applied for the loan, *not* the office or branch that the firm used most frequently. This is a text-fill error with significant consequences. While the branch used by the firm most frequently may in fact be the same branch where the firm applied for the loan, there is, of course, no guarantee that the branches are the same. This means that READ24 and all subsequent questions through H8, including look-up functions, need to be considered for data retrieval. The READ24-H8 series identifies the physical location of a branch, if and how the respondent should be asked the distance in miles from the firm's main office to the institution branch office, and the most frequent method of conducting business with the branch.

#### Recommended Solution

##### Overview

NORC recommends data retrieval for all 158 institutions incorrectly defined as MRL-only. We have examined the data and know that no case had more than one incorrectly defined MRL-only institution (it is possible for a case to have two such institutions, one for the most recently approved loan and one for the most recently denied loan). Therefore we have identified unique 158 cases requiring data retrieval.

We recommend that for each case, range(s) of questions from H3 through H8 be asked. These ranges may include zip code, branch and institution look-up functions. We do not believe any other questions are required, other than an introduction question. See Table 1 for the six conditions that determine which parts of section H are included in the data retrieval for each case.

All cases, regardless of conditions, will be asked H3 and H4, and may be asked H4.1, H4.2, H4.3, H4.4 or H4.5,



depending on the responses to the questions and the questionnaire skip logic. All cases will also be asked H8.

For MRL-only data retrieval, READ24 will have no text fill – it will always be: “Think of the office or branch of (NAME) that the firm used most frequently.”

We propose modifying SKIP57 so that all respondents who reach that point in the instrument are asked H6.2, for several reasons. One, because the interview is going to be recorded on paper (not CATI, see below), we will not have the ability to do computerized matching of MSAs or counties. Second, because in this follow-up interview we do not discuss the firm’s location, this question is unlikely to seem redundant or irritating to respondents – we are simply asking if the institution branch is located in the same metropolitan area or county as the firm’s main office. Third, each respondent is asked this question only once, further minimizing any possibility of respondent annoyance.

#### Methodology

Interviews will be conducted by telephone by, initially, a specially trained supervisor. (Later, we may have a small number of trained interviewers on the task.) The supervisor or interviewer will use a paper form and face sheet to conduct the interview and to record responses. NORC will submit a draft paper questionnaire and face sheet for FRB approval. The face sheet will contain all information necessary to conduct the interview and will provide a log for recording call attempts and disposition codes.

For zip code, branch location and bank ID look-ups, the interviewer will use existing CATI databases.

NORC proposes beginning data retrieval the week of Sep-20 with 119 cases for which MRL-only is the only data retrieval issue. The remaining 39 cases potentially have other data-retrieval issues. To cause the least amount of inconvenience to respondents, and to conduct data retrieval as efficiently as possible, NORC will aggregate all data-retrieval questions into a single questionnaire for each of these 39 cases.

Table 1. Conditions that Determine Which Parts of Section H are Included in Data Retrieval

| Condition | Disguised institution (XXX) or non-depository institution (H2≠1 or 14)? | New Branch is phone or Internet (H5=-1) | Question Sections (includes existing skip patterns within sections)  |
|-----------|---|---|--|
| 1         | No  | No                                      | H3 through H4.5; READ24 through H5.3 (zip code look-up); H6-H6.1 (branch and institution look-up); H6.2 through H8 |
| 2         | Yes   | No                                      | H3 through H4.5; READ24 through H5.3 (zip code look-up); H6.2 through H8   |
| 3         | No  | Yes                                     | H3 through H4.5; READ24 through H5 (no zip code look-up, but a look-up of the main institution); H8                |
| 4         | Yes   | Yes                                     | H3 through H4.5; READ24 through H5; (no zip code look-up or branch/institution look-ups); H8                       |

|                       |   |                        |  |
|-----------------------|---|------------------------|--|
| Alternative Solutions |   |                        |  |
| FRB Comments          |   |                        |  |
| FRB-Approved Solution |   |                        |  |
| Date CATI Revised     | The production version of CATI was fixed to reflect to FRB-approved version of an MRL-only institution as of August 25, 2004. All cases started after this date do not have the MRL-only problem; pending cases as of August 25, 2004 may require data retrieval. | Date Hard Copy Revised | The hard-copy version of the main quex requires a fuller and more accurate definition of an MRL-only institution in Programmer Note for READ24 (p.199 before H5). NORC will submit a definition for FRB approval the week of Sep-20. |

| Date Added | Case ID  | Identify All Affected Variables and How Each Variable Was Affected | NORC Recommended Action(s) | FRB-Approved Action Plan | Completeness test result | Other Data Retrieval Needed (Y/N)? | Status              |
|------------|----------|--|----------------------------|--------------------------|--------------------------|------------------------------------|---------------------|
|            | 20000190 | H3 through H8 may be missing and/or incorrect                      | Retrieval                  | Retrieval                |                          | N                                  | Retrieval completed |
|            | 20002180 | H3 through H8 may be missing and/or incorrect                      | Retrieval                  | Retrieval                |                          | N                                  | Retrieval completed |

Appendix XX  
Drop/Add Form for Services and Institutions

FOR SUPERVISOR USE ONLY

Exhibit #5

**Dropped or Added  
Financial Institution and Service Form**

Please complete this form WITH A SUPERVISOR if you are conducting an interview and the respondent remembers a financial institution or service *after* you have already gone through the appropriate section of the interview, remembers that a particular loan or service is not related to business, or an institution was entered under the wrong service category.

