

Mandatory

**The Use of Mandatory Reporting Authority
to Improve the Quality of Statistics**

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Introduction

Quality of our final product is a high priority objective at the Census Bureau. As fact finder for the Nation, we strive to produce high quality statistics for an extremely broad array of users. They know that because of quality they can use our statistics for a wide variety of purposes.

Quality has many dimensions. A high response rate is one commonly used indicator of the quality of statistics, although limiting nonresponse error is only one dimension of quality. Other dimensions such as relevancy, timeliness, sampling error, and other sources of nonsampling error are not addressed in the paper. We will discuss quality only as it relates to economic statistics at the Census Bureau, and we will focus on one determinant of response rates-- making the data collection either mandatory or voluntary for the respondent.

About 7 years ago we started to review our response rates and the methods used to obtain response, especially the use of legal authority to require or mandate a response. It has been our experience that mandatory reporting yields higher response rates than voluntary reporting. Accordingly, we have proposed legislative changes that would add to our mandatory authority. But our progress has been slow and unsatisfactory, partly because the Office of Management and Budget (OMB) has questioned our need for additional mandatory authority. Over the past 2 years the OMB also has questioned the use of our existing mandatory authority.

Improving Response Rates

Two readily available measures of the statistical reliability of our products are sampling error and response rates. A measure of sampling error is usually available except for a few cases where we

use cut-off and other nonprobability panels. Response rates are available but not always comparable because we don't use a standard method of calculation across all surveys. Also, the resulting inferences to data quality can differ significantly due to the quality of the imputation methods that are available. And in many economic sectors, it is generally necessary to look at coverage rate in addition to response rate because of the highly skewed distribution of the universe.

It is standard practice at the Census Bureau to do everything we can to achieve high response rates. We have many procedures we use to elicit response. In addition to the selected use of mandatory reporting, these procedures include:

- Careful advance planning with data users and data respondents or their representatives, such as trade associations. This is especially true for new or significantly modified surveys. We strive to keep the reporting burden low and to collect data in ways that facilitate reporting.
- Careful design of the survey form and instructions, including use of consistent instructions across surveys and over time.
- Choosing methodology that will help keep burden as low as possible such as imputing for small cases, use of administrative records, designing samples in ways to minimize overall sample size, and periodically drawing new samples to redistribute the reporting burden.
- Publicizing the important needs for the data through transmittal letters, general publicity campaigns, special campaigns such as trade association newsletters and trade press, and exhibit booths at a wide variety of economic and industry specific meetings.

- Making company visits and giving presentations at meetings of groups of respondents to explain the survey and encourage response.
- Allowing for late filing of forms, primarily annual and quinquennial data collections.
- Allowing the use of best estimates for reporting rather than the accuracy of accounting data that may not be readily available.
- Mail follow-up procedures including re mailing of questionnaires. Successive mailings usually contain stronger language than the first one.
- Telephone follow-up procedures ranging from reminders to return the completed forms to actual collection of the data.
- Providing free copies of statistical reports to respondents.

In addition to reliance on these time-tested procedures for obtaining response, we are evaluating other procedures that might prove useful. Among these are electronic reporting and use of computer-assisted telephone follow-up. Some descriptions of our activities in these areas are included in the appendix. These evaluations will help us determine whether or not these procedures can help improve response rates.

One characteristic of most of the procedures listed above is that their increased use will significantly increase costs. We are not opposed to increasing costs to improve quality. However, financing for these costs is not available without new appropriations or a significant reordering of base program priorities. We have two budget increases pending before Congress that would provide additional funds for increased use of standard and new procedures to

improve response rates on two surveys in lieu of using mandatory reporting authority.

But there are important voluntary surveys for which we think response rates are too low and for which we think the use of mandatory reporting would be the most cost-effective way to improve quality. The remainder of this paper focuses on this issue.

