

# **Examining Paradata of Minority-Owned Businesses in the Kauffman Firm Survey**

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# Kauffman Firm Survey

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- **National Survey**
- **Longitudinal survey of new businesses – 4,928 panel members at baseline (2005-2006)**
- **Dun & Bradstreet Sampling Frame**
- **Four annual follow-up surveys (2006-2009)**
- **Modes: Web, CATI follow-up**
- **Demographic & percent ownership information collected for up to 10 owner-operators**

# Overview of Paradata

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- **Response Rates**
- **Unlocateable**
- **Choice of mode (Web/CATI)**
- **Refusal rates**
- **Timeliness of Response**
- **Data Quality**

# Sample

- **Black- or Hispanic-owned businesses (622)**
- **White-owned businesses (3564)**
- **More than 50% ownership at baseline**

	N
Black/Hispanic	622
White	3564
Other	742

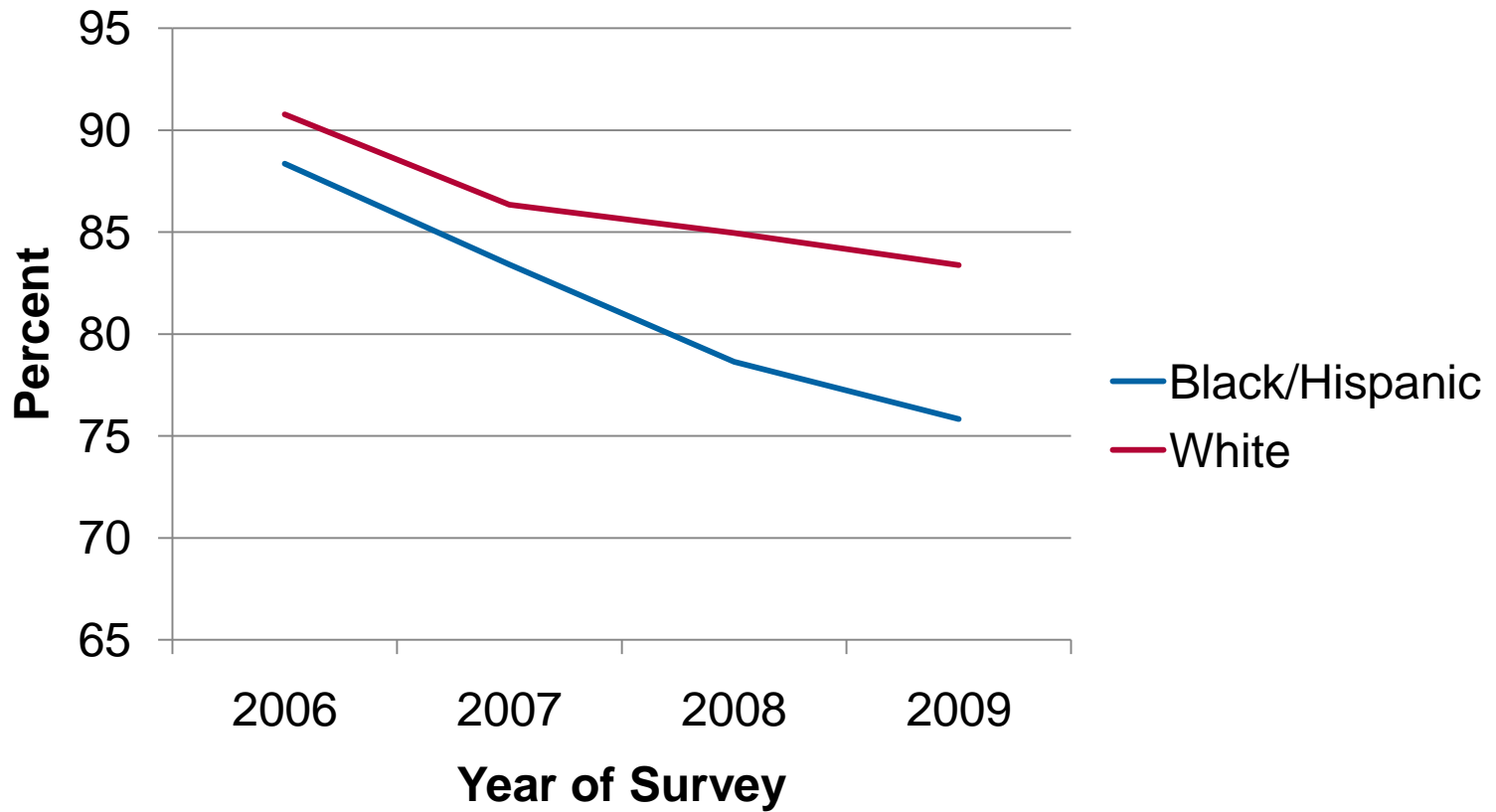
# Response Rate

- **White-owned businesses had higher completion rates at the Third and Fourth Follow-Up surveys**

	Black/Hispanic	White
	%	%
First Follow-Up	88.35	90.76
Second Follow-Up	83.40	86.33
Third Follow-Up	78.63	84.95*
Fourth Follow-Up	75.82	83.37*