**Section A: Case Information and Institution Name**

Complete this section for EACH dropped or added service. NOTE: A service that was entered in the wrong category (e.g., a line of credit that should be a mortgage) must be dropped AND added, please submit these forms together.

DATE: \_\_\_\_\_

INTERVIEWER NAME: \_\_\_\_\_

SU\_ID (ALSO KNOWN AS CASE ID) \_\_\_\_\_

INSTITUTION NAME: \_\_\_\_\_

CIRCLE ONE:          DROP          ADD          MOVE DROP          MOVE ADD

FINANCIAL SERVICE: (Below, circle action and one type of service per form. Additional services require additional forms. ONE SERVICE PER FORM ONLY)

| DEPOSIT                                 | LOAN                                    | OTHER                         |
|---|---|-------------------------------|
| Checking                                | Line of Credit                          | Transaction Service           |
| Savings                                 | Capital Lease                           | Cash Management Service       |
| COMPLETE "SECTION B" ON<br>BACK OF FORM | Mortgage                                | Credit-related Service        |
|   | Motor Vehicle                           | Trust Service                 |
|   | Equipment                               | Brokerage Service             |
|   | Other Loan (see Q7)                     | Card-processing Service       |
|   | COMPLETE "SECTION C"<br>ON BACK OF FORM | THIS FORM IS NOW<br>COMPLETE. |

IF THE SERVICE WAS DROPPED, THIS FORM IS NOW COMPLETE.

## Section B: Checking or Savings Accounts

1. Current balance, or balance as of last statement: \$ \_\_\_\_\_

## Section C: Loans

1. Number of loans at institution named above: \_\_\_\_\_

2. Total credit limit (for lines of credit only): \_\_\_\_\_

3. Amount owed on loan(s) currently: \_\_\_\_\_

4. Was a personal guaranty, cosigner, etc. required? YES NO

5. Was collateral required? YES (Ask 5a) NO

- 5a. What collateral was required? (Circle all that apply)

- |                                      |     |    |
|--------------------------------------|-----|----|
| 1) inventory or accounts receivable  | YES | NO |
| 2) equipment or vehicles             | YES | NO |
| 3) business securities or deposits   | YES | NO |
| 4) business real estate              | YES | NO |
| 5) personal real estate              | YES | NO |
| 6) other personal assets             | YES | NO |
| 7) other ( <i>please describe</i> .) | YES | NO |

Describe: \_\_\_\_\_

6. For lines of credit, was a compensating balance in checking or savings required?

YES NO

7. If "other loan" selected in Section A, please specify what loan was for:

\_\_\_\_\_  
\_\_\_\_\_

THIS FORM IS FOR SUPERVISOR USE ONLY.

Appendix YY  
Final Production Report

**2003 SSBF  
Hours Progress Report  
for Week Ending  
February 05, 2005 - Final**

|                           | <u>This Week</u> | <u>To Date</u> |
|---------------------------|------------------|----------------|
| <b><u>Supervisors</u></b> |                  |                |
| Total Supervisor Hours    | 84.5             | 11,564.0       |
| Supervision Hours         | 84.5             | 9,087.1        |
| Training Hours            | 0.0              | 2,476.9        |
| Number of Supervisors     | 6                | N/A            |

**Interviewers**

|                              |    |     |
|------------------------------|----|-----|
| Total Number of Interviewers | 13 | N/A |
|------------------------------|----|-----|

**Screeners**

|   |     |          |
|---|-----|----------|
| Completed Interviews                    | 0   | 14,061   |
| Average Interviewer Hours per Completed | 0.0 | 1.1      |
| Interviewer Hours                       | 0.0 | 15,401.5 |
| Number of Interviewers                  | 0   | N/A      |

**Main**

|  |      |          |
|--|------|----------|
| *Completed Interviews                    | 35   | 4,583    |
| *Average Interviewer Hours per Completed | 2.3  | 3.7      |
| Interviewer Hours                        | 79.3 | 16,772.6 |
| Number of Interviewers                   | 13   | N/A      |

\*Note: This value includes all completed cases regardless of whether they have passed the completeness check.



**2003 SSBF  
Weekly Progress Report  
For Week of  
February 05, 2005 - Final**

Quex Type: Main  
Batch: ALL

|   | <u>This Week</u> | <u>To Date</u> |
|---|------------------|----------------|
| Yield^                                      | 7.0%             | 47.3%          |
| Cases Released                              | 0                | 9,687          |
| +Actual Cases Completed based on TNMS       | 35               | 4,583          |
| Passed Completeness Check                   | 32               | 4,268          |
| *Partially Completed Cases                  | 604              | N/A            |
| *Non-Contacted Cases                        | 2,222            | N/A            |
| Post-Interview Processed Cases              | 35               | 4,583          |
| +Average Calls per Completed Case           | 25.2             | 13.7           |
| *Average Calls per Partially Completed Case | 32               | N/A            |
| *Average Calls per Non-Contacted Case       | 25.0             | N/A            |
| Average Days in Queue per Pending Case      | 55.4             | 79.5           |
| +Average Days in Queue per Completed Case   | 81.8             | 34.7           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

+Note: This value includes all completed cases regardless of whether they have passed the completeness check.

^Yield = Cases completed based on TNMS / Cases work.