Current Situation

We collect data under authority of Title 13, United States Code. This law provides authority for mandatory reporting on many of our data collections. Mandatory data collections include:

- Economic and agriculture censuses conducted once every 5 years, and pretests, follow-on surveys and evaluation studies conducted as part of the census programs.
- Surveys conducted annually that "are within the scope of the schedules and questionnaires and of the type and character used in connection with the taking of complete censuses." (Quote from Section 225, Title 13.)
- A few specified selected monthly and quarterly surveys including the Quarterly Financial Report, quarterly surveys on apparel and textile production, and monthly surveys of cotton and fats and oils production.

This leaves mandatory reporting authority unavailable for most of our monthly and quarterly surveys. Reporting of exports and imports are mandatory under other provisions of laws but respondent participation in producing such important statistics as housing starts, construction value, retail sales, manufacturers' shipments,

inventories, and orders, and business investment in plant and equipment are all voluntary.

All of these monthly and quarterly surveys are designated principal economic indicators by OMB because of their importance in tracking major sectors of the economy. Only the housing starts survey has a high level of response, staying in the 98 percent range. Regional staff are used in telephone follow-up for this survey, or in lieu of a response, to make a personal observation of the building site. For construction value, response rates on the three surveys used range from 50-70 percent at the time of first publication (preliminary estimates). For retail sales, the response on the voluntary monthly survey provides about 78 percent coverage, while the coverage for manufacturers' shipments, inventories, and orders, and business investment stay around 50 percent.

We have tried to get legislation for use of mandatory reporting in conducting some of these principal economic indicator surveys but have not been able to get approval from OMB. Our understanding is that OMB has several reasons for wanting to limit mandatory reporting:

- Mandatory reporting is not good policy because it is more coercive than voluntary; therefore, deemed more burdensome.
- There is no clear evidence that mandatory reporting results in higher response rates or higher quality statistics.
- There are uncertainties about the quality of what is reported when someone is required to report but does not want to.
- Agencies have not used other methods for increasing response rates to the extent they could.

- It is questionable policy to use mandatory collection authority but not to enforce it by imposing the penalties on nonrespondents.
- Requiring mandatory reporting for selected surveys might make respondents discontinue reporting on other voluntary surveys because they perceive them as less important.

The OMB requested data from the major economic statistics agencies in 1984 for conducting a study of response rates. When the Census Bureau transmitted the data, a letter included the following statement:

"The quality and consistency of the information we are able to provide are such that we believe the results of your study would be extremely questionable if not misleading. We can only imagine that the situation is compounded when you try to combine or compare data from several agencies. Such over-simplifications easily could lead to unjustified or misleading conclusions. In short, our judgment is that the (OMB) survey design is fundamentally flawed and will not produce results of value or utility."

The OMB used the data to analyze factors affecting response rates. Two of the conclusions OMB made from their study are: (a) voluntary reporting resulted in as good a response rate as mandatory and (b) respondents were more cooperative in voluntary surveys because they responded more quickly than they did in mandatory surveys. Our evaluation of the OMB draft report revealed many problems with the analysis as well as with their survey design. A major weakness was that several important determinants of response were not used in the analysis. These included:

- Amount of resources used to conduct a survey
- Mode of interview
- Mode of follow-up
- Length and complexity of questionnaire
- Questionnaire design
- Size of respondent
- Kind of business
- Size of sample

We also believe that OMB analysts misunderstood the differing significance of "due date" for the surveys and this caused them to reach a wrong conclusion about respondents being more cooperative in voluntary surveys. It is important that respondents adhere to due dates for monthly and quarterly surveys, which are mostly voluntary. But, because of end of year financial statements and tax filings, it is fairly routine that respondents get an extension of the due date for annuals, which are mostly mandatory. When OMB found that response to the monthly and quarterly surveys was much closer to the due date than for the annuals, they incorrectly attributed this to the voluntary nature of the data collection.

The OMB study was widely questioned by such groups as the Committee on National Statistics and the Council of Professional Associations on Federal Statistics. Nevertheless, OMB has used the study to support their general stance that mandatory reporting is not necessary, effective, or good policy.