\*p-value < .05

# Response Rate



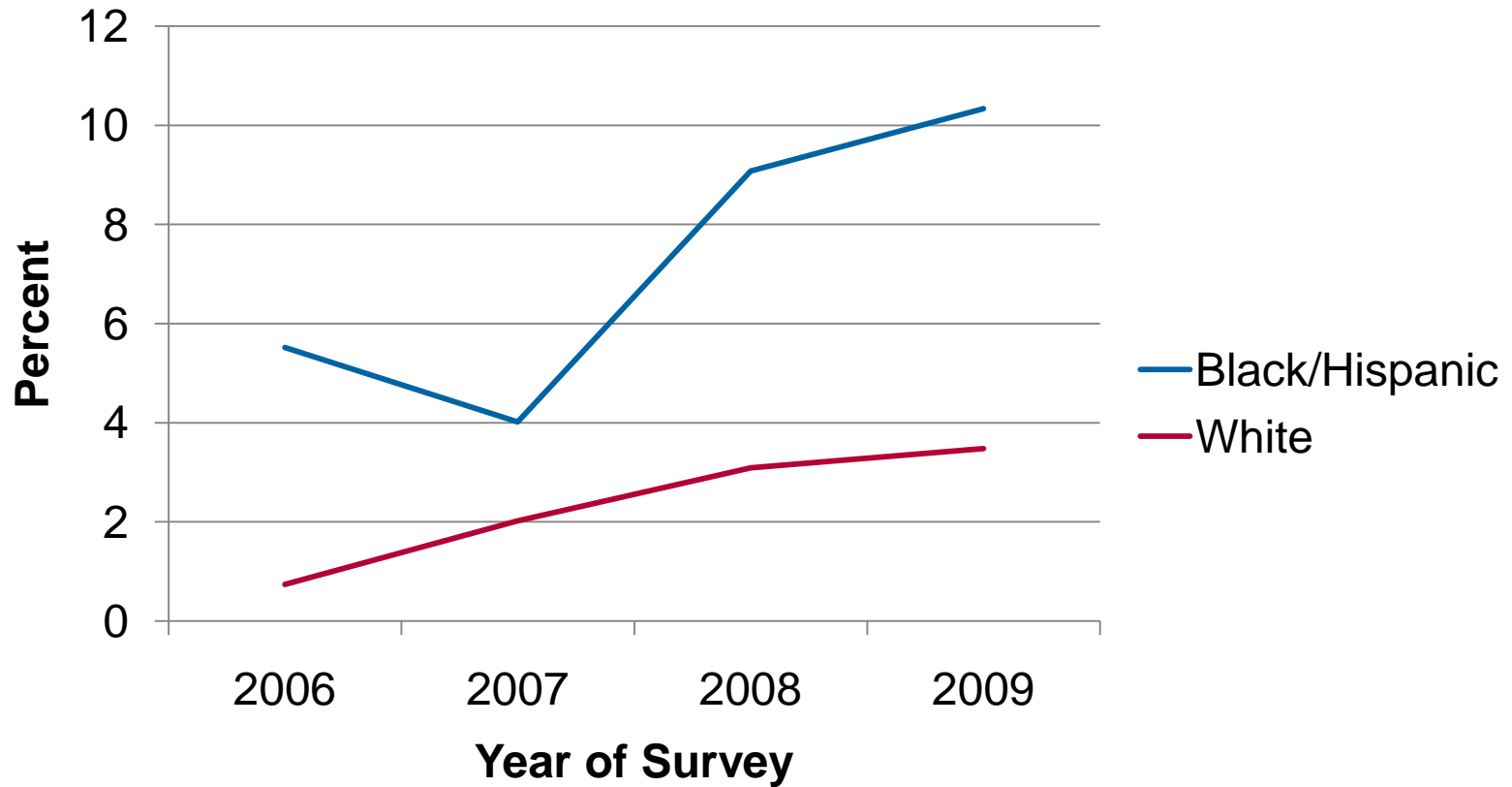
# Unlocateable Rate

- **Black/Hispanic owned businesses are significantly more difficult to locate**

	Black/Hispanic	White
	%	%
First Follow-Up	5.52	0.74*
Second Follow-Up	4.02	2.02*
Third Follow-Up	9.08	3.09*
Fourth Follow-Up	10.34	3.48*