**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Main  
Batch: 1

|   | <u>This Week</u> | <u>To Date</u> |
|---|------------------|----------------|
| Yield^                                      | 13.6%            | 50.5%          |
| Cases Released                              | 0                | 2,222          |
| +Actual Cases Completed based on TNMS       | 3                | 1,123          |
| Passed Completeness Check                   | 3                | 1,043          |
| *Partially Completed Cases                  | 143              | N/A            |
| *Non-Contacted Cases                        | 476              | N/A            |
| Post-Interview Processed Cases              | 3                | 1,123          |
| +Average Calls per Completed Case           | 42.7             | 15.5           |
| *Average Calls per Partially Completed Case | 39               | N/A            |
| *Average Calls per Non-Contacted Case       | 31.4             | N/A            |
| Average Days in Queue per Pending Case      | 190.2            | 123.3          |
| +Average Days in Queue per Completed Case   | 202.0            | 43.7           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

+Note: This value includes all completed cases regardless of whether they have passed the completeness check.

^Yield = Cases completed based on TNMS / Cases work.

**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Main  
Batch: 2

|   | <u>This Week</u> | <u>To Date</u> |
|---|------------------|----------------|
| Yield^                                      | 33.3%            | 52.0%          |
| Cases Released                              | 0                | 2,276          |
| +Actual Cases Completed based on TNMS       | 3                | 1,184          |
| Passed Completeness Check                   | 3                | 1,066          |
| *Partially Completed Cases                  | 141              | N/A            |
| *Non-Contacted Cases                        | 526              | N/A            |
| Post-Interview Processed Cases              | 3                | 1,184          |
| +Average Calls per Completed Case           | 45.3             | 15.5           |
| *Average Calls per Partially Completed Case | 42               | N/A            |
| *Average Calls per Non-Contacted Case       | 32.0             | N/A            |
| Average Days in Queue per Pending Case      | 167.0            | 103.9          |
| +Average Days in Queue per Completed Case   | 143.0            | 41.2           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

+Note: This value includes all completed cases regardless of whether they have passed the completeness check.

^Yield = Cases completed based on TNMS / Cases work.

**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Main  
Batch: 3

|   | <u>This Week</u> | <u>To Date</u> |
|---|------------------|----------------|
| Yield^                                      | 18.5%            | 50.9%          |
| Cases Released                              | 0                | 2,232          |
| +Actual Cases Completed based on TNMS       | 5                | 1,136          |
| Passed Completeness Check                   | 4                | 1,069          |
| *Partially Completed Cases                  | 134              | N/A            |
| *Non-Contacted Cases                        | 492              | N/A            |
| Post-Interview Processed Cases              | 5                | 1,136          |
| +Average Calls per Completed Case           | 34.4             | 12.9           |
| *Average Calls per Partially Completed Case | 33               | N/A            |
| *Average Calls per Non-Contacted Case       | 28.5             | N/A            |
| Average Days in Queue per Pending Case      | 113.4            | 77.5           |
| +Average Days in Queue per Completed Case   | 111.4            | 32.0           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

+Note: This value includes all completed cases regardless of whether they have passed the completeness check.

^Yield = Cases completed based on TNMS / Cases work.

**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Main  
Batch: 4

|   | <u>This Week</u> | <u>To Date</u> |
|---|------------------|----------------|
| Yield^                                      | 5.5%             | 38.6%          |
| Cases Released                              | 0                | 2,957          |
| +Actual Cases Completed based on TNMS       | 24               | 1,140          |
| Passed Completeness Check                   | 22               | 1,090          |
| *Partially Completed Cases                  | 186              | N/A            |
| *Non-Contacted Cases                        | 728              | N/A            |
| Post-Interview Processed Cases              | 24               | 1,140          |
| +Average Calls per Completed Case           | 18.5             | 9.1            |
| *Average Calls per Partially Completed Case | 19               | N/A            |
| *Average Calls per Non-Contacted Case       | 13.5             | N/A            |
| Average Days in Queue per Pending Case      | 46.8             | 43.2           |
| +Average Days in Queue per Completed Case   | 53.0             | 21.7           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

+Note: This value includes all completed cases regardless of whether they have passed the completeness check.

^Yield = Cases completed based on TNMS / Cases work.

**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Screener  
Batch: ALL  
Total Cases Released by Statistics: 23,798  
Total Unmetered Cases: 0  
Total Metered Cases: 23,798

|  | <u>This Week</u> | <u>To Date</u> |
|--|------------------|----------------|
| Cases Metered                                | 0                | 23,798         |
| Cases Screened                               | 0                | 14,061         |
| Eligible Cases Screened                      | 0                | 9,687          |
| Ineligible Cases Screened                    | 0                | 4,374          |
| *Partially Screened Cases                    | 0                | N/A            |
| *Virgin Cases - Not Called                   | 0                | N/A            |
| Average Calls per Completed Screener         | 0.0              | 7.0            |
| Average Calls per Pending Screener           | 0.0              | 15.8           |
| Average Days in Queue per Pending Screener   | 0.0              | 52.3           |
| Average Days in Queue per Completed Screener | 0.0              | 17.8           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Screener  
Batch: 1  
Total Cases Released by Statistics: 5,666  
Total Unmetered Cases: 0  
Total Metered Cases: 5,666

|  | <u>This Week</u> | <u>To Date</u> |
|--|------------------|----------------|
| Cases Metered                                | 0                | 5,666          |
| Cases Screened                               | 0                | 3,168          |
| Eligible Cases Screened                      | 0                | 2,222          |
| Ineligible Cases Screened                    | 0                | 946            |
| *Partially Screened Cases                    | 0                | N/A            |
| *Virgin Cases - Not Called                   | 0                | N/A            |
| Average Calls per Completed Screener         | 0.0              | 6.8            |
| Average Calls per Pending Screener           | 0.0              | 13.4           |
| Average Days in Queue per Pending Screener   | 0.0              | 45.4           |
| Average Days in Queue per Completed Screener | 0.0              | 16.4           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Screener  
Batch: 2  
Total Cases Released by Statistics: 5,666  
Total Unmetered Cases: 0  
Total Metered Cases: 5,666