Following completion of their study OMB also questioned the use of our existing mandatory authority. The principal disagreement is over the interpretation of the language in Title 13, which allows us to use mandatory reporting for annual or less frequent surveys that "are within the scope of schedules and questionnaires and of the type and character used in connection with the taking of complete censuses." We have used a broad interpretation of this language for a long time

and this was not questioned by OMB as they approved our surveys. Then OMB started to apply a much more restrictive interpretation. They have not approved some new annual surveys we developed for improving services sector statistics largely because we determined that it was necessary to use mandatory reporting to achieve acceptable response rates.

Because of these continued disagreements, we recently started what we hope will be broad and fruitful discussions with OMB on the many issues. Initial discussions have helped new leadership in the Office of Statistical Policy, OMB become more familiar with the issues, and allows them to reassess their existing position. We hope this will lead to development of a broad framework for discussion and resolution of the issues, including how to develop more conclusive evaluations on the use of mandatory reporting.

One of our dilemmas in this current situation is that most of our evidence of the benefits of mandatory reporting comes from our operating experiences and is not systematically quantified or documented. While we believe these operating experiences clearly justify more use of mandatory reporting, we recognize that our case is somewhat piecemeal and anecdotal.

Among the shortcomings of our evidence is the lack of a well controlled experimental design approach to evaluating the benefits of mandatory. Our evidence from existing program operations always has one or more important factors that are not the same such as different respondent populations, questionnaires, follow-up procedures, planning and preparation steps, and levels of resources. We have not developed detailed cost data that might be helpful in an evaluation and we do not always use the same procedures across surveys for calculating response rates. We have proposed conducting selected surveys on a split panel basis with mandatory and voluntary being the two replications. But the OMB has not agreed to this approach, at

least in part because of a question of legality of randomly selecting some who would be subject to penalty for not reporting while others would not.

We believe, however, that some of our conclusions from operating experience should be given much more credence even though they are not based on highly controlled experiments. For example, a comparison between two principal economic indicators produced quarterly shows marked differences. The mandatory Quarterly Financial Report is an extensive survey of income statement and balance sheet items. This survey achieves a coverage rate of over 90 percent for the manufacturing sector. In contrast, the voluntary Plant and Equipment Expenditures Survey achieves less than 50 percent coverage for manufacturing, but only consists of a few basic questions on actual and planned investment. We believe a large part of this difference in coverage is due to mandatory or voluntary reporting.

Another example is seen in the monthly and annual surveys conducted by the Business Division that are very similar to each other except for frequency (and thus the amount of time allowed for response) and the fact that the monthly are voluntary and the annual are mandatory. Recent measures of the voluntary monthly coverage rate for the retail trade survey runs in the neighborhood of 78 percent while the mandatory annual has 91 percent coverage. For wholesale surveys the figures are 76 percent for voluntary monthly and 88 percent for mandatory annual.

In the Industry Division we conduct a research and development survey for the National Science Foundation. Most of this survey is voluntary but four questions are mandatory. In 1987 the coverage on the four mandatory questions ranged from 94 to 99 percent. The coverage on the four most key voluntary questions ranged from

50 to 73 percent. These have been fairly consistent figures during the 1980s.

In the Current Industrial Reports program we have a mixture of about 100 surveys conducted monthly, quarterly, and annually. Most of the monthly surveys are voluntary, but a few are mandatory. Most of the annual surveys are mandatory, but a few are voluntary. Some comparisons of response rates show marked differences between mandatory reporting and voluntary.

	<u>Mandatory</u>	<u>Voluntary</u>
Monthly		
1983	89	66
1987	83	70
Annual		
1985	86	63
1986	86	63
1987	84	66

A different but consistent example from our operating experience is to have respondents say "if this data is really as important as you say it is, why isn't it mandatory," or "we don't respond to any voluntary reports because there are so many mandatory ones." We have been trying to do more quantification of this experience so we will have more useful evidence. In mid-1987 the Business Division telephoned 670 members of their voluntary monthly retail trade survey to try to get them to respond or to find out why they do not respond. Over 43 percent said they do not complete voluntary forms.

