

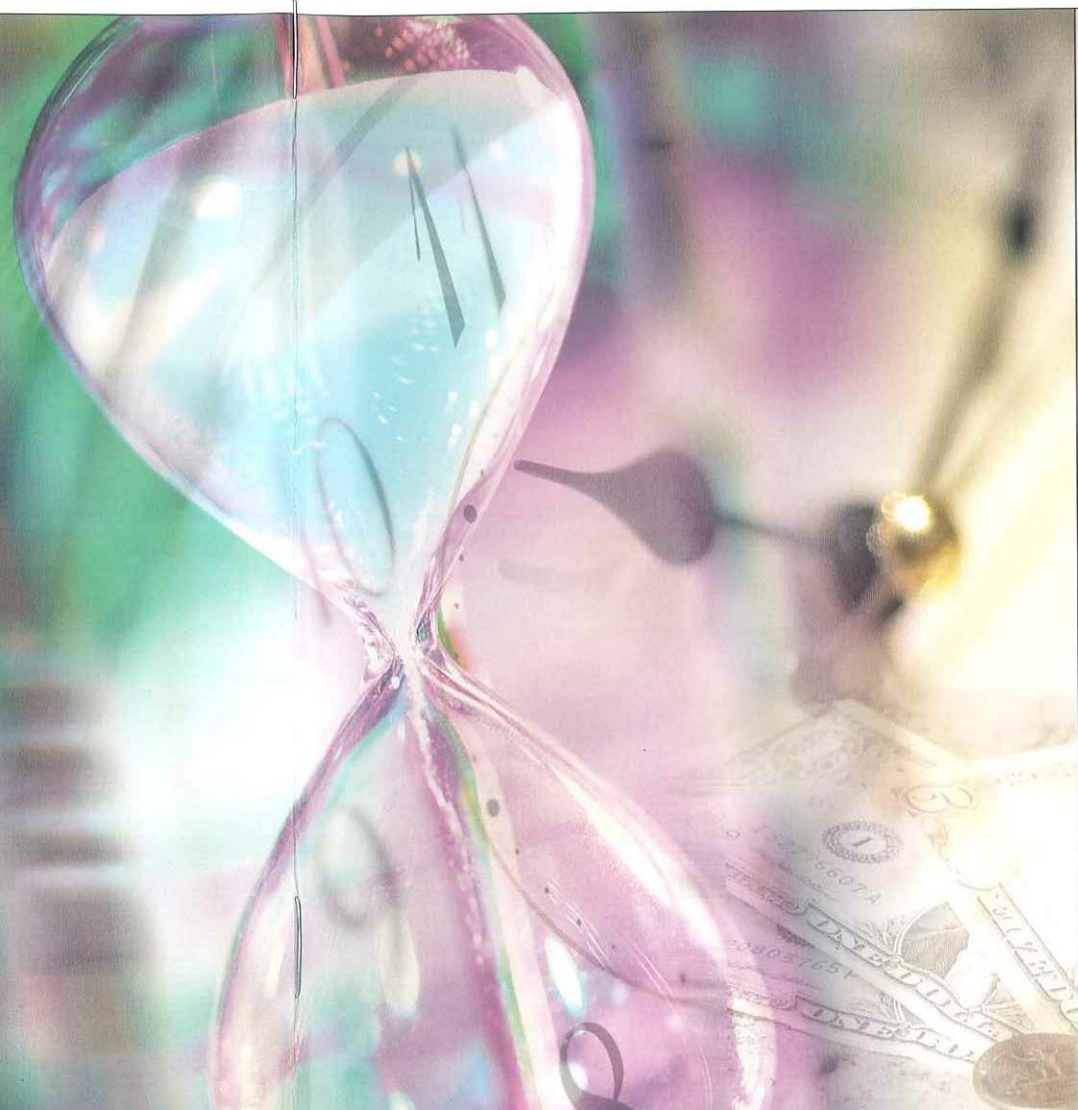
The Economic Census *What's In It For You?*

**Find the Answers
you need at:**

www.census.gov



U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU



*If we could first know where we are,
and whither we are tending,
We could better judge what to do,
and how to do it.*

—Abraham Lincoln



*The census data are sometimes
the only light we have in an increasingly
dense forest of global information.
Without it, we would surely be lost.
These data form a critical component
of strategic decision making and
risk management.*

—Diane Swonk, Chief
Economist and Executive
Vice President, Bank One

The Economic Census

What's In It For You?