|  | <u>This Week</u> | <u>To Date</u> |
|--|------------------|----------------|
| Cases Metered                                | 0                | 5,666          |
| Cases Screened                               | 0                | 3,291          |
| Eligible Cases Screened                      | 0                | 2,276          |
| Ineligible Cases Screened                    | 0                | 1,015          |
| *Partially Screened Cases                    | 0                | N/A            |
| *Virgin Cases - Not Called                   | 0                | N/A            |
| Average Calls per Completed Screener         | 0.0              | 7.8            |
| Average Calls per Pending Screener           | 0.0              | 17.2           |
| Average Days in Queue per Pending Screener   | 0.0              | 52.0           |
| Average Days in Queue per Completed Screener | 0.0              | 18.1           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005



**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Screener  
Batch: 3  
Total Cases Released by Statistics: 5,666  
Total Unmetered Cases: 0  
Total Metered Cases: 5,666

|  | <u>This Week</u> | <u>To Date</u> |
|--|------------------|----------------|
| Cases Metered                                | 0                | 5,666          |
| Cases Screened                               | 0                | 3,278          |
| Eligible Cases Screened                      | 0                | 2,232          |
| Ineligible Cases Screened                    | 0                | 1,046          |
| *Partially Screened Cases                    | 0                | N/A            |
| *Virgin Cases - Not Called                   | 0                | N/A            |
| Average Calls per Completed Screener         | 0.0              | 6.7            |
| Average Calls per Pending Screener           | 0.0              | 14.7           |
| Average Days in Queue per Pending Screener   | 0.0              | 42.8           |
| Average Days in Queue per Completed Screener | 0.0              | 14.7           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

**SSBF**  
**Weekly Progress Report**  
**For Week of**  
**February 05, 2005 - Final**

Quex Type: Screener  
Batch: 4  
Total Cases Released by Statistics: 6,800  
Total Unmetered Cases: 0  
Total Metered Cases: 6,800

|  | <u>This Week</u> | <u>To Date</u> |
|--|------------------|----------------|
| Cases Metered                                | 0                | 6,800          |
| Cases Screened                               | 0                | 4,324          |
| Eligible Cases Screened                      | 0                | 2,957          |
| Ineligible Cases Screened                    | 0                | 1,367          |
| *Partially Screened Cases                    | 0                | N/A            |
| *Virgin Cases - Not Called                   | 0                | N/A            |
| Average Calls per Completed Screener         | 0.0              | 6.7            |
| Average Calls per Pending Screener           | 0.0              | 18.6           |
| Average Days in Queue per Pending Screener   | 0.0              | 69.8           |
| Average Days in Queue per Completed Screener | 0.0              | 21.0           |

\* Note: Value represents the number of cases in the category at the end of the week of 2/5/2005

Appendix ZZ  
Number of Calls to Complete by Main Interview

### Frequency of Call Attempts for Completed Mains\*

| # of Calls | Frequency | Percentage | Cumulative Percentage |
|------------|-----------|------------|-----------------------|
| 1          | 275       | 6.4        | 6.4                   |
| 2          | 307       | 7.2        | 13.6                  |
| 3          | 292       | 6.8        | 20.5                  |
| 4          | 290       | 6.8        | 27.3                  |
| 5          | 249       | 5.8        | 33.1                  |
| 6          | 206       | 4.8        | 37.9                  |
| 7          | 209       | 4.9        | 42.8                  |
| 8          | 168       | 3.9        | 46.8                  |
| 9          | 171       | 4.0        | 50.8                  |
| 10         | 140       | 3.3        | 54.1                  |
| 11         | 127       | 3.0        | 57.0                  |
| 12         | 144       | 3.4        | 60.4                  |
| 13         | 116       | 2.7        | 63.1                  |
| 14         | 96        | 2.3        | 65.4                  |
| 15         | 103       | 2.4        | 67.8                  |
| 16         | 102       | 2.4        | 70.2                  |
| 17         | 107       | 2.5        | 72.7                  |
| 18         | 72        | 1.7        | 74.4                  |
| 19         | 72        | 1.7        | 76.1                  |
| 20         | 79        | 1.9        | 77.9                  |
| 21         | 56        | 1.3        | 79.2                  |
| 22         | 62        | 1.5        | 80.7                  |
| 23         | 63        | 1.5        | 82.2                  |
| 24         | 56        | 1.3        | 83.5                  |
| 25         | 55        | 1.3        | 84.8                  |
| 26         | 43        | 1.0        | 85.8                  |
| 27         | 43        | 1.0        | 86.8                  |
| 28         | 36        | 0.8        | 87.6                  |
| 29         | 38        | 0.9        | 88.5                  |
| 30         | 37        | 0.9        | 89.4                  |
| 31         | 29        | 0.7        | 90.1                  |
| 32         | 33        | 0.8        | 90.8                  |
| 33         | 29        | 0.7        | 91.5                  |
| 34         | 29        | 0.7        | 92.2                  |
| 35         | 23        | 0.5        | 92.7                  |
| 36         | 26        | 0.6        | 93.3                  |

\*Completed Mains are 19/1, i.e. those that passed the completeness test.