\*p-value < .05

# Unlocateable Rate



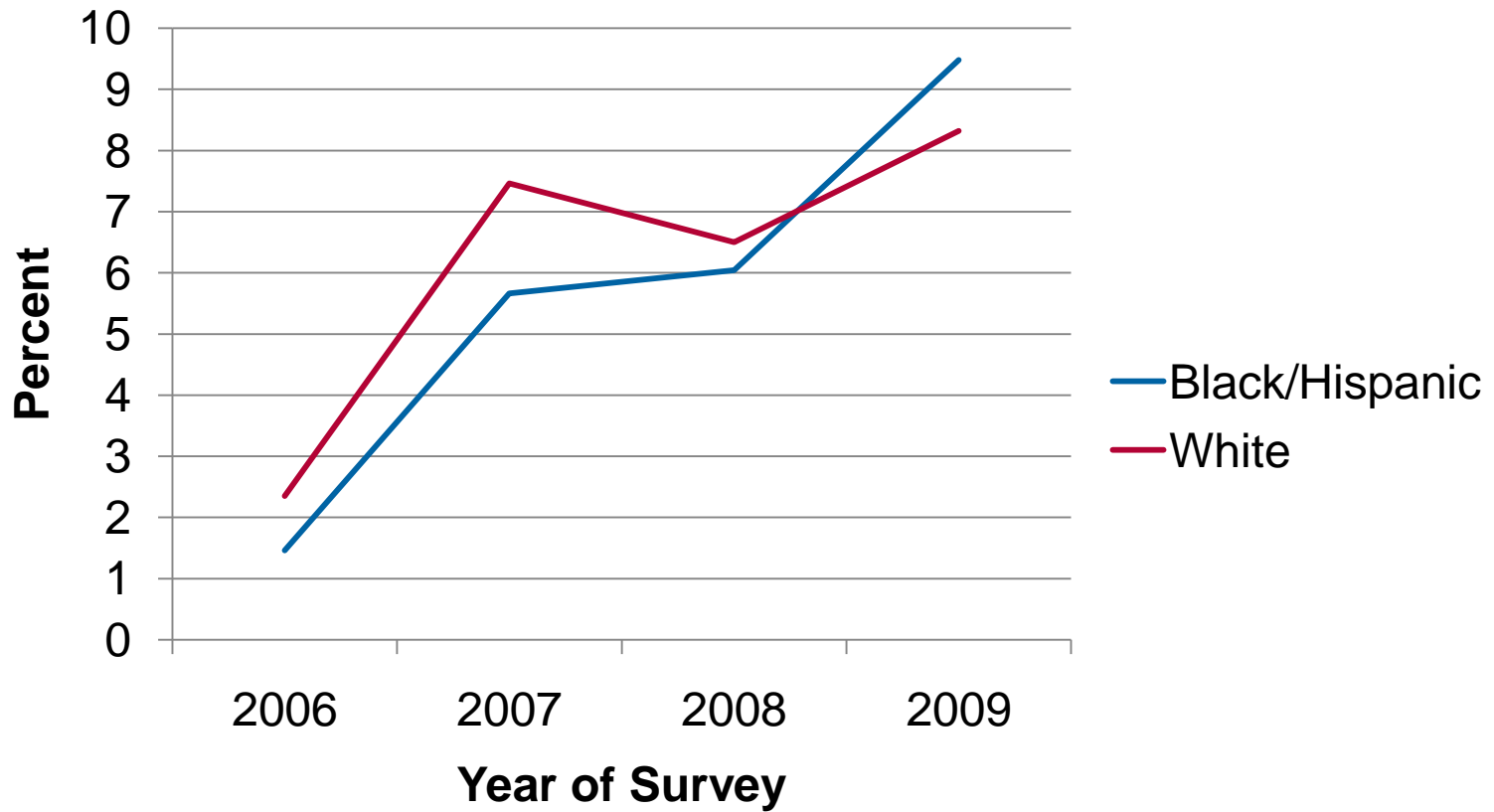


# Refusal Rate

- No differences in refusal rates

	Black/Hispanic	White
	%	%
First Follow-Up	1.46	2.35
Second Follow-Up	5.66	7.46
Third Follow-Up	6.04	6.50
Fourth Follow-Up	9.48	8.32