Good Data Translate Into More Dollars

Every 5 years—in years ending in “2” and “7”—the U.S. Census Bureau comprehensively measures America's business activity through an economic census.

Detailed data are collected on businesses large and small. Five million large and medium-sized businesses received 1 or more of 650 questionnaire variations for the 2002 Economic Census. The economic activity of another 15 million very small



businesses, mostly self-employed, were measured from data already provided to the government. In all, approximately 96 percent of the nation's Gross Domestic Product

(GDP) is covered by the economic census together with the census of governments.

Using a recently revised system of categorizing business activity—the North American Industry Classification System (NAICS)—the 2002 Economic Census

builds upon the advances of the 1997 Economic Census, the first census to apply the new coding system.

Following is an example of how good data can translate into highly valuable knowledge.

In 1997, the economic census gathered data for a newly formed NAICS classification called the Accommodation and Food Services sector.

In the entire U.S., there were about nine and half million paid employees in this sector. If they were distributed evenly across all 50 states and the District of Columbia, there would have been about 185,000 of them in each state and the District.

However, 6 states (California, Texas, Florida, Illinois, Ohio, and New York) each had more than 5 percent of the national total, that is, more than 470,000 per state.

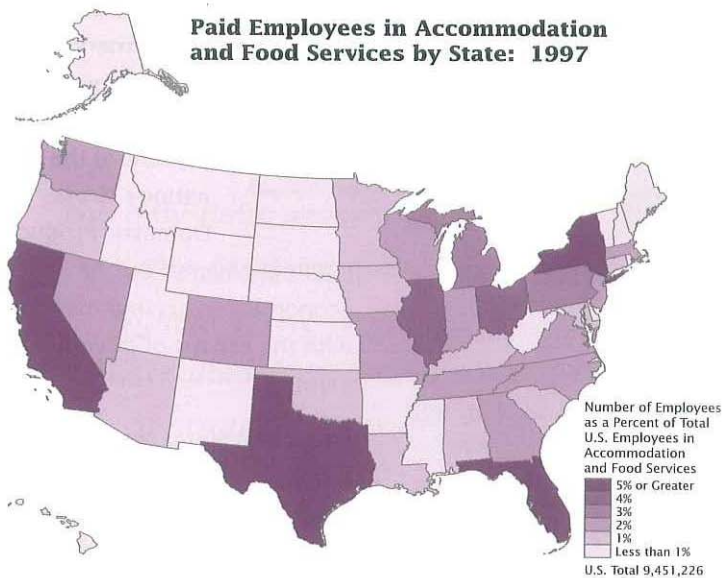
Taking New York state as our example, the table below shows the numbers of paid employees in the Accommodation and Food Services sector across geographic levels.

• In turn, the New York City Primary Metropolitan Statistical Area (PMSA) had 209,107, 44 percent of the New York state total. What does this tell us?

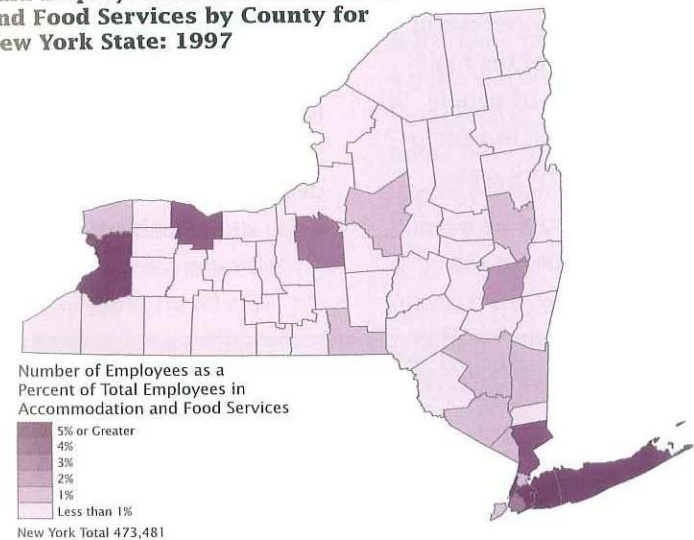
- New York state alone had nearly one-half million (473,481).