- Dispositions 15/99 and 15/182 in the call history file are not considered call attempts.

Frequency of Call Attempts for Completed Mains\* **(Continued)**

| # of Calls | Frequency | Percentage | Cumulative Percentage |
|------------|-----------|------------|-----------------------|
| 37         | 26        | 0.6        | 93.9                  |
| 38         | 23        | 0.5        | 94.5                  |
| 39         | 18        | 0.4        | 94.9                  |
| 40         | 17        | 0.4        | 95.3                  |
| 41         | 11        | 0.3        | 95.6                  |
| 42         | 18        | 0.4        | 96.0                  |
| 43         | 16        | 0.4        | 96.4                  |
| 44         | 13        | 0.3        | 96.7                  |
| 45         | 8         | 0.2        | 96.8                  |
| 46         | 14        | 0.3        | 97.2                  |
| 47         | 12        | 0.3        | 97.5                  |
| 48         | 5         | 0.1        | 97.6                  |
| 49         | 11        | 0.3        | 97.8                  |
| 50         | 8         | 0.2        | 98.0                  |
| 51         | 7         | 0.2        | 98.2                  |
| 52         | 4         | 0.1        | 98.3                  |
| 53         | 4         | 0.1        | 98.4                  |
| 54         | 5         | 0.1        | 98.5                  |
| 55         | 2         | 0.1        | 98.5                  |
| 56         | 7         | 0.2        | 98.7                  |
| 57         | 6         | 0.1        | 98.8                  |
| 58         | 3         | 0.1        | 98.9                  |
| 59         | 5         | 0.1        | 99.0                  |
| 60         | 3         | 0.1        | 99.1                  |
| 61         | 7         | 0.2        | 99.3                  |
| 62         | 3         | 0.1        | 99.3                  |
| 63         | 3         | 0.1        | 99.4                  |
| 64         | 2         | 0.1        | 99.4                  |
| 65         | 3         | 0.1        | 99.5                  |
| 66         | 2         | 0.1        | 99.6                  |
| 67         | 3         | 0.1        | 99.6                  |
| 69         | 1         | 0.0        | 99.7                  |
| 71         | 3         | 0.1        | 99.7                  |
| 72         | 1         | 0.0        | 99.7                  |
| 73         | 1         | 0.0        | 99.8                  |

\*Completed Mains are 19/1, i.e. those that passed the completeness test.

- Dispositions 15/99 and 15/182 in the call history file are not considered call attempts.

Frequency of Call Attempts for Completed Mains\* **(Continued)**

| # of Calls | Frequency | Percentage | Cumulative Percentage |
|------------|-----------|------------|-----------------------|
| 75         | 2         | 0.1        | 99.8                  |
| 77         | 2         | 0.1        | 99.9                  |
| 79         | 2         | 0.1        | 99.9                  |
| 84         | 1         | 0.0        | 99.9                  |
| 92         | 1         | 0.0        | 100.0                 |
| 94         | 1         | 0.0        | 100.0                 |
| 103        | 1         | 0.0        | 100.0                 |
| Total      | 4,268     | 100.0%     | 100.0%                |

\*Completed Mains are 19/1, i.e. those that passed the completeness test.

- Dispositions 15/99 and 15/182 in the call history file are not considered call attempts.

Appendix AAA  
Level of Effort by Main Final Disposition Codes

**Level of Effort/Average Number of Calls by Final Main Disposition\***

| Final Disposition | Final Status   | # Cases | % Total Cases | # Calls | % Calls | Level of Effort/ Avg. # of Calls |
|-------------------|--|---------|---------------|---------|---------|----------------------------------|
| 19/1              | Completed interview  | 4,268   | 44.06         | 57,907  | 31.12   | 13.6                             |
| 19/2              | Not completed based on FRB completeness test                 | 315     | 3.25          | 4,772   | 2.56    | 15.2                             |
| 25/1              | Final language barrier                                       | 17      | 0.18          | 259     | 0.14    | 15.2                             |
| 25/92             | Subsampled out batch 1                                       | 384     | 3.96          | 7,120   | 3.83    | 18.5                             |
| 25/94             | Subsampled out batch 2                                       | 381     | 3.93          | 9,206   | 4.95    | 24.2                             |
| 25/96             | Subsampled out batch 3                                       | 348     | 3.59          | 7,911   | 4.25    | 22.7                             |
| 25/99             | Final Ineligible – Screened out During Main                  | 224     | 2.31          | 3,100   | 1.67    | 13.8                             |
| 33/66             | Final Privacy Manager  | 3       | 0.03          | 47      | 0.03    | 15.7                             |
| 33/90             | Final Non-Contact w/All No Answer or All Busy <sup>(1)</sup> | 16      | 0.17          | 10      | 0.01    | 0.63                             |
| 33/91             | Final Unavailable  | 1202    | 12.41         | 28,547  | 15.34   | 23.8                             |
| 33/92             | Final Answering Machine                                      | 67      | 0.69          | 668     | 0.36    | 10.0                             |
| 33/93             | Final Proxy Refusal  | 155     | 1.60          | 4,414   | 2.37    | 28.5                             |
| 33/94             | Final Away For Entire Field Period                           | 18      | 0.19          | 375     | 0.20    | 20.8                             |
| 33/95             | Final R/Owner Refusal  | 1,278   | 13.19         | 31,938  | 17.16   | 25.0                             |
| 33/96             | Final Physically/Mentally Incapacitated                      | 11      | 0.11          | 68      | 0.04    | 6.2                              |
| 33/97             | Final Gatekeeper Refusal                                     | 326     | 3.37          | 10495   | 5.64    | 32.2                             |
| 33/98             | Final Partially Complete                                     | 386     | 3.98          | 14371   | 7.72    | 37.2                             |
| 33/99             | Final Hostile Refusal  | 288     | 2.97          | 4868    | 2.62    | 16.9                             |
| All               |  | 9,687   | 100.00        | 186,076 | 100.00  | 19.2                             |

\*All final dispositions including dispositions for types of non-interviews.

