

Dear [State LMI Director]:

This is to solicit your help in a major survey of business establishments to be carried out by the Economic Research Service, a branch of USDA. The extraordinary value of the LED partnership is demonstrated in the wide use of Quarterly Workforce Indicators, OntheMap and CED HotReports. More in-depth analyses of confidential LED data have produced important insights on the interrelations of employees with employers, and the communities where they live and work.

Despite the richness of these data, they are largely silent on the critical process of innovation. Helping Federal, State and local governments better understand the variety and depth of innovation in all American businesses is the objective of USDA's Rural Establishment Innovation Survey (REIS). Additional information would be gathered on perceived disadvantages employers see in their location, finance issues, training needs and other issues relevant to establishment survival and growth. The anticipated sample size of this mixed method (phone, internet, mail) survey is approximately 30,000.

USDA is seeking your State's active participation in design, implementation and analysis for this unique project:

- Design: the questionnaire is currently being developed and your input—either through webinars expressly set up for the purpose or through the formal Federal Register Notice process—will be invaluable to collecting the most relevant and practicable information.
- Implementation: the best sampling frame would be the QCEW establishment list your State maintains. Our previous experience with commercial sampling frames was that many new and small establishments are not included. Research suggests that these establishments are often the key to local economic growth. State approval to draw a sample from the business list would assure a complete sample and be an easy way to leverage Federal data collection resources to answer important questions.
- Analysis: a custom report for each participating State will be prepared after consulting with State LMI directors. In addition to information on innovation in State businesses, the report will provide the opportunity for benchmarking with other States. It is anticipated that confidential REIS data will be linked with confidential LED data and made available to approved researchers.

The REIS, supported in part by the USDA Rural Development Mission Area will cover establishments in tradable sectors such as manufacturing, professional services, and wholesale trade. Establishments in urban areas will make up a quarter of the sample for comparative purposes, and ensure coverage of all States. Interviewing is scheduled to begin in fall of 2011 with data available for analysis by mid-2012.

The [Economic Research Service](#) is a primary source of economic information and research in the U.S. Department of Agriculture. With over 350 employees, ERS research informs public and private decisionmaking on economic and policy issues involving food, farming, natural resources, and rural development.

We look forward to discussing the project in more detail at the LED Partnership Workshop.

Sincerely,