# Refusal Rate

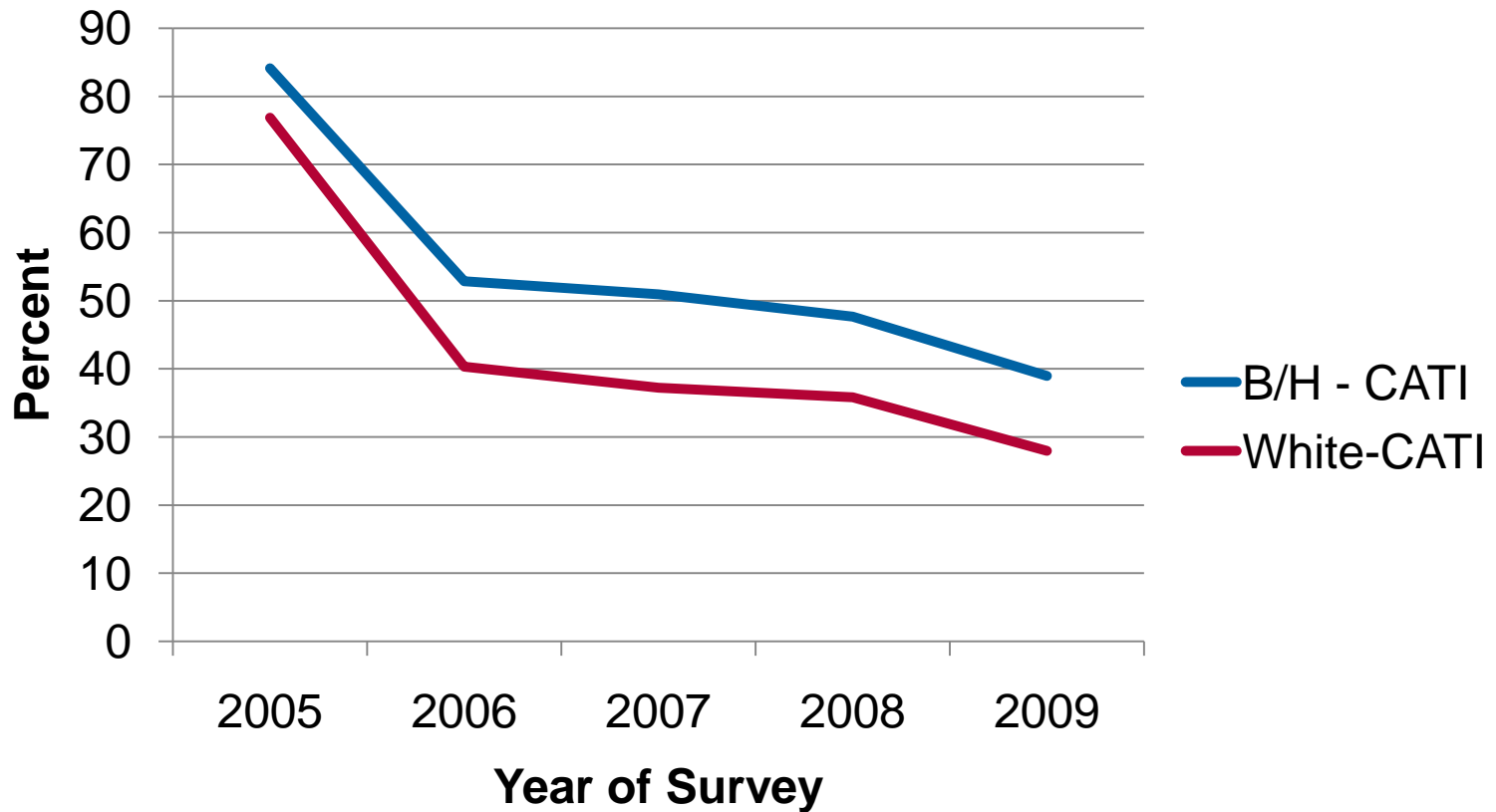


# Mode of Interview

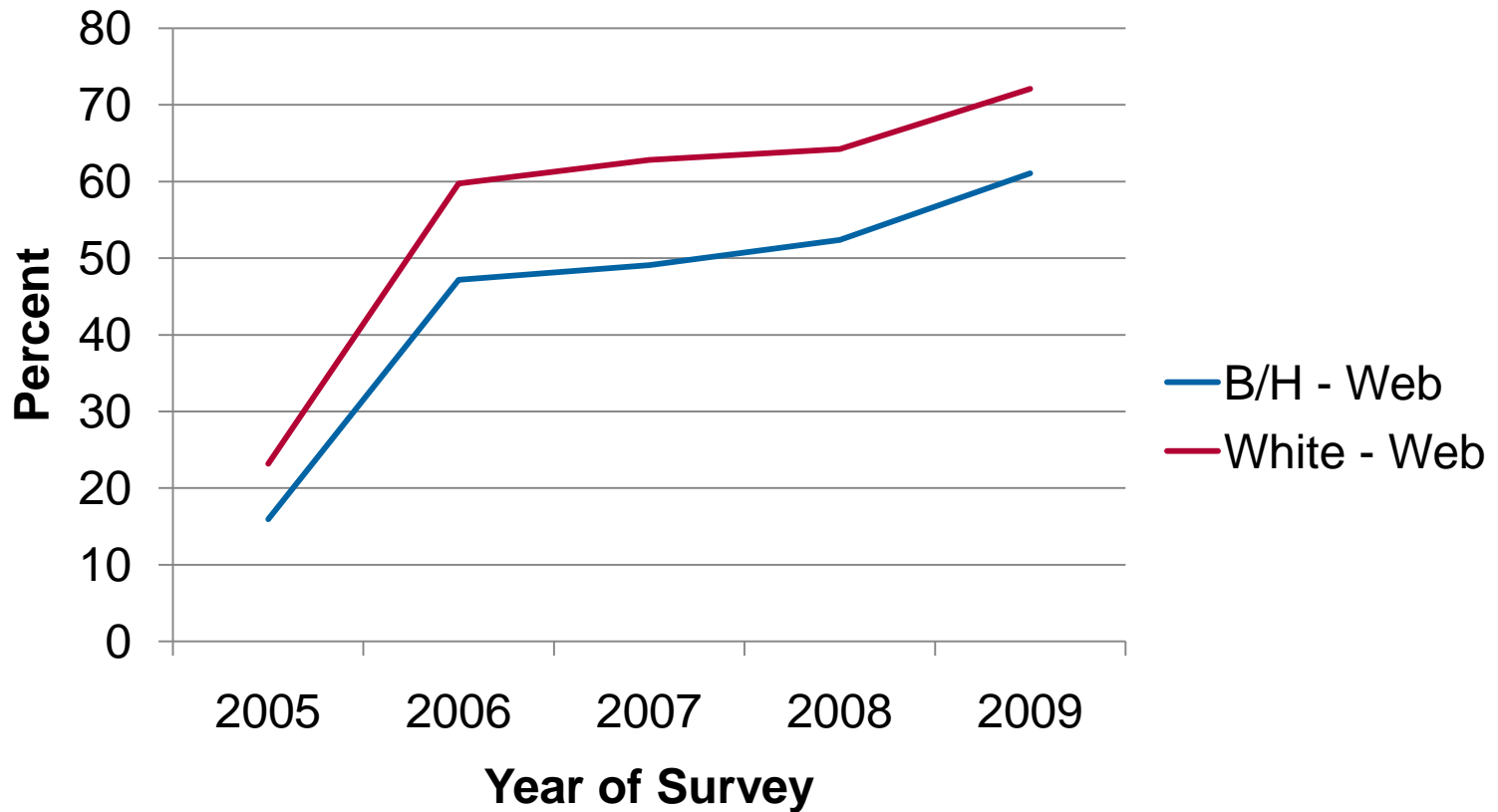
- **Black/Hispanic-owned businesses more likely to complete by CATI than white-owned businesses**

