



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

December 20, 2007

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The Honorable John F. Kerry
Chairman
Committee on Small Business and Entrepreneurship
United States Senate
Washington, DC 20510-6350

Dear Mr. Chairman:

Thank you for your letter regarding the inclusion of additional questions on veteran business owners and their businesses in the 2007 Survey of Business Owners (SBO). The U.S. Census Bureau has been working to expand available statistics on veterans in the economy. On July 3, 2007, we released our first report on veteran business owners and their businesses. The report, based on data from the 2002 Survey of Business Owners, is available at www.census.gov/csd/sbo/veteran2002.htm.

In addition, the 2007 SBO has been redesigned to produce national and state-level estimates of the number of veteran-owned businesses. For responding businesses, the 2007 survey will also generate information on the characteristics of all business owners, veteran owners, and service-disabled veteran owners.

The SBO was established to gather information on minority and women business owners and their businesses. Survey samples are designed to produce statistically reliable estimates for these categories of owners and businesses at a high degree of industry and geographic detail. Sample selection for the 2007 survey is in its final stage. The SBO questionnaires, now fully field-tested, will go to the printer in January 2008. Data collection is scheduled to begin in May 2008.

We estimate that an effort to revise the 2007 SBO to generate the same kind of industry and geographic detail for veterans that the survey now provides for minorities and women would increase survey cost by about \$3 million (i.e., over 30 percent). It would also delay survey implementation by up to a year and threaten the quality of the data, since businesses would have to base responses for the 2007 reference year on year-old records. We believe that these considerations argue persuasively against further expansion of the survey until 2012.

The Census Bureau looks forward to working with Congress and veterans organizations to improve veterans data products for the 2012 SBO. If you have any further questions, please contact me or Nat Wienecke, Assistant Secretary for Legislative and Intergovernmental Affairs, at (202) 482-3663.

Sincerely,

Carlos M. Gutierrez