For the voluntary monthly manufacturers' shipments, inventories, and orders survey, we have been making extra company visits and direct mailings to improve response from large companies. After visiting 62 companies that agreed to a visit (several more would not even see us), we still had 37 percent refuse to respond to a voluntary survey.

Of the 146 companies we contacted by mail, 54 percent said they would not respond because the survey was voluntary.

More details on these activities are given in the appendix. Other items of evidence or potential evidence also are briefly described in the appendix.

Finally, before we leave this section we want to assure the reader that high response rates are possible. High response rates can be achieved if several methods that help obtain response, including mandatory reporting, can be used in combination. The Survey of Manufacturing Technology (SMT) recently was conducted by the Industry Division. A lot of planning was done in cooperation with knowledgeable people on the subject, a fairly brief form using mostly check-box answers was designed and pretested, the survey was approved for mandatory reporting, and computer-assisted telephone interviewing was used for final follow-up. The response rate for about 10,500 manufacturing establishments was slightly over 94 percent and the refusal rate only 1.3 percent.

A second recent example of success is the Motor Freight Transportation and Warehousing Survey. This survey was started for data year 1985 as a part of the Census Bureau's program to provide improved statistics for the service sector. The following procedures were used to help obtain a high response rate:

- mandatory reporting required
- support of major trade groups to publicize the need for the data
- planning discussions with data users and respondents
- acceptance of estimates when book figures are unavailable
- custom mailing arrangements for selected large companies
- follow-up actions taken on delinquent firms including mail, telephone, and final notice sent by registered mail

The response rates for the first 3 years of this survey were:

1985 - 93.5 percent

1986 - 95.1 percent

1987 - 96.0 percent

Why Mandatory

The foregoing sections cite the reasons why we believe it is necessary to use more mandatory reporting authority. A brief summary of reasons is as follows:

1. Higher response rates can be achieved with the use of mandatory reporting and higher response rates result in higher quality statistics.
2. Higher quality statistics can be produced with the use of mandatory reporting without adding to our costs.
3. It is very difficult and very costly, given the current climate or attitude about reporting to the Federal Government, to develop quality new statistical programs such as for the services sector, with voluntary surveys.
4. It is extremely difficult to improve survey methodologies such as changing to the use of probability samples and related estimating techniques for the monthly manufacturers' shipments, inventories, and orders survey or the quarterly Plant and Equipment Expenditures Survey unless significant response rate improvements can be made without greatly increasing costs. High nonresponse by small- and medium-size firms with large weights in a probability panel would likely cause severe estimating problems in these types of surveys for which no good imputation procedures exist.

When Mandatory

We do not believe it would be good policy to use mandatory reporting on all economic surveys, although this is more nearly the standard practice in many other countries. But we do believe that our survey management tools should include more, or more flexible mandatory reporting authority. This authority should be used prudently and judiciously to carry out our mission of providing quality economic statistics for the Nation. This might require changes in our existing legislative authority as well as new legislation. Existing legislation, which primarily uses a criteria of frequency of collection, might need to be changed to allow use of other criteria.

Some of the criteria we think would be important to justify the use of mandatory reporting are as follows:

1. Importance of the data including:

- Broad basic measures of economic activity that serve as the foundation for national accounts and other aggregate indicators. This would include the quinquennial censuses, and many annual surveys.
- Surveys that serve as benchmarks for other data collections such as many of the annual surveys that serve as benchmarks for monthly and quarterly data.
- All surveys designated by OMB as principal economic indicators because of their importance in tracking major sectors of the economy.
- Surveys that are otherwise critical for national policy such as defense production capabilities, environmental policy, trade policy, or improving competitiveness.