	Black/Hispanic		White	
	% CATI	% WEB	% CATI	% WEB
Baseline	84.09*	15.91	76.85	23.15
First Follow-Up	52.84*	47.16	40.28	59.72
Second Follow-Up	50.94*	49.06	37.21	62.79
Third Follow-Up	47.64*	52.36	35.79	64.21
Fourth Follow-Up	38.96*	61.04	27.93	72.07

# Choice of mode - CATI



# Choice of mode - Web



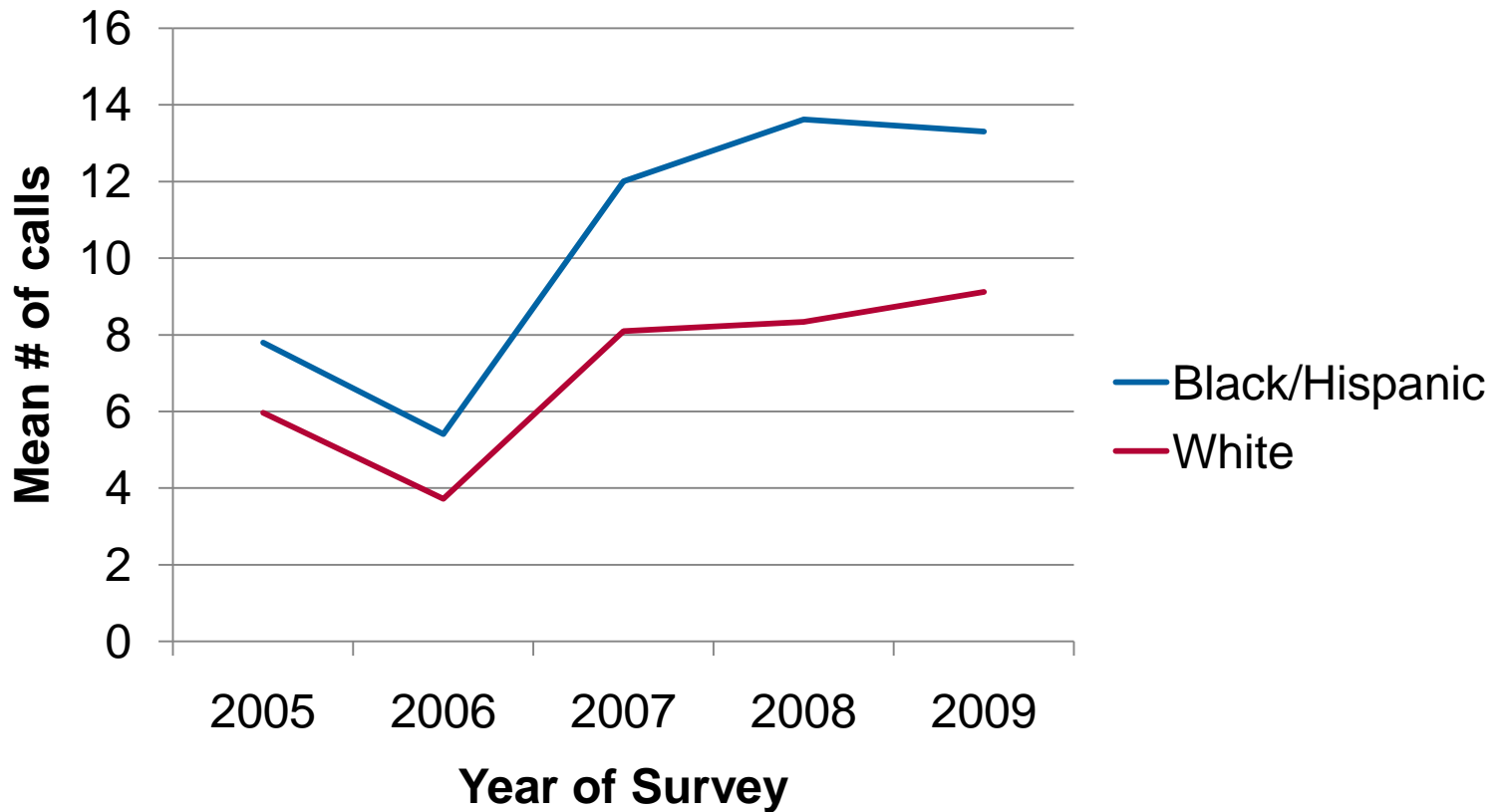
# Timeliness of Response

- Black/Hispanic owned businesses require more calls to complete than white-owned businesses

	Black/Hispanic	White
	Mean # calls	Mean # calls
Baseline	7.80*	5.97
First Follow-Up	5.41*	3.72
Second Follow-Up	12.01*	8.10
Third Follow-Up	13.62*	8.34
Fourth Follow-Up	13.30*	9.12

\*p-value < .05

# Timeliness of Response



# Data Quality – Non-response

- Very little differences in data quality. Both groups had similar levels of non-response

	Revenue		Expenses		Profit		Loss	
	B/H	W	B/H	W	B/H	W	B/H	W
Baseline	2.77	2.90	3.89	3.66	1.63	1.87	2.09	2.16
1 <sup>st</sup> FollowUp	1.62	0.91	1.74	1.68	1.02	0.72	2.24	0.59*
2 <sup>nd</sup> FollowUp	1.26	0.45	1.84	0.76	0.44	0.65	0.38	0.50
3 <sup>rd</sup> FollowUp	1.62	0.44	1.32	0.44	0.80	0.40	1.08	0.21
4 <sup>th</sup> FollowUp	5.32	6.89	0.52	0.65	0.55	0.28	2.05	0.41

\*p-value < .05



# Conclusions

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- **Response rates among Black and Hispanic owned businesses drop more significantly in later rounds**
- **Black/Hispanic businesses significantly more difficult to locate – consistent across all years**
- **No differences in refusal rates among the two groups**
- **Black/Hispanic businesses more likely to respond by CATI than white-owned businesses**

# Conclusions (*continued*)

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- **Black/Hispanic businesses require more calls to complete than White-owned businesses**
- **Non-response among both groups are similar.**

# Future Research

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- **Look to see how industry drives choice of mode**
- **Multivariate analysis to look further at what is driving these differences**

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Ewing Marion Kauffman Foundation	Sponsor
David DesRoches	Co-author
John Chen	Co-author & Program analyst
Yuhong Zheng	Co-author & Statistical consultant

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