Overview of the Economic Census

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Presented by: Shirin A. Ahmed
Assistant Director for Economic Programs
Shirin.anne.ahmed@census.gov
Background

- Conducted for years ending in 2 and 7
- Covers more than 28 million establishments
  - 7.4 employer businesses
  - 21.1 nonemployer businesses
- Forms sent to less than 20% of businesses
- Administrative records used for very small businesses and all non-employers
Economic Census Scope and Coverage

- **Economic Census programs**
  - Minerals
  - Construction
  - Manufactures
  - Wholesale
  - Retail, Accommodations
  - Service Industries
  - Transportation
  - Communication, Utilities
  - Finance, Insurance, Real Estate Services
  - Survey of Business Owners
  - Business Expenses Survey
  - Economic Census of Puerto Rico, Guam, Virgin Islands, Commonwealth of the Northern Mariana Islands, American Samoa
  - Commodity Flow Survey (BTS)

- **Covers data for 1000 industries, 13,000 goods and services products, and 15,000 different geographies**
The Economic Census Has a Unique Role

• Economic Census
  – Benchmark quality
  – Emphasis on levels
  – Broad industry coverage
  – Rich industry and geographic detail
  – Rich content
  – Provides data for maintaining sampling frames

• Monthly, Quarterly, and Annual Surveys
  – Timely estimates
  – Emphasis on short-term trends (period-to-period change)
    • Track the business cycle
    • Provide source data for quarterly GDP estimates
  – Limited sector/industry coverage
  – Limited industry and geographic detail
  – Limited content

40 billion data cells, 1,641 data product releases

Economic indicators
Reliable business statistics from the Economic Census are critical to evaluating the condition of the American economy.

“There is no question that the Economic Census is the most important building block to the economic picture.”
-- Maurine Haver, National Association for Business Economics (8/18/11)
Time Line of 2012 Economic Census Activities


Program Planning and Preparation

Collection Activities

Post-collection
Micro-Referral Processing

Macro Review and Analysis

Dissemination

2017 Program Planning and Preparation
# Economic Census Budget

<table>
<thead>
<tr>
<th>Reference Year</th>
<th>Six-Year Cycle Costs ($1,000)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>$83,124</td>
<td>—</td>
</tr>
<tr>
<td>1987</td>
<td>97,902</td>
<td>+18%</td>
</tr>
<tr>
<td>1992</td>
<td>155,939</td>
<td>+59%</td>
</tr>
<tr>
<td>1997 *</td>
<td>215,968</td>
<td>+38%</td>
</tr>
<tr>
<td>2002</td>
<td>321,636</td>
<td>+49%</td>
</tr>
<tr>
<td>2007</td>
<td>503,445</td>
<td>+57%</td>
</tr>
<tr>
<td>2012</td>
<td>n/a</td>
<td>+30%‡</td>
</tr>
</tbody>
</table>

* Census of Agriculture moved to the National Agricultural Statistics Service
‡ Estimated
2007 & 2012 Economic Census Cycle Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>2007 Economic Census</th>
<th>2012 Economic Census</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2005</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>FY 2006</td>
<td>66.1</td>
<td>112.8</td>
</tr>
<tr>
<td>FY 2007</td>
<td>82.8</td>
<td>112.3</td>
</tr>
<tr>
<td>FY 2008</td>
<td>128.0</td>
<td>152.7</td>
</tr>
<tr>
<td>FY 2009</td>
<td>114.9</td>
<td></td>
</tr>
<tr>
<td>FY 2010</td>
<td>110.3</td>
<td></td>
</tr>
</tbody>
</table>

Year 1 Year 2 Year 3 Year 4 Year 5 Year 6

$ Millions
Objectives for 2012:
Ensure useful and relevant of programs

- Use of newly-developed parts of the North American Product Classification System (NAPCS) for manufacturing, wholesale, and retail sectors. (All service sector industries collected on NAPCS in 2007)
- 2012 revisions to the North American Industry Classification System (NAICS), including:
  - Less industries for manufacturing.
  - Clarified classification of factoryless goods producers.
- Added product detail to manufacturing to account for Current Industrial Report industries and the green economy
- Added enterprise inquiries for innovation and manufacturing services; new enterprise classification system; new enterprise statistics
Objectives for 2012:
Reduce Respondent Burden

Offer Direct Internet Reporting for Singleunits:
Target = 20%

<table>
<thead>
<tr>
<th>Final 2007 Economic Census Response</th>
<th>Check-in Rate</th>
<th>Electronic/Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall (hit target)</td>
<td>86%</td>
<td>29%</td>
</tr>
<tr>
<td>Multiunit establishments</td>
<td>91%</td>
<td>54%</td>
</tr>
<tr>
<td>From ~1,300 largest companies*</td>
<td>96%</td>
<td>89%</td>
</tr>
<tr>
<td>Single-unit establishments</td>
<td>81%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Hit a key performance target for the 2007 Economic Census.