2. Surveys for which no good basis exists for imputing missing data. These would include surveys collecting such data as new orders or business investment, which are very lumpy and erratic at the individual respondent level. This also would include many new surveys for which no historical data exist for imputation.
3. Surveys that Congress has required other Federal agencies to conduct and for which we serve as their collection agent.

Questions for the Committees

1. What is the best evidence you are aware of on the effect of mandatory reporting on response rates?
2. What are the best ways to develop better evaluations of the direct and indirect effects of mandatory reporting?
3. Are our criteria for when to use mandatory reporting authority sound? What would you delete, add, or change?
4. What other response improvement procedures should we be giving priority attention?
5. Should we change our policy on not prosecuting nonrespondents to a mandatory survey to a more aggressive approach?
6. Are we giving too much attention to improving response rates as a means of improving quality?
7. What priority strategies would you propose for assuring the quality of economic statistics?

Appendix

Efforts to Improve Response Rates

1. One of the ideas put forth to improve response is to allow more reporting by electronic means. This reporting could take many forms such as reporting large amounts of data on tape, keying data onto a preformatted disc, or direct modem hookup to a Census Bureau computer. While such methods are increasing in use for foreign trade data, little is being reported electronically in our other economic surveys.

The OMB has asked us to place additional emphasis on this method of reporting. We have discussed the possibility with respondents to three surveys in the Industry Division and generally have gotten a negative answer.

- As part of a company visit program, we discussed electronic reporting with over 100 large companies for the monthly survey of manufacturers' shipments, inventories, and orders. We found they are not interested at this time, primarily because our current accommodations are sufficient (accepting computer printouts in their format, calling them for data, transmittal by facsimile). One company expressed an interest in electronic reporting at sometime in the future.
- In cooperation with the National Science Foundation (NSF), we recently conducted a response evaluation study of 76 large companies that report on the research and development expenditures survey we do for NSF. Over 80 percent of the companies interviewed have the facility to respond to the survey electronically, primarily by diskette. About half expressed interest in reporting using diskettes under the condition that the government would provide a system

compatible to their own that would require no additional cost or time on their part. Respondents who were not interested believed that electronic reporting would not save the company any reporting time. In some cases, entering the data on a diskette would require an additional step. For an annual survey of one form, it was not worth the effort to them.

- We contacted a number of respondents in a voluntary monthly current industrial report and asked them whether or not they were able and willing to provide data electronically. While the larger respondents did have the capacity to provide the data electronically, they were unwilling to do so due to resource requirements for converting their electronic data to a standardized format. Many of the medium- and small-sized companies were unable to report electronically.

We also contacted several companies that were not reporting on the survey. They indicated that making electronic reporting available would not be an incentive to get them to report since their policy was to report only on mandatory surveys.

We will be conducting a record keeping survey this summer and fall to improve our understanding of what type of data can be reported, how it can be reported, and by whom. If approved by OMB, this survey will include five questions to help us understand the possibilities of using electronic reporting.

- Would your company be interested in filing Census Bureau reports electronically via computer tape or diskette using a Census Bureau standard format? This would require formatting your files to match the format provided by the Census Bureau.

Yes []

No [] Why not? -----

- Which reports would you like to file electronically?

Monthly reports []
 Quarterly reports []
 Annual reports []
 5-year censuses []
 All census reports []

- How much lead time would you need in order to file electronically?

0-3 Months	3-6 Months	6-9 Months	9-12 Months	Other (Specify)
[]	[]	[]	[]	[]

- Would your company be willing to transmit data via telephone lines directly to the Census Bureau computer via a modem?

Yes [] No []

- Would your company be interested in filing census reports using a menu-driven diskette?

Yes [] No []

2. A second method for improving response rates under study is the use of computer-assisted telephone interviewing (CATI), primarily as part of the follow-up procedures. We are confident that we achieve a higher rate using this technique for quarterly and annual apparel surveys. But we probably need to conduct a controlled experiment to compare costs, quality, and response for CATI versus more traditional methods. One design under consideration involves designating subsamples of the nonresponse workload to receive different follow-up treatments. One subsample would be followed up by mail only, one would receive

telephone interviews using pencil and paper, and one would receive telephone interviews using CATI. From a comparison of the results, we hope to measure any significant differences in cost, quality, and response among the different treatments.