<sup>(1)</sup> Some of these cases likely went into main interviewing near the end of data collection, and only had one opportunity to be called. Six cases got “stuck” in the call management system and were never called during main interviewing.



Appendix BBB  
Interim Delivery Schedule

## Interim Delivery Schedule

| Date                         | Type of Delivery |
|------------------------------|------------------|
| July 23 <sup>rd</sup> , 2004 | Main             |
| July 30 <sup>th</sup>        | Screener         |
| August 6 <sup>th</sup>       | Main             |
| August 13 <sup>th</sup>      | Screener         |
| August 20 <sup>th</sup>      | Main             |
| August 27 <sup>th</sup>      | Screener         |
| September 3 <sup>rd</sup>    | Main             |
| September 10 <sup>th</sup>   | Screener*        |
| September 17 <sup>th</sup>   | Main             |
| October 1 <sup>st</sup>      | Main             |
| October 8 <sup>th</sup>      | Screener         |
| October 15 <sup>th</sup>     | Main             |
| October 29 <sup>th</sup>     | Main             |
| November 5 <sup>th</sup>     | Screener         |
| November 12 <sup>th</sup>    | Main             |
| December 3 <sup>rd</sup>     | Main**           |
| December 10 <sup>th</sup>    | Screener         |
| December 17 <sup>th</sup>    | Main             |
| January 7 <sup>th</sup>      | Main **          |
| January 14 <sup>th</sup>     | Screener         |
| January 21 <sup>st</sup>     | Main             |

\* This was the final biweekly screener delivery; subsequent screener deliveries were scheduled every fourth week.

\*\* These two main deliveries were each postponed one week from the normal biweekly schedule in order to accommodate holiday schedules, so they occur three weeks after the previous main delivery instead of two weeks. The following screener deliveries were also pushed back, and so occur five weeks after the previous screener delivery instead of four weeks.

Appendix CCC  
Logistic Regression Results

## **Appendix CCC: Logistic Regression Results**

### **Screener**

The response variable was binary where 1 indicated that the case was a screener respondent and 0 a nonrespondent. The explanatory variables were coded as follows:

- Urban/rural status: 1=urban, 2=rural;
- State: the 50 states and the District of Columbia;
- Business status: 1=Single Location, 2=Headquarters;
- Industry type: 1= Construction/Mining, 2=Manufacturing, 3= Transportation, Communications and Utilities, 4=Wholesale Trade, 5=Retail Trade, 6= Finance, Insurance and Real Estate, 7= Non-classifiable Establishments/Business Services, and 8= Professional Services;
- Business type: 1= Proprietorship, 2=Partnership, and 3=Corporation;
- Number of employees; and
- Credit score percentile

The last two variables were continuous. Goodness-of-fit statistics indicated that the model provided a satisfactory fit to the data. For each categorical variable, the omitted category is the reference category.

**Table 0.1. Screener Estimated Coefficients, Standard Errors, the Wald Statistic and P-Values**

| Parameter          | Estimate | Standard Error | Wald Chi-Square | Pr > ChiSq |
|--------------------|----------|----------------|-----------------|------------|
| Intercept          | 0.2521   | 0.0576         | 19.1674         | <.0001     |
| Urban/Rural: Rural | 0.1403   | 0.0263         | 28.5388         | <.0001     |
| State: AK          | -0.1063  | 0.2683         | 0.157           | 0.6919     |
| State: AL          | 0.1612   | 0.1447         | 1.2407          | 0.2653     |
| State: AR          | 0.0158   | 0.1898         | 0.007           | 0.9335     |
| State: AZ          | -0.2545  | 0.127          | 4.0162          | 0.0451     |
| State: CA          | -0.4192  | 0.0543         | 59.5646         | <.0001     |
| State: CO          | 0.0372   | 0.1167         | 0.1017          | 0.7498     |
| State: CT          | -0.3944  | 0.1347         | 8.5689          | 0.0034     |
| State: DC          | -0.4055  | 0.3085         | 1.7277          | 0.1887     |
| State: DE          | 0.1264   | 0.2995         | 0.178           | 0.6731     |
| State: FL          | -0.4194  | 0.0673         | 38.8215         | <.0001     |
| State: GA          | -0.1675  | 0.1029         | 2.6508          | 0.1035     |
| State: HI          | 0.2703   | 0.2266         | 1.4234          | 0.2329     |
| State: IA          | 0.1383   | 0.1831         | 0.571           | 0.4498     |
| State: ID          | 0.3111   | 0.2556         | 1.4816          | 0.2235     |
| State: IL          | -0.1667  | 0.089          | 3.5091          | 0.061      |
| State: IN          | -0.1915  | 0.1326         | 2.0855          | 0.1487     |
| State: KS          | 0.3703   | 0.1959         | 3.573           | 0.0587     |
| State: KY          | 0.4057   | 0.1848         | 4.8194          | 0.0281     |
| State: LA          | 0.2733   | 0.1442         | 3.5909          | 0.0581     |
| State: MA          | -0.448   | 0.1016         | 19.4287         | <.0001     |
| State: MD          | -0.2122  | 0.1156         | 3.3696          | 0.0664     |
| State: ME          | 0.2433   | 0.2518         | 0.9334          | 0.334      |
| State: MI          | -0.1657  | 0.0917         | 3.2627          | 0.0709     |
| State: MN          | 0.1008   | 0.1295         | 0.6055          | 0.4365     |
| State: MO          | -0.0647  | 0.1208         | 0.2869          | 0.5922     |
| State: MS          | -0.051   | 0.2124         | 0.0577          | 0.8102     |
| State: MT          | 0.7876   | 0.3415         | 5.3183          | 0.0211     |
| State: NC          | -0.0385  | 0.099          | 0.1511          | 0.6975     |
| State: ND          | 0.6702   | 0.3988         | 2.8246          | 0.0928     |
| State: NE          | 0.168    | 0.2315         | 0.5267          | 0.468      |
| State: NH          | -0.0096  | 0.2367         | 0.0016          | 0.9676     |
| State: NJ          | -0.4888  | 0.0944         | 26.809          | <.0001     |
| State: NM          | -0.0825  | 0.2163         | 0.1453          | 0.7031     |
| State: NV          | -0.2405  | 0.1875         | 1.6461          | 0.1995     |
| State: NY          | -0.4063  | 0.0666         | 37.1862         | <.0001     |
| State: OH          | -0.3362  | 0.0916         | 13.4838         | 0.0002     |
| State: OK          | -0.00489 | 0.1666         | 0.0009          | 0.9766     |
| State: OR          | 0.0638   | 0.1371         | 0.2162          | 0.6419     |
| State: PA          | -0.0758  | 0.0854         | 0.7872          | 0.375      |