* I.e., response for establishments of about 1,300 large multi-establishment companies covered by the Account Managers Program.
Reduce Respondent Burden
Modernize Business Help Site
Reduce Respondent Burden
Expand Account Manager Program

• Account Managers assist Large (L) companies with reporting.
• Expand from 1300 to 2000 companies (approx 400,000 to 775,000 establishments )
• 61 % of multiunit payroll, 40 percent of multiunit establishments
Reduce Respondent Burden  
Expand Outreach to Businesses

- Expand Advance Mailing to 80,000  
  - Contacted 15,000 in 2007  
  - Resulted in higher response  
- Aggressively Market Electronic Tools  
- Focus on 20 Segments for Response: Minority businesses, Industries, Selected Metro’s
Response Promotion Strategies

• Message on envelope (Mandatory)
• Toll-free number
• Business Help Site
• Improved electronic reporting software
• Multiple remails (reminders)
• Letters from top legal official

• Advance information and account managers
• Trade association and other intermediary outreach
• Awareness campaign:
  – What’s in it for ME (my business)?
Economic Census: Industry Snapshot

Full-Service Restaurants (NAICS 7221)

DID YOU KNOW?
Full-service restaurants in the District of Columbia reported the highest sales per business in 2007 ($1.7 Million), while businesses in South Dakota reported the lowest ($565 thousand). The national average was $847 thousand.

Key Industry Statistics

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2007</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of establishments</td>
<td>195,659</td>
<td>220,089</td>
<td>12.5%</td>
</tr>
<tr>
<td>Sales ($ Millions)</td>
<td>144,650</td>
<td>192,529</td>
<td>32.9%</td>
</tr>
<tr>
<td>Annual payroll ($ Millions)</td>
<td>46,064</td>
<td>63,259</td>
<td>37.3%</td>
</tr>
<tr>
<td>Total employment</td>
<td>3,904,628</td>
<td>4,603,747</td>
<td>17.9%</td>
</tr>
<tr>
<td>Sales per establishment ($1,000)</td>
<td>739</td>
<td>874</td>
<td>18.2%</td>
</tr>
<tr>
<td>Sales per employee ($1,000)</td>
<td>437</td>
<td>442</td>
<td>1.2%</td>
</tr>
<tr>
<td>Sales per $ of payroll</td>
<td>3</td>
<td>3</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Payroll per employee ($)</td>
<td>11,797</td>
<td>13,741</td>
<td>16.5%</td>
</tr>
<tr>
<td>Employees per establishment</td>
<td>20</td>
<td>21</td>
<td>4.8%</td>
</tr>
<tr>
<td>Sales per capita ($)</td>
<td>503</td>
<td>638</td>
<td>26.8%</td>
</tr>
<tr>
<td>Population per establishment</td>
<td>1,470</td>
<td>1,369</td>
<td>-6.6%</td>
</tr>
</tbody>
</table>

The Economic Census is the official 5-year measure of American Business. For more statistics on this industry, visit business.census.gov. Source: Economic Census; Economy-Wide Key Statistics File.
Economic Census: Local Business Snapshot

Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area

DID YOU KNOW?
The Professional, Scientific, and Technical Services sector was the largest employer in the Washington, DC metro area and this same sector reported the highest 2007 sales ($98.1 Billion). The Washington, DC metro was ranked 4th among U.S. metros in the number of businesses in the Professional, Scientific, and Technical Services sector (28,378 establishments).

NUMBER OF PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES BUSINESSES IN WASHINGTON, DC METRO COUNTIES: 2007

<table>
<thead>
<tr>
<th>Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 - 1772</td>
</tr>
<tr>
<td>4,000 - 7,470</td>
</tr>
</tbody>
</table>

TOTAL RETAIL SALES IN THE TOP METRO AREAS: 2007 ($BILLIONS)

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>2007 Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>$45.9</td>
</tr>
<tr>
<td>Dallas</td>
<td>$35.7</td>
</tr>
<tr>
<td>Chicago</td>
<td>$29.1</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>$164.1</td>
</tr>
<tr>
<td>New York</td>
<td>$237.6</td>
</tr>
</tbody>
</table>

ACCOMMODATION AND FOOD SERVICES SALES BY INDUSTRY: 2007 ($MILLIONS)

- Full-service restaurants: $121
- Limited-service eating places: $106
- Hotels and motels: $17.3
- Food service contractors: $39.4
- Bars: $1,186
- All other: $1,056