3. Because of the response problems we have with the monthly survey of Manufacturers' Shipments, Inventories, and Orders, we have been trying several things to improve response.

- We visited 62 large nonrespondents and now are getting data from 37 of them (60 percent).
- We sent letters to 146 large nonrespondents and now are getting data from 29 of them (20 percent).
- We sent letters to 67 nonrespondents in three specific industry categories (computers, electronic components, and furniture) and now get data from 35 of them (52 percent).
- We developed a sample of small producers in the plastics industry category and will do an experimental design splitting the sample into one group that will be told they will only have to report for 15 months and one group that will not be given a time limit. These two groups will be further broken into two different follow-up treatments. First mailings to initiate this experiment will be made in about 3 months.

Evaluation of Mandatory Reporting

1. After introducing a new sample for the Monthly Retail Trade Report (MRTR) Survey, Business Division made a study of reasons why some respondents refused to provide data. In mid-1987, 670 potential refusal cases in the voluntary MRTR survey were

contacted by telephone by senior interviewers in an attempt to obtain data or to identify the reasons for nonresponse. Each of the sample cases had been contacted (and refused) to provide data at least once (and usually several times before), both by mail and by telephone follow-up, by the regular interviewing staff.

The reasons given by these 670 cases for continued refusal to provide data for the survey are given below for cases tabulated for the data months of May, June, or July 1987. It is to be noted that the cases were left free to voice their reasons without prompting; namely, they were not asked to select reasons from a list of possible reasons.

It is clear from the chart below that many of these refusals cite the voluntary nature of the survey as a reason for refusing; that is by far the most common reason given (291 out of 670, or 43.4 percent for number of cases and 46.6 for percent of dollar volume). Only one other reason (takes too much time) was mentioned prominently.

Table 1 - Summary of Reasons for Refusal of
670 Retail Refusal Cases

<u>Categories of Reasons for Refusal</u>	<u>Number of Cases</u>	<u>Percent of Cases</u>	<u>Percent of Dollar Volume</u>
Do not complete voluntary forms	291	43.4	46.6
Takes too much time	246	36.7	30.3
Not interested, no reason	80	11.9	12.9
Concern about confidentiality	63	9.4	11.1
Too many government forms	54	8.1	8.7
Have to pay someone to do it	42	6.3	4.4
Data unavailable when wanted	32	4.8	3.1
Other (miscellaneous)	25	3.7	3.3
Been in the survey too long	21	3.1	3.4
Information only available elsewhere	20	3.0	2.0
Survey results not important	17	2.5	2.3
Data not important to survey	14	2.1	1.1
Does the company no good	11	1.6	1.4
Total (multiple reasons, if given were tabulated for a case)	916		

Using this distribution of reasons for nonresponse, we have estimated that about 10 percent of the MRTR estimate is due to imputation resulting from the voluntary nature of the survey.

2. As part of the extra company visit and mail efforts discussed above to improve response for the monthly voluntary survey of manufacturers' shipments, inventories, and orders, nonrespondents were asked for a reason why they would not respond. Results were as follows:

	<u>Number of Contacts</u>	<u>Number Refusing Because Response Is Voluntary</u>	<u>Percent</u>
Company visits to large companies	62	23	37
Letters to large companies	146	79 ¹⁴	54
Letters to specific industry categories	67	27 ¹⁴	40

¹⁴ Obtained in follow-up phone call.