Accommodation and Food Services: 1997

Geographic level	Paid employees
U.S.	9,451,226
New York State	473,481
New York City PMSA	209,107



Paid Employees in Accommodation and Food Services by County for New York State: 1997





There are at least three important messages contained in these data:

- New York state officials, interest groups, and workers would take immediate notice of any *nationwide* tax policy, labor policy, or employment regulations affecting jobs in the Accommodation and Food Services sector because of the high numbers of people working in this sector in New York state.
- This would be even more true for the

New York PMSA compared with the rest of New York state.

- State officials could expect that *statewide* policies affecting jobs in the Accommodation and Food Services sector would be perceived very differently by those in New York city vs. those living and working “upstate.”

In sum, the NAICS industry classification system makes possible highly effective data comparisons of geographic levels. These comparisons provide useful insights for politicians, policy planners, business owners, employees, and voters. This is how good data can translate into well-informed decisions, effective strategies, and valuable dollars.

*To see the data for your area, visit
www.census.gov/econ2002*

The road to making decisions about dollars with the best data is an open highway. American FactFinder® points the way, and thematic maps show you what to expect upon arrival.



Creating a Thematic Map to Make Decisions About Dollars

Economic data are used by businesses to map sales territories, by disaster response agencies to estimate potential losses to employment, by communities that rely upon travel and tourism to identify their assets, and by academic researchers, legislators, and policymakers to find the best solutions for society's economic needs.

How to Create Your Own Thematic Map

A thematic map can be a good starting point for answering initial questions requiring the use of economic data: thinking of opening up a health-care facility in Alaska? Where might one be needed? Look at the data to find out.

To create a thematic map, go to the U.S. Census Bureau's

American FactFinder® main page at <http://factfinder.census.gov>.

Then, scroll down the page to *1997 Economic Census* and select *Detailed Statistics*.

Select *Thematic Maps* in the upper right of the screen.

From the *Geographic Type* section, select either the U.S. or—from a drop down menu—a state (select Alaska as an example). Click on *Next*.

Select *Theme* from the list of choices that appear. In the case of Alaska (see next page), select “TM-62-001T, Number of Establishments per 1,000 Persons in Health Care and Social Assistance (Taxable only): 1997.” Click on the *Show Map* button.

After the map comes up on the screen, select *Identify* and click on one

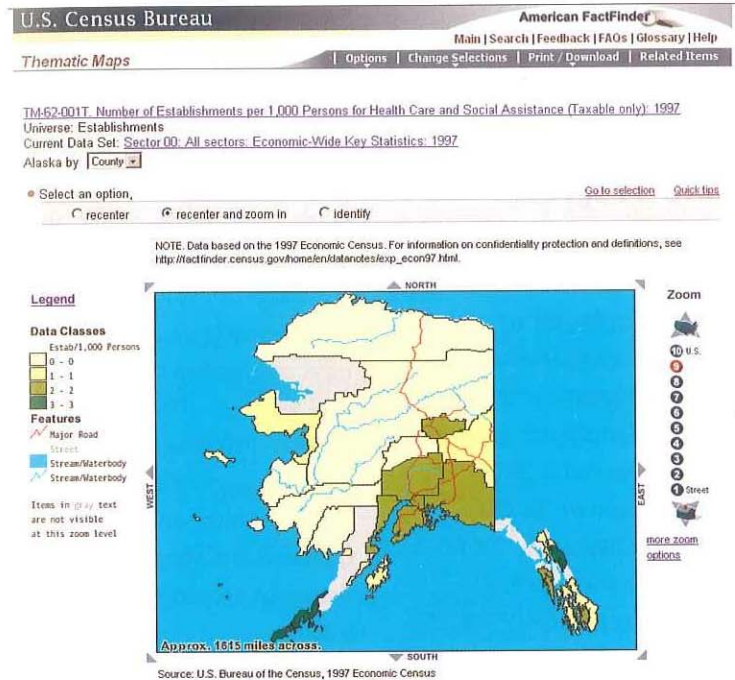
of the shaded portions of the map to see a new window emerge. In the window will be the name of the geographic area, the data for the level of geography represented by the shaded portion, and (if a base number was used), a number representing the universe for the shaded portion.

