



DEPARTMENT OF COMMERCE

Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Annual Business Survey

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the Federal Register on September 22, 2023 during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: U.S. Census Bureau, Commerce.

Title: Annual Business Survey.

OMB Control Number: 0607-1004.

Form Number(s): ABS-1.

Type of Request: Regular submission, Request for a Revision of a Currently Approved Collection.

Number of Respondents: 230,000.

Average Hours Per Response: 29 minutes.

Burden Hours: 112,367.

Needs and Uses: In an effort to improve the measurement of business dynamics in the United States, the Census Bureau is conducting the 2025 Annual Business Survey (ABS), covering reference year 2024. The ABS combines Census Bureau firm-level collections to reduce respondent burden, increase data quality, reduce operational costs, and operate more

efficiently. The ABS measures research and development for microbusinesses, new business topics such as innovation and technology, as well as other business characteristics. Further, the ABS provides information on selected economic and demographic characteristics for businesses and business owners by sex, ethnicity, race, and veteran status. The 2025 ABS is co-sponsored by the National Center for Science and Engineering Statistics (NCSES) within the National Science Foundation (NSF) and conducted by the Census Bureau.

Estimates from the Research and Development section of the ABS are used as a part of the calculations for investment in quarterly GDP.

The ABS includes all nonfarm employer businesses filing Internal Revenue Service (IRS) tax forms as individual proprietorships, partnerships, or any other type of corporation, with receipts of \$1,000 or more. While the 2023 ABS sampled approximately 850,000 employer businesses to produce detailed statistics by owner demographics, last survey year 2024 ABS (reference year 2023), the sample was reduced to approximately 330,000 employer businesses and 8,000 nonprofits to reduce the burden on the respondents. For the 2025 ABS, we further reduced the sample to 222,000 employer businesses and 8,000 nonprofits. The reduced sample size will yield summary-level estimates by owner characteristics at the NAICS (North American Industry Classification System) sector level, U.S., state, metropolitan statistical area (MSA), and county levels. The Census Bureau uses administrative data to estimate the probability that a firm belongs in each owner characteristic category. The universe is then stratified by employment size, owner characteristic probability, and NAICS, with additional minor adjustments made to reduce the chance of respondents being selected into the sample every year thereby reducing respondent burden especially for smaller businesses. The sample is stratified by state, industry, and owner characteristics. The Census Bureau selects some companies with certainty based on volume of sales, payroll, and number of paid employees or NAICS. All certainty cases are sure to be selected and represent only themselves.

The 2025 ABS (reference year 2024) will also sample approximately 8,000 nonprofit

organizations to collect their research activities. Of note, nonprofit organizations will only see questions relating to research activities and will not be asked any questions relating to owner demographics.

A summary of the changes we are implementing in the 2025 ABS follows:

- Reduce sample size from 338,000 employer businesses and nonprofit organizations to 230,000.
- Introduce sampling changes that decrease the chances of respondents being selected into the survey year after year. Further, mail out strategy changes to remove chronic nonresponders.
- Remove Telephone Follow-Up to reduce the type of contacts we have with respondents and increase cost savings.
- Streamline content- Content removed includes questions on work from home, sexual orientation, gender identity, business collaboration with other entities like universities, and management practices.

The ABS is designed to be adaptive. New content each survey year can be incorporated based on topics of relevance. Each year, new questions will be submitted to the Office of Management and Budget (OMB) for approval. The ABS consists of a core set of questions that do not change, and a variable set of questions of topical relevance which change annually. The core questions, due to their stable nature, are cleared every three years along with 60- and 30-day notices published in the Federal Register. The core questions were last cleared in 2024. The variable topical questions are submitted to the Office of Management and Budget each year along with a 30-day notice.

Employer businesses will be asked questions about the sex, ethnicity, race, and veteran status for up to four persons owning the majority of rights, equity, or interest in the business. Organizations sampled as nonprofits and respondents with 1-9 employees will be asked about research and development (R&D) activities, R&D costs, and R&D capital expenditures. Further,

employer businesses sampled will be asked about the following topics: Goods, Services, and Business Processes. These sections are also known as modules. The 2025 ABS (reference year 2024) will not contain any new or variable content. We do plan to add variable content on Management Practices next year to the 2026 ABS (reference year 2025).

The ABS is collected electronically using a web-based questionnaire. Respondents selected for the survey receive an initial letter informing them of their requirement to complete the survey as well as instructions on accessing the survey. The 2025 ABS initial mailing is scheduled for July 2025. Responses will be due approximately 30 days from initial mailing. Respondents will also receive a due date reminder approximately one week before responses are due. The Census Bureau plans to conduct two follow-up mailings and an optional third follow-up if deemed necessary based on quality of response data at that time. The Census Bureau may also plan to conduct an email follow-up to select nonrespondents reminding them to submit their report in the electronic instrument. Closeout of mail operations is scheduled for December 2025 but may be extended to allow ample time to receive returned forms if necessary. Response data will be processed as they are received. Upon the close of the collection period, data processing will continue, and records will be edited, reviewed, tabulated, and disseminated.

Statistics from the ABS will be used by government program officials, industry organization leaders, economic and social analysts, business entrepreneurs, and domestic and foreign researchers in business, government and academia. Estimates produced on R&D and innovation may be used to compare R&D costs across industries, determine where R&D activity is conducted geographically, and identify the types of businesses with R&D; to contribute to the Bureau of Economic Analysis (BEA) system of national accounts; to increase investments in research and development, strengthen education, and encourage entrepreneurship; and to compare business innovation in the United States to other countries. Results of the research activities data collected from nonprofit organizations will be used to report updated, valid, and reliable estimates of U.S. nonprofit R&D in National Patterns of R&D Resources and BEA's

system of national accounts.

The data collected by ABS will also be incorporated into the National Science Board's biennial report, Science and Engineering Indicators (SEI). The R&D data from the nonprofit module will be reported in periodic publications and for comparisons of R&D efforts. NCSES also anticipates professional associations will use data from the nonprofit module.

Additional examples of data use include:

- The National Women's Business Council to assess the state of women's business ownership for policymakers, researchers, and the public at large.
- Consultants and researchers to analyze long-term economic and demographic shifts, and differences in ownership and performance among geographic areas.
- Individual business owners to analyze their operations in comparison to similar firms, compute their market share, and assess their growth and future prospects.

Frequency: Annually.

Respondent's Obligation: Mandatory.

Legal Authority: Title 13, United States Code, sections 8(b), 131, and 182; title 42, United States Code, section 1861-76 (National Science Foundation Act of 1950, as amended); and section 505 within the America COMPETES Reauthorization Act of 2010 authorize this collection. Sections 224 and 225 of title 13, United States Code, require a response from sampled firms.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0607-1004.

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