
MEMORANDUM

TO: E. J. Reedy and Alicia Robb, Ewing Marion Kauffman Foundation

FROM: David DesRoches

DATE: 1/30/2009
KFS – 134

SUBJECT: Proposed question additions to Kauffman Firm Survey questionnaire (revised)

I. INTRODUCTION

As part of the Kauffman Foundation's continuing outreach to Kauffman Firm Survey (KFS) data users, a request for proposals was issued in September 2008 for new questions to be added to the KFS Fourth Follow-Up questionnaire. A total of 25 questions were submitted through this process, and these were evaluated by MPR and the Foundation for their relevance to the KFS panel, the likely effect of adding the question on respondent burden and, and the potential issues involved in administering the question. This memo includes the questions approved through this evaluation process, as well as the other changes planned for the upcoming round of the KFS.

II. PROPOSED NEW QUESTIONS FOR THE FOURTH FOLLOW-UP

1. (Insert after C1b) In what year was [NAME BUSINESS] originally established?

YEAR

- (1) Don't know
- (2) Refused

2. (Insert after Question F6) (asked only of multi owner firms) In calendar year 2008, did two or more members of the same family own more than 50 percent of [NAME BUSINESS]? This would include spouses, parents, guardians, children, siblings, or close relatives.

- (1) Yes
- (2) No
- (3) Don't know
- (4) Refused

MEMO TO: E. J. Reedy and Alicia Robb
FROM: David DesRoches
DATE: 1/30/2009
PAGE: 2

3. (Insert after Question F14g) How much did the nation's recent financial problems, which became highly visible in 2008, affect [NAME BUSINESS] during calendar year 2008?

- (1) A Lot
- (2) Some
- (3) Not at all
- (4) Don't know
- (5) Refused

4. (Insert after Question F14g) What was the most challenging problem your business faced in calendar year 2008?

- (1) An inability to obtain credit
- (2) The cost and/or terms of credit
- (3) Slowing or lost sales
- (4) Falling real estate values
- (5) The unpredictability of business conditions
- (6) Other (Specify)
- (7) Don't know
- (8) Refused

5. (Insert after Question F19a) Investments in intangible assets are expenditures expected to produce long-term benefits for your business. They can include investments in R&D, software or databases, networks (e.g. collaborative relations with customers, R&D partners, suppliers), and business-specific investments such as brand development (e.g., advertising, marketing), organizational development (e.g., company formation expenses, management consulting), and worker training. Expenditures may refer to the cost of in-house activities in these areas (including the time of the business owner(s)), as well as services or licenses fees from outside providers. Did [NAME BUSINESS] have expenditures in any of these categories in calendar year 2008?

- (1) Yes
- (2) No
- (3) Don't know
- (4) Refused

MEMO TO: E. J. Reedy and Alicia Robb
FROM: David DesRoches
DATE: 1/30/2009
PAGE: 3

5a. Please estimate [NAME BUSINESS]'s total expenses on intangible assets for calendar year 2008.

\$ _____, _____, _____ TOTAL INTANGIBLE ASSET
EXPENDITURES IN CALENDAR
YEAR 2008

DON'T KNOW.....d

REFUSED.....r

IF DON'T KNOW OR REFUSED, PROBE WITH RANGES: Would you say it was . . .

\$500 or less,01

\$501 to \$1,000,02

\$1,001 to \$3,000,03

\$3,001 to \$5,000,04

\$5,001 to \$10,000,05

\$10,001 to \$25,000,06

\$25,001 to \$100,000,07

\$100,001 to \$1,000,000,08

\$1,000,001 or more?09

DON'T KNOW.....d

REFUSED.....r

6. (Insert after Question F31) Did [NAME BUSINESS] file for Chapter 11 bankruptcy protection at any time during calendar year 2008?

- (1) Yes
- (2) No
- (3) Don't know
- (4) Refused

7. (Insert after Question F31) Now I'd like you to think about the how much you expected [NAME BUSINESS] to grow since the business was started. How much do you think [NAME BUSINESS] met your expectations for growth between when the business started and December 31, 2008?

- (1) Exceeded
- (2) Met
- (3) Did not meet
- (4) Don't know
- (5) Refused

MEMO TO: E. J. Reedy and Alicia Robb
FROM: David DesRoches
DATE: 1/30/2009
PAGE: 4

8. (Insert after Question F31) Compared to [NAME BUSINESS]'s revenues for calendar year 2008, what do you expect [NAME BUSINESS]'s revenues will be in calendar year 2011?

- (1) Increase of 30% or more
- (2) Increase between 5-29%
- (3) Increase under 5% or no change
- (4) Decrease

9. (Insert after Question G10a) Including the equity in your home and business, what is your approximate total net worth, which are all your assets minus all debts?

- (1) Negative or zero net worth
- (2) Between \$1 and \$50,000
- (3) \$50,001 to \$100,000
- (4) \$100,001 to \$250,000
- (5) More than \$250,000
- (6) Don't know
- (7) Refused

10. (Insert after G10a) What is your marital status?

- (1) Married
- (2) Living in a marriage-like relationship
- (3) Widowed
- (4) Separated
- (5) Divorced
- (6) Never married
- (7) Don't know
- (8) Refused

11. (Insert after G10a) How much do you agree with the following statement?

In uncertain times, I usually expect the best.

- (1) I agree a lot
- (2) I agree a little
- (3) I neither agree nor disagree
- (4) I disagree a little
- (5) I disagree a lot
- (6) Don't know
- (7) Refused

MEMO TO: E. J. Reedy and Alicia Robb
FROM: David DesRoches
DATE: 1/30/2009
PAGE: 5

III. OTHER CHANGES

A. Removal of validation questions

During the First Follow-Up Survey questionnaire design effort, a number of questions were added to measure the consistency of the responses reported from year to year for some key items in the questionnaire (number of employees, revenue, and expenses). These questions asked respondents to estimate whether these measures increased, decreased, or stayed the same relative to the previous year, and to provide either a percentage (revenue and expenses), or a whole number (employees) of the changes. The questions were also included in the Second and Third Follow-Up surveys. These questions do not appear to be useful in analysis, and we will remove these questions (C5b, C5c, F16b, F16c, F17b, and F17c).

B. Removal of field of study questions

The Third Follow-Up Survey included a question recommended by the NSF which captures the field of study of the respondent's highest degree. Since this information is unlikely to change from year to year, we will remove these questions for the Fourth Follow-Up.