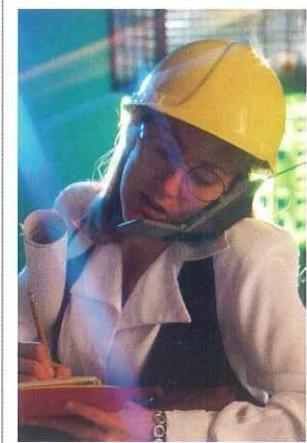
You may adjust the map data by clicking on *Legend* and then following the prompts. Here you will be able to change the number of classifications into which the data are organized, change boundaries, and add items such as roads or national parks. Be sure to click on *Update*, after making changes within the *Legend* options. For another map or to retrieve data on another theme, use *Change Selections* (top of screen, right of center).

Need a closer look at the map? *Zoom in*. More perspective? *Zoom out*.

The maps and the data behind the map can be downloaded. Right click on the map to save its

image to a local disk, and then use the *Print/Download* menu at the top right of the screen—following the prompts—to save the data to a local disk.





Special Economic Data Programs
The Survey of Business Owners

An important part of the economic census is the Survey of Business Owners and self-employed persons (SBO). The 2002 SBO, formerly known as the Surveys of Minority- and Women-Owned Business Enterprises (SMOBE/SWOBE), provides the only comprehensive, regularly collected source of information on business owners' gender, ethnicity, and race.

Moreover, the 2002 SBO provides additional demographic statistics about the business owners, such as age, education level, veteran status, disability, and primary function in the business. Characteristics about the business include family- and home-based businesses, types of customers and workers, and sources of financing.

Data on these characteristics are key to policy decisions made in both the public and private sectors. The data are used to evaluate the extent and growth of business ownership by minorities and women. The data also provide a framework for assessing and directing federal, state, and local government programs designed to promote the business success of these groups.

The 2002 data were collected on a NAICS basis. In contrast, the Standard Industrial Classification (SIC)

Comparison of Minority-Owned Firms With All U.S. Firms by Industry Division: 1997

Industry division	All U.S. firms		Minority-owned firms		Minority-owned as a percent of all U.S. firms	
	Firms (number)	Sales and receipts (million dollars)	Firms (number)	Sales and receipts (million dollars)	Firms	Sales and receipts
All industries.....	20,821,934	18,553,243	3,039,033	591,259	14.6	3.2
Agricultural services, forestry, and fishing.....	496,164	64,033	71,921	4,116	14.5	6.4
Mining.....	126,809	176,609	3,578	916	2.8	0.5
Construction.....	2,333,424	944,155	255,251	41,884	10.9	4.4
Manufacturing.....	688,782	4,021,515	63,640	63,048	9.2	1.6
Transportation, communications, and utilities.....	919,570	1,183,669	190,564	21,274	20.7	1.8
Wholesale trade.....	797,856	4,270,041	92,727	153,874	11.6	3.6
Retail trade.....	2,889,041	2,640,085	439,450	116,261	15.2	4.4
Finance, insurance, and real estate.....	2,237,675	2,567,560	164,043	22,105	7.3	0.9
Services.....	8,891,023	2,614,965	1,339,486	135,876	15.1	5.2
Industries not classified.....	1,480,003	61,611	419,522	31,906	28.3	51.8

was used in the 1997 SMOBE and SWOBE. Therefore, 2002 SBO data are easier to integrate with other data from the 2002 Economic Census.

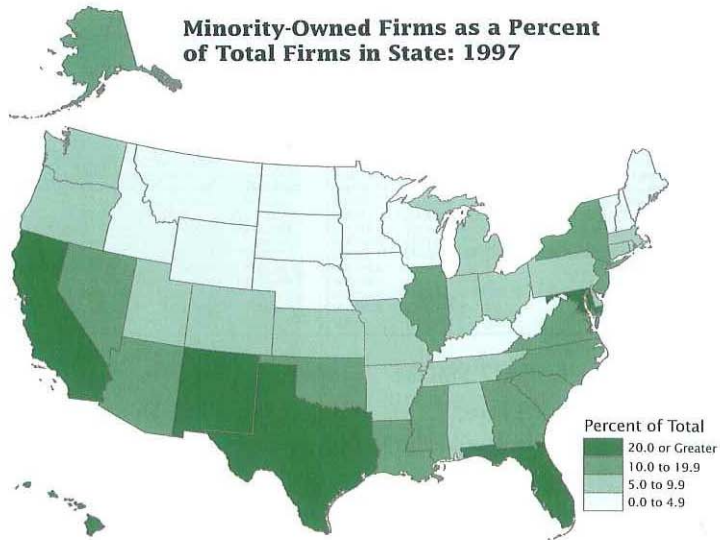
Nevertheless, results from the 1997 SMOBE and SWOBE, as illustrated in the table above, show the value these data have provided to users. The data show that 14.6 percent (3,039,033) of all U.S. firms (20,821,934) were minority-owned. Together, the minority-owned firms

