

2007 Economic Census



Uses of the Data

Develop Public Policy

- The [Bureau of Economic Analysis](#) uses data from the economic census to calculate key elements of Gross Domestic Product (GDP) both nationally and for individual states.
- The [Bureau of Labor Statistics](#) uses industry output measures from the economic census to calculate and publish productivity statistics.
- Federal and state agencies look to economic census data to gauge the effectiveness of programs such as minority contracting guidelines, trade policies and job retraining.

Locate Business Markets

- A large retailing chain obtains information on the ZIP Codes of its customers from its credit card transactions. It then links that information with demographic census and economic data to analyze how far its customers are willing to come to shop at their stores and how that distance varies with the number of competing stores. It can then locate new clusters of ZIP Codes with favorable demographic and economic characteristics in which to locate new stores.
- A major food store chain uses economic census data and population figures to estimate potential weekly food store sales in the geographic areas for each of its stores. These estimates allow the company to calculate market share for each existing store and to evaluate prospective sites for new stores.
- The owner of a chain of auto accessory stores computes the ratio of accessory sales in the economic census to household income from the population census for several neighboring metropolitan areas. Finding his own area well above national averages, he infers that the local market for auto accessory stores might be already saturated. That contributes to his decision to expand into a nearby Metropolitan Area with a lower ratio instead of adding another store locally.

Evaluate Industry Growth

- A recent engineering graduate examines economic census data about industries where he thought his skills could be used. After exploring the statistics, he concentrates his job search on the industries that had grown substantially in recent years. He also studies statistics about those industries in preparing for job interviews.
- An investor deciding what stocks to buy uses the economic census data to evaluate the growth rates of various industries and allocates her funds across a set of promising firms in fast growing sectors.
- An economic development commission of a major city attempts to attract new business to the city. The commission uses economic census data to identify industries growing nationally but not present locally and talk to companies in those sectors about their real estate and labor force needs.

Assist Local Businesses

- A State economic development agency identifies industries with the most export activity using "Exports from Manufacturing Plants" data. The agency gives those industries top priority as it launches a program to assist companies in finding trade leads.
- A consultant uses economic census data from American FactFinder to compute business averages, such as sales per capita and establishments per 100,000 residents. She markets comparative summaries to shopping mall owners seeking business tenants and to prospective entrepreneurs. She advises them to look for opportunities in communities where an industry is underrepresented relative to state and national norms.
- Rising crude oil prices lead to higher energy costs and members of Congress use data from the economic census to find out what energy intensive industries are in their districts and what kinds of energy they use.
- [Small Business Development Centers](#) in many states help business owners assess their marketing and management challenges and become familiar with business data sources such as the economic census.

Design Sales Territories

- An insurance company uses counts of establishments by kind of business to redesign sales territories for agents. By comparing economic census figures to their own records on customers, company executives found which kinds of businesses were better prospects than others.

Gauge Competitiveness

- A manager at a manufacturing firm became concerned when data from the economic census showed that her company's productivity (value added per employee) was lower than the industry average. She uses the information to convince the company's Board of Directors that it should adopt her proposal to upgrade their production technology.
- A soft drink bottler considers expanding into two related beverage-manufacturing operations: milk and alcoholic beverages. Economic census data sheds light on industry specialization, company size and the relationship of expenses to receipts. This information encourages the bottler to diversify.

Research

- A professor at a university studies a series of votes in Congress related to free trade issues. He uses economic census data on manufacturing to explore the correlation between each state's industrial structure and the way that state's Congressional representatives voted on these issues.

Business-to-Business

- A person who develops software for managing quality control operations makes a list of industries most likely to use his product, then ranks the top industries based on census figures on value added and growth. He customizes his software to appeal to those top prospects. Economic census data in American FactFinder makes it easy to find areas where large plants in the target industries were located.

Entrepreneurship

- An entrepreneur uses economic census data to support her loan application, as she sought financing to start a tailoring and alterations shop for women executives. She uses economic census data on her line of business in conjunction with data on women in managerial occupations from the census of population.
- An entrepreneur deciding where to locate a new laundromat evaluates a prospective market by using the demographic census data to determine the number of households of various income levels. He then uses industry guidelines to estimate the share of households of each income bracket that would use a laundromat. Given this information and an estimate of the average monthly laundry expenses for a household, he forecasts the total revenue available in the market. Then, by using economic census data, he determines how many other laundromats are in the market and whether or not average revenue per store is high or low.

Disaster Response

- The [Federal Emergency Management Agency \(FEMA\)](#) uses the ZIP Code data to inventory manufacturing locations by industry and size. FEMA estimates potential losses to productive capacity that might result from a major flood or other disaster.