Table 0.1-continued

| Parameter   | Estimate | Standard Error | Wald Chi-Square | Pr > ChiSq |
|---|----------|----------------|-----------------|------------|
| State: RI   | -0.6521  | 0.2906         | 5.0358          | 0.0248     |
| State: SC   | -0.0696  | 0.1544         | 0.203           | 0.6523     |
| State: SD   | 0.4934   | 0.4027         | 1.5013          | 0.2205     |
| State: TN   | 0.0642   | 0.12           | 0.2861          | 0.5927     |
| State: TX   | -0.1983  | 0.0648         | 9.3499          | 0.0022     |
| State: UT   | 0.3322   | 0.1785         | 3.4621          | 0.0628     |
| State: VA   | -0.1205  | 0.1124         | 1.1497          | 0.2836     |
| State: VT   | 0.2298   | 0.3051         | 0.5673          | 0.4513     |
| State: WA   | -0.1161  | 0.1057         | 1.2076          | 0.2718     |
| State: WI   | 0.254    | 0.1301         | 3.8122          | 0.0509     |
| State: WV   | 0.4386   | 0.2726         | 2.5896          | 0.1076     |
| Status: Headquarters                                      | 0.1571   | 0.0294         | 28.5593         | <.0001     |
| Total employees   | 0.00061  | 0.000327       | 3.4797          | 0.0621     |
| Credit score percentile                                   | 0.0113   | 0.000579       | 383.1792        | <.0001     |
| Industry Type: Business Services & Nonclassified          | -0.0597  | 0.0364         | 2.6902          | 0.101      |
| Industry Type: Construction and Mining                    | -0.0942  | 0.0457         | 4.254           | 0.0392     |
| Industry Type: Finance, Insurance & Real Estate           | -0.1518  | 0.0631         | 5.7851          | 0.0162     |
| Industry Type: Manufacturing                              | 0.2208   | 0.0523         | 17.8464         | <.0001     |
| Industry Type: Professional Services                      | 0.0289   | 0.0388         | 0.5564          | 0.4557     |
| Industry Type: Retail Trade                               | 0.0246   | 0.0377         | 0.4248          | 0.5145     |
| Industry Type: Transportation, Communications & Utilities | -0.1825  | 0.0703         | 6.7373          | 0.0094     |
| Business Type: Corporation                                | 0.054    | 0.0297         | 3.3023          | 0.0692     |
| Business Type: Proprietorship                             | -0.2339  | 0.0314         | 55.4315         | <.0001     |

## Main

The response variable was binary where 1 indicated that the case was a main interview respondent and 0 a nonrespondent. The explanatory variables were the same as those used in the screener nonresponse logistic regression model except that business status (single-location versus headquarters) was replaced by screener respondent type. Screener respondent type was coded as: 1=Owner, 2=Proxy. Goodness of fit statistics indicated that the model provided a satisfactory fit to the data. For each categorical variable, the omitted category is the reference category.