EMPLOYMENT STATISTICS IN TOP 5 INDUSTRY SECTORS IN THE WASHINGTON DC METRO AREA: 2007 AND 2002

<table>
<thead>
<tr>
<th>2007 NAICS Code</th>
<th>2007 NAICS Defined</th>
<th>Number of Employees</th>
<th>Payroll per Employee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>Professional, scientific, and technical services</td>
<td>468,835</td>
<td>$82,371</td>
</tr>
<tr>
<td>44-45</td>
<td>Retail trade</td>
<td>271,527</td>
<td>$26,055</td>
</tr>
<tr>
<td>62</td>
<td>Health care and social assistance</td>
<td>259,815</td>
<td>$44,698</td>
</tr>
<tr>
<td>56</td>
<td>Administrative and support and waste management and remediation services</td>
<td>237,517</td>
<td>$36,015</td>
</tr>
<tr>
<td>72</td>
<td>Accommodation and food services</td>
<td>219,832</td>
<td>$18,284</td>
</tr>
</tbody>
</table>

THE ECONOMIC CENSUS IS THE OFFICIAL 5-YEAR MEASURE OF AMERICAN BUSINESS
For more statistics on this industry, visit business.census.gov
Source: Economic Census; Economy-Wide Key Statistics File
Comparing My Business

Comparing my business to industry totals and averages

The manager of a furniture manufacturing firm is researching the sales and productivity of her business and employees.

She compares the sales per employee of her business and other ratios to industry averages from the Economic Census. She becomes concerned when statistics from the Economic Census show that her company's sales and productivity are lower than the industry average.

She uses this information to convince the company's Board of Directors that it should upgrade their production technology, provide additional staff training, and evaluate their workforce skill sets.

See the Snapshot for this industry.
Business Associations & Chambers of Commerce

Starting in the Fall 2012, millions of businesses across America will receive an Economic Census form. You can provide information about how their efforts will help your community or your industry — and their business.

To have an impact, information about the Economic Census needs to reach business people in as many different ways and as often as possible from now through February 2013.

You Can Help Promote the 2012 Economic Census!

Talk about it. In your meetings, let your members know the census is coming. Use our fact sheet [pdf] to tell them how the Economic Census benefits your industry or community.

Publish an article. Adapt drop in text, or use these story ideas to develop your own article. We will update the content available here through 2012. See our timeline to the right.

E-mail your members, starting this summer. Let them know what to expect in the 2012 Economic Census.

Prepare your staff. Your staff can better assist your members or clients if they have our fact sheet [pdf] about the Economic Census.

Link to our website. Direct your members to information and uses of Census Bureau Economic Statistics at business.census.gov.

Make a statement. Ask your president to make a public statement endorsing the Economic Census because of its benefits to your industry or community. Issue a press release or write a letter to the editor of your local newspaper. Please e-mail us a copy.

Stay in touch. Follow us on Twitter and Facebook, and sign up to receive e-mails with periodic updates and messages to pass along to your readers, and with tips on using economic census data.
Objectives for 2012:
Improve Key Systems

- Complete migration to Blade/Linux information technology platforms and an updated software architecture.
- Intelligent Computer-Assisted Data Entry (iCADE), which will use optical character recognition for selected numeric data.
- Next-generation on-demand laser printing for report forms
- Introduce better analytic tools; develop for 2017 architecture framework
2012 Economic Census Milestones

- 03/12  Advance mailing to 80,000 largest companies
- 09/12-12/12 Preparation and assembly of **4.6 million mailing packages**
- 10/12-03/13 Run first wave of Economic Census promotional materials
- 10/12  Mail 775,000 forms to 2,000 largest companies
- 10/12  Business Help Site, Toll-free assistance, Electronic Reporting
- 12/12  Mail Economic Census SU and remaining MU report forms
- **02/12/13**  Economic Census due date
- 09/13  National Processing Center units complete collection/ processing
- 10/13  Complete initial tabulations and begin HQ review.
- **12/13**  First Economic Census data product (Advance report)
- 4Q/14  Industry series completed
- 2Q/16  Final product released
2012 Economic Census Release Schedule -- Proposed

• Advance Report: 12/2013
  • 3 months ahead of 2007 Economic Census timing
  • 1 year after end of reference period
• Industry Series Reports: 2/2014 – 11/2014
• Geographic Area Series Reports: 11/2014 – 8/2015
• MCD Subject/Summary Reports: 2/2015 – 10/2016
• SSSD Lines & Size Reports: 10/2015 – 12/2015
• Comparative, Bridge, and Franchise Reports: 3/2016 – 6/2016
• ZIP Codes Reports: 6/2016
“New” American FactFinder (AFF2)

The replacement source for these same economic data as well as data from the Decennial Census and other demographic programs
Questions?