The Small Business Administration and the Minority Business Development Agency use these data when allocating resources for their business assistance programs.

took in 3.2 percent of total U.S. sales and receipts. However, the data also show that certain industrial sectors exceeded the 3.2 percent

average sales and receipts for minority firms. Those sectors were agricultural services (6.4 percent), construction (4.4 percent), retail trade (4.4 percent), and services (5.2 percent).

For users needing state-level data, the Census Bureau's special economic data programs are indispensable.



For example, the map above, taken from the **1997 Minority Summary** report, shows minority- and women-owned firms as a percentage of total firms in the state.

The 2002 Economic Census, collecting these data as part of the SBO, promises to fulfill the needs of state policymakers with more precision than ever before.

SBO data are collected from a large sample of nonfarm

businesses. These businesses are individual proprietorships, partnerships, or corporations that have receipts of \$1,000 or more. Using a sample reduces the reporting burden for business owners and lessens data collection costs for taxpayers.

Publication of the 2002 SBO data is scheduled for 2005-2006. (See list of reports on page 20.)

- Answering the census is a civic duty, and moreover, it is required by law—Title 13 of the U.S. Code.
- Under the same Code, business data are confidential.

Whether conveyed electronically or in print, the publications of the economic census must effectively transfer the wealth of data that are collected to those who want to use it.

Good Data Are Disseminated With You in Mind

The Census Bureau's data publication program has kept pace with the times. Throughout the last decade, printed reports have largely yielded to electronic data dissemination formats. The dissemination of 2002 Economic Census data continues this trend:

- All data will be available on the Internet at www.census.gov.
- All data will also be available on CD-ROM.

The comprehensiveness, ease of use, and visual presentation of electronic

data are highly popular with data users. The Census Bureau's Web site has received many awards.

Data from the economic census are published in 4 major types of reports and, at 6 geographic levels. They cover 18 of the 20 NAICS industrial sectors. However, not all data are published at every geographic level.

On the next page is a table showing the geographic levels for which 2002 data from 18 industrial sectors are published. Data publications for metropolitan areas (MAs), counties, places of 2,500+, or ZIP Codes vary by sector.

Table 1. **Geographic Areas in the 2002 Economic Census**

Sector	States	MA's	Counties	Places 2500+	ZIP Codes
Mining	X				
Utilities	X	X			
Construction	X				
Manufacturing	X	X	X	X	
Wholesale Trade	X	X	X	X	
Retail Trade	X	X	X	X	X
Transportation and Warehousing	X	X			
Information	X	X	X	X	
Finance and Insurance	X	X			
Real Estate and Rental and Leasing	X	X	X	X	
Professional, Scientific, and Technical Services	X	X	X	X	X
Management of Companies and Enterprises	X				
Administrative and Support and Waste Management and Remediation Services	X	X	X	X	X
Educational Services	X	X	X	X	X
Health Care and Social Assistance	X	X	X	X	X
Arts, Entertainment and Recreation	X	X	X	X	X
Accommodation and Food Services	X	X	X	X	X
Other Services (Except Public Administration)	X	X	X	X	X

The major report series for economic census data are:

- *Industry series*
- *Geographic Area series*
- *Subject series*
- *ZIP Code statistics*

For other publications, see page 20.