About a year ago we mailed 400 letters to plastics producers who were not reporting in this monthly survey. These 400 were the nonreporting part of a probability sample for this industry that we are using to evaluate the use of a probability sample. The current status of these 400 is as follows:

- 180 - responding
- 110 - refusals due to voluntary nature of survey (27.5%)
- 80 - data already reported in other categories, out-of-business, out-of-scope.
- 30 - refusals for reasons unknown

3. The Business Division conducts monthly and annual surveys of retail and wholesale industries. The monthly surveys are

voluntary while the annuals are mandatory reporting. Recent coverage estimates from these surveys show the following:

	<u>Monthly Voluntary</u>	<u>Annual Mandatory</u>
Retail Sales	78	91
Retail Inventories	71	91
Wholesale Sales	76	88
Wholesale Inventories	73	87

4. The Current Industrial Reports program includes about 100 surveys conducted monthly, quarterly, and annually. While each survey is different, their overall focus is much the same, planning and follow-up procedures are the same, and processing is the same. Most of the monthly surveys are voluntary but a few are mandatory. Most of the annual surveys are mandatory but a few are voluntary. A comparison of response rates during the last few years shows the following:

Final Response Rates

	<u>Mandatory</u>	<u>Voluntary</u>
1983 monthly	89	66
1987 monthly	83	70
1985 annual	86	63
1986 annual	86	63
1987 annual	84	66

5. We collect data on research and development in a survey sponsored by the National Science Foundation. Response to four questions is mandatory and the response to all others is voluntary. Many companies only respond to the four mandatory questions. The (M) and (V) identify the mandatory and voluntary questions.

	<u>Percent Coverage</u>	
	<u>1981</u>	<u>1987</u>
Total sales (M)	93.7	95.5
Total employment (M)	95.4	93.6
Scientist/Engineers(V)	73.5	68.2
Total R&D (M)	98.3	98.3
Total basic (V)	77.2	73.4
Total applied (V)	67.6	50.9
Total development (V)	65.6	58.5
Federal R&D (M)	97.8	99.1

Even the largest companies, which are the better respondents and which are the subject of our most intensive follow-up, respond less to the voluntary questions. The top 200 firms, which account for about 75 percent of the total value of research and development show the pattern in the table below. Note that they were considered a respondent to the voluntary questions even if they only responded to 1 of 14 voluntary questions on the long form or of 5 on the short form used in alternate years.

<u>Year</u>	<u>Percent Coverage</u>	
	<u>Four Mandatory Questions</u>	<u>One or More Voluntary Questions</u>
1985	95.0	81.5
1986	97.0	77.5
1987	98.0	85.0

6. The Agriculture Division will soon be conducting a voluntary survey called the 1988 Census of Horticulture Specialties. When this was last conducted in 1979 reporting was mandatory and they obtained over 94 percent response. They are concerned about getting a poor response because the response to a 1985 voluntary survey of farm inputs was only 48 percent. Their response to the recent mandatory 1987 Census of Agriculture was 86 percent.
7. Special surveys were conducted in 1988 to evaluate the effectiveness of the publicity campaigns for the agriculture and economic censuses. These surveys contained the following question:

"When the economic censuses (census of agriculture) are taken, are you required by law to answer the questions?"

- a. Required by law.
- b. Participation voluntary.
- c. Don't know.

Analysis of this question will be made in the next several months including a comparison to response on the actual census forms. To date, a preliminary tab shows that less than one-half of small companies were even aware the economic censuses were mandatory even after receiving the original mailing and at least one follow-up. Three separate mailings were made to independent panels in mid-December, mid-February, and late April. All panels were single units with less than 100 employees. The preliminary tab shows the following:

	<u>Mid-Dec.</u>	<u>Mid-Feb.</u>	<u>Late April</u>
Required by law	27	47	49
Participation voluntary	30	21	24
Don't know	43	32	27

Further analysis will need to be made because there is a question about whether respondents are aware of "economic censuses" rather than the more familiar names such as census of manufactures, census of construction industries, or census of retail trade.

8. By this time next year we hope to have tabulations from a question we are asking OMB to approve in our record keeping survey. That question is:

- What is your company's policy about filing census forms?

File all forms	[]
File only those forms required by law	[]
File forms required by law and those voluntary forms whose resulting data are used by company	[]
No company policy on filing census forms	[]