**Table 0.2. Main Estimated Coefficients, Standard Errors, the Wald Statistic and P-Values**

| Parameter          | Estimate | Standard Error | Wald Chi-Square | Pr > ChiSq |
|--------------------|----------|----------------|-----------------|------------|
| Intercept          | -0.1686  | 0.0707         | 5.6869          | 0.0171     |
| Urban/Rural: Rural | 0.1071   | 0.0331         | 10.459          | 0.0012     |
| State: AK          | -0.1156  | 0.3406         | 0.1152          | 0.7343     |
| State: AL          | 0.1683   | 0.1844         | 0.833           | 0.3614     |
| State: AR          | -0.0639  | 0.2488         | 0.066           | 0.7973     |
| State: AZ          | -0.129   | 0.1775         | 0.5283          | 0.4673     |
| State: CA          | -0.123   | 0.0757         | 2.6393          | 0.1042     |
| State: CO          | 0.1723   | 0.1538         | 1.254           | 0.2628     |
| State: CT          | -0.3954  | 0.19           | 4.3336          | 0.0374     |
| State: DC          | -0.0821  | 0.4453         | 0.034           | 0.8537     |
| State: DE          | -0.4885  | 0.3832         | 1.6253          | 0.2023     |
| State: FL          | -0.2389  | 0.0977         | 5.9765          | 0.0145     |
| State: GA          | -0.1395  | 0.1434         | 0.9461          | 0.3307     |
| State: HI          | -0.2136  | 0.2596         | 0.6767          | 0.4107     |
| State: IA          | -0.0547  | 0.225          | 0.0591          | 0.8079     |
| State: ID          | 0.0172   | 0.2798         | 0.0038          | 0.9509     |
| State: IL          | -0.0452  | 0.1202         | 0.1411          | 0.7072     |
| State: IN          | 0.3105   | 0.1786         | 3.0242          | 0.082      |
| State: KS          | 0.3724   | 0.2333         | 2.5472          | 0.1105     |
| State: KY          | -0.0272  | 0.2088         | 0.017           | 0.8964     |
| State: LA          | -0.5962  | 0.1802         | 10.9466         | 0.0009     |
| State: MA          | 0.0594   | 0.1468         | 0.1637          | 0.6858     |
| State: MD          | 0.0981   | 0.1667         | 0.3462          | 0.5563     |
| State: ME          | 0.2749   | 0.2948         | 0.8696          | 0.3511     |
| State: MI          | 0.1027   | 0.1242         | 0.6838          | 0.4083     |
| State: MN          | 0.367    | 0.1618         | 5.1424          | 0.0233     |
| State: MO          | 0.2203   | 0.1597         | 1.9031          | 0.1677     |
| State: MS          | -0.5345  | 0.3021         | 3.1296          | 0.0769     |
| State: MT          | 0.2293   | 0.3492         | 0.431           | 0.5115     |
| State: NC          | 0.0226   | 0.13           | 0.0304          | 0.8616     |
| State: ND          | 0.5013   | 0.4517         | 1.2317          | 0.2671     |
| State: NE          | 0.0905   | 0.2851         | 0.1008          | 0.7509     |
| State: NH          | -0.1823  | 0.2951         | 0.3817          | 0.5367     |
| State: NJ          | -0.3559  | 0.1422         | 6.2652          | 0.0123     |
| State: NM          | -0.1466  | 0.2849         | 0.2647          | 0.6069     |
| State: NV          | 0.0978   | 0.2668         | 0.1344          | 0.7139     |
| State: NY          | -0.3489  | 0.0962         | 13.1489         | 0.0003     |
| State: OH          | -0.1874  | 0.1278         | 2.1496          | 0.1426     |
| State: OK          | 0.2398   | 0.2182         | 1.2074          | 0.2719     |
| State: OR          | -0.0298  | 0.1647         | 0.0328          | 0.8563     |
| State: PA          | -0.1199  | 0.1129         | 1.1278          | 0.2882     |
| State: RI          | -0.176   | 0.4329         | 0.1652          | 0.6844     |
| State: SC          | 0.0588   | 0.2128         | 0.0763          | 0.7823     |

Table 0.2-continued

| Parameter   | Estimate | Standard Error | Wald Chi-Square | Pr > ChiSq |
|---|----------|----------------|-----------------|------------|
| State: SD   | 0.0486   | 0.418          | 0.0135          | 0.9074     |
| State: TN   | 0.1006   | 0.1589         | 0.4009          | 0.5266     |
| State: TX   | -0.2993  | 0.0907         | 10.8945         | 0.001      |
| State: UT   | 0.5179   | 0.2304         | 5.0521          | 0.0246     |
| State: VA   | -0.1961  | 0.1553         | 1.5929          | 0.2069     |
| State: VT   | -0.0573  | 0.3391         | 0.0285          | 0.8659     |
| State: WA   | 0.112    | 0.1371         | 0.6671          | 0.4141     |
| State: WI   | 0.3281   | 0.1515         | 4.6898          | 0.0303     |
| State: WV   | 0.7425   | 0.3242         | 5.246           | 0.022      |
| Total employees   | -0.00125 | 0.000389       | 10.3147         | 0.0013     |
| Credit score percentile                                   | 0.00217  | 0.000794       | 7.4326          | 0.0064     |
| Industry Type: Business Services & Nonclassified          | 0.0665   | 0.0517         | 1.656           | 0.1981     |
| Industry Type: Construction and Mining                    | -0.2481  | 0.0641         | 14.9735         | 0.0001     |
| Industry Type: Finance, Insurance & Real Estate           | 0.0195   | 0.0871         | 0.0503          | 0.8226     |
| Industry Type: Manufacturing                              | 0.0908   | 0.0663         | 1.8731          | 0.1711     |
| Industry Type: Professional Services                      | 0.1211   | 0.0536         | 5.0986          | 0.0239     |
| Industry Type: Retail Trade                               | -0.0486  | 0.0514         | 0.8947          | 0.3442     |
| Industry Type: Transportation, Communications & Utilities | -0.084   | 0.0984         | 0.7285          | 0.3934     |
| Business Type: Corporation                                | 0.0187   | 0.04           | 0.219           | 0.6398     |
| Business Type: Proprietorship                             | 0.1203   | 0.043          | 7.8342          | 0.0051     |
| Respondent Type: Owner                                    | 0.5166   | 0.0264         | 383.8382        | <.0001     |