The table below is an example of how data are

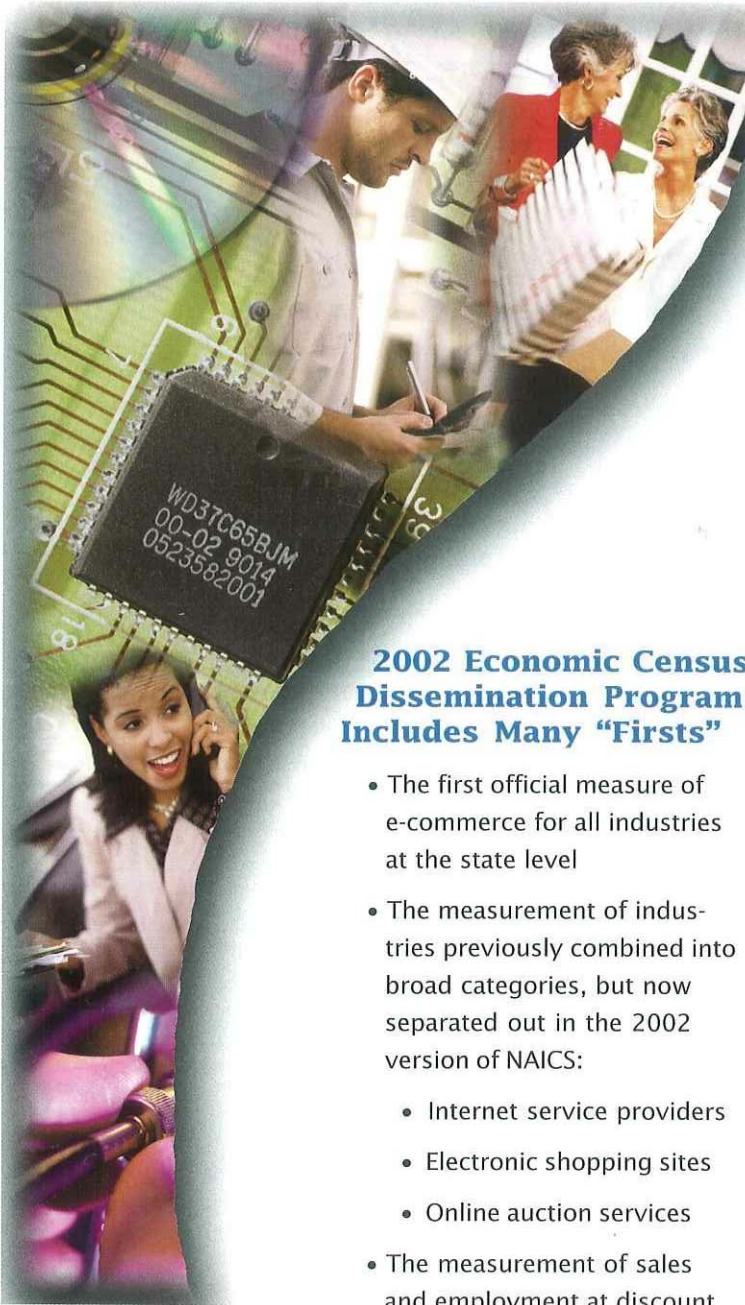
presented in a *Geographic Area series* report.

Data in the table show the two-digit NAICS code for retail trade (44-45), as well as successive levels of detail represented by three- and six-digit codes.

The level of detail represented here makes it easier for businesses to gauge their competition.

Example of Data From a 1997 Geographic Area Series Publication

NAICS Code	Geographic area and kind of business	Establishments (Number)	Sales (\$1,000)	Annual Payroll (\$1,000)	Paid employees for pay period incl. March 12 (Number)
COLORADO					
44-45	Retail Trade	22,921	28,532,646	283,457	3,488,242
441	Motor vehicle and parts dealers	1,340	6,018,542	18,932	484,044
4411	Automobile dealers	546	5,305,849	13,631	384,357
44111	New car dealers	262	5,024,487	12,503	363,316
44112	Used car dealers	284	281,362	1,128	21,041
4412	Other motor vehicle dealers	173	272,136	1,171	26,057
44121	Recreational vehicle dealers	60	142,413	432	11,438
44122	Motorcycle, boat, and other motor vehicle dealers	113	129,723	739	14,619
441221	Motorcycle dealers	71	86,493	486	9,799
441222	Boat dealers	27	31,333	172	3,303
441229	All other motor vehicle dealers	15	11,897	81	1,517
4413	Automotive parts, accessories, and tire stores	605	434,640	4,089	72,952
442	Furniture and home furnishings stores	1,749	1,543,869	10,380	187,582
4421	Furniture stores	449	447,968	2,899	61,219



2002 Economic Census Dissemination Program Includes Many "Firsts"

- The first official measure of e-commerce for all industries at the state level
- The measurement of industries previously combined into broad categories, but now separated out in the 2002 version of NAICS:
 - Internet service providers
 - Electronic shopping sites
 - Online auction services
- The measurement of sales and employment at discount

department stores, which also have been separated out in the 2002 version of NAICS from the broader department store classification

- New information on changing business supply-chain functions among manufacturers—those who store and distribute goods, those who transport goods, and those who sell and bill for goods
- The first measures of leased employment in American business and industry—long a missing element in the Bureau of Labor Statistics' critical measures of productivity

- The gathering of information on 2,755 service industry products, defined, for the first time, using an international standard
- Our first information on taxes and license fees from the nation's 363,000 manufacturing plants
- New information on joint ventures and more details about expenses in the construction industries
- New data on offshore oil activities and mineral export statistics, useful to the Commerce Department's International Trade Administration



The economic census is indispensable to understanding America's economy. It assures the accuracy of the statistics we rely on for sound economic policy and for successful business planning. Returning your economic census forms helps us all.

—Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System

The U.S. Census Bureau Maintains a Business Database That Guarantees the Most Accurate Statistics Possible

We are often asked, "If you conduct an economic census every 5 years, aren't the data old by the time you issue them? What good are they, and who uses them?" The answer lies in the way data are collected in an economic census and what these techniques mean for the accuracy of economic statistics:

- All attempts to collect data and then tabulate

accurate results depend upon as complete a "universe" as possible of the units from whom the data are to be collected. In the case of U.S. economic statistics, that universe consists of millions of U.S. business establishments.

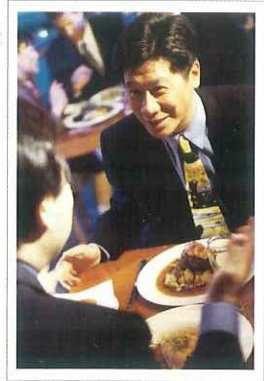
- On a continuing basis, the Census Bureau maintains and updates a list of such establishments—called the "Business Register." Businesses come into being, fail, or merge. They also may change the kinds of goods or

services they offer, which changes the classification of their business activity. The Census Bureau keeps this register current. Then, when it is time to conduct the economic census, the Census Bureau has in place a list that is as accurate a photograph of the U.S. business universe as possible. This increases the accuracy of the statistics that emerge from the data.

- In turn, the Census Bureau conducts more than 100 monthly, quarterly, and annual economic surveys. How can *they* produce accurate statistics? They do so by drawing a sample of businesses

from the carefully maintained list created for, and used by, the economic census.

Thus, the economic *census* gathers data that are both detailed and comprehensive. The economic *surveys* between the censuses provide "current" data. Together, the census and surveys complement each other providing scope, detail, and timeliness of the nation's economic statistics. It is in this way that the economic census "anchors" economic statistics for all other economic data users—this is why economic census data are valuable, not "old."





The Economic Surveys

The Census Bureau is the federal government's largest statistical agency. While best known for the population and housing census, the Census Bureau also conducts an economic census every 5 years, and each year—a large number of surveys. The demographic surveys measure changes in individual and household characteristics. The economic surveys measure the business activity of the nation, as well as characteristics of federal, state, and local government.

The Census Bureau's economic surveys provide:
































- A majority of the information that the Bureau of Economic Analysis uses to update Gross Domestic Product accounts
- Data used by the Bureau of Labor Statistics in reporting monthly Consumer Price Index changes
- Data used by the Federal Reserve Board as input to indexes of industrial production and capacity utilization


Examples of economic surveys include these:

- Annual Capital Expenditures Survey
- Annual Communications Survey
- Annual Survey of Industrial Research and Development
- Annual Survey of Manufactures
- Annual Surveys of State and Local Government
- Business Expense Survey
- Construction Spending
- Current Industrial Reports
- E-Commerce Statistics
- Manufacturers' Shipments, Inventories, and Orders
- Monthly Housing Starts
- Monthly and Annual Retail Sales Survey
- Monthly and Annual Wholesale Trade
- Monthly Merchandise Trade Reports
- New Home Sales
- Quarterly Financial Report
- Services Annual Survey

*To see these data visit,
www.census.gov/business*

Publication Schedule for Reports From the 2002 Economic Census

	2004	2005	2006
Advance Report			
Industry Series	  		
Geo Area Series	 	 	
Comparative Statistics			
Bridge between NAICS 2002 and NAICS 1997			
E-Commerce Statistics		 	
Subject Series		  	 
ZIP Code Statistics			 
Nonemployer Statistics			
Puerto Rico and Island Areas		    	
Business Expenses			
Survey of Business Owners		  	

 Also available in print. (All reports available on CD-ROM and the Internet.)

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