

**Census Has Business Data? An Update on the Economic Census for
Kentucky and Ohio**

NWX-US DEPT OF COMMERCE

May 5, 2020

1:00 pm CT

Coordinator: Thank you all for joining today's conference. All participant lines have been placed in a listen-only mode until the question-and-answer session. To ask a question, please press Star-1 on your touchtone phone. Today's conference is being recorded. If you have any objections, please disconnect at this time. And now I'd like to turn the call over to Adam Grundy with the Census Bureau. Thank you, Sir, you may begin.

Adam Grundy: Thanks, Operator. Good afternoon, everyone, and thanks for attending today's Webinar. My name is Adam Grundy, and I work in the Data User and Trade Outreach Branch, which is an Outreach Office of the Economic Directorate.

The states that we're going to be covering in today's Econ Census Webinar are for Kentucky and Ohio.

The greyed-out rows show the Webinars that have already been conducted. Many of these are archived in the Census Academy link at the bottom of this slide.

And the white rows, these are this week's Webinars as well as other upcoming ones. For example, today is May 5th, so we're going to be taking a look at

Kentucky and Ohio, and then on May 7, we're going to have a different colleague that's going to be taking a look at health care and social assistance sector, or Sector 62.

Before we get too far into the Economic Census ideas that I will be discussing today in Kentucky and Ohio, I want to give you a brief overview about the Census Bureau.

The U.S. Census Bureau is the Federal Government's largest statistical agency. We conduct more than 130 censuses and surveys each year, including what you are probably most familiar with, the Decennial Census, the population survey that goes on every ten years; the American Community Survey, which is an ongoing annual survey of the Nation's population; the Census of Governments, which identifies the scope and nature and the Nation's States and local government sector, and of course, today's focus on the Economic Census, which is the official five-year measure of American businesses.

Our mission is a survey of the leading source of quality data about America's people, places and the economy. From the right-hand side of the banner, as an example, the Census Active Home Page, where I'll be going to in a few moments.

Census Bureau's Economic Surveys are a key source for official statistics the companies contribute to help better implement more data needs.

For example, monthly and quarterly surveys are critical surveys that provide the most timely data. These are the ones that come out more frequently, so might not be as detailed. The annual surveys have larger samples and provide the most up-to-date trend data available.

And of course, today's focus is on the economic census which occurs every five years. And this provides the most comprehensive data available. It goes down to the greatest level of geography and it has the greatest level of detail.

These surveys set the standard for U.S. economic statistics and are fueled by the data provided by individual businesses.

The Economic Census, or EC for short, is conducted through every two digit codes, NAICS codes, covered by the Census Bureau. However, it does exclude agriculture or NAICS 11 and other steps or types of businesses, as you can see from this link that is provided here.

The geography levels that we go down to are provided at the National, State, Metro area, County and even Place levels. Other data, as I mentioned, include data by business size, business class data, status, and et cetera.

There's over 200 data variables shown, including variables like the number of establishments, employment, payroll, sales plus sector-specific variables.

There's also being published on products line data and is released on data.census.gov, our new data dissemination platform. Also, it's available on census business builder for the older versions of the Economic Census as well as for upcoming data release and all this for census business builder 3.1. I'm also going to outline other census data tools that the Economic Census data is available on.

On the right-hand side, you can see an example of an Econ Census promotion advertisement. Also, a tentative summary of releases.

On this slide, this is a schedule of when you can expect 2017 Economic Census data to be released. The geographic area series which I'm going to be focusing on today is going to be completed likely in November or earlier, as you can see on this schedule that we see on the left-hand side. Data releases will continue all the way through December 2021.

In the red box at the bottom, you see an example of a link that takes you directly to the updated release schedule so you can stay on track for when you can expect your state to be released.

The infographic on the right displays the states that have released data from the 2017 Economic Census. By clicking on each individual State, you can get a better idea of which unique sectors have been released for that State, and also includes a direct link to the data source.

You can also sort at the top of the infographic on unique sectors to see what percentage of the sector have released their forms. The percentage marker on the bottom right will automatically refresh each of your selections.

I'm going to go to that one real quick, which I have uploaded up here. As you can see on this infographic, you have a couple of different selections. You can click directly on your State. So, we have Ohio, which I'm going to be focusing on today, as well as Kentucky, which I will be focusing on today.

Or we can also take a look at the first part, which is the sectors. So, if I were to look at, let's say, educational services, or NAICS 61 - as I mentioned before, the percentage of the amount of the sectors that have been released is 72% for that over the sector.

Comparatively, if we take a look at health care and social assistance, Ohio released this one too, we see that 73% has also been released.

Another important feature of this data pool is that if we were going to take a look at Kentucky and [click here for Kentucky health care and social assistance data](#), this is going to take us directly to data.census.gov based on these filters that we've already set forth for that geography.

So, back on our slide, here, we have the States that we're going to be covering today, which were released on March 19th, and that is, again, Kentucky and Ohio, for today's focus.

There are some key data changes that you should be aware of for the 2017 Economic Census. There's some geographic area changes, such as Counties, Places and Metros. There is no zip code data available in the Economic Census. You will be using the zip code business patterns in order to find that information.

And there's also no place data for manufacturing. We'll also be going through and there are actually find some from NAICS specific changes.

And we're going to be going through the new North American product classification systems where the product lines are being published on.

There's other changes, including new disclosure rules here in black. And again, like I mentioned, the data.census.gov dissemination platform. That was that last screen that I showed you on Firefox.

And you can also see this key summary of these changes by looking at a recorded Webinar that my colleague, who's also on the line today, conducted back in 2019 on for the Economic Census that we can refer to.

So, let's take a look at Kentucky first. We can tell you that there's 187 economic post changes. There's 49 bases of area gain or the places that we've never been able to publish for until now. And there's 78 places with area loss.

There's zero places with a name change, 12 new places and one area loss. For example, Bowling Green City is an area gain. And Fort Knox CDP is an area loss. These are just some of the key changes you can look at for the Kentucky geographic area changes.

For the geographic area changes for Ohio, there is no Metro changes. There's 271 economic price changes, 160 with area gain, 99 with loss, 1 place with a name change - those are Fort Shawnee, CDP- 10 new places and 11 job places.

Please keep in mind in the blue fonts that we have over here are crosses of place parts. These are where they straddle over multiple counties, for example, Dayton City is a place called "21000," and it straddles over multiple towns. A dropped place, which is an example in blue, is "36610," or Huber Heights City.

The North American Industry Classification System, or NAICS, is the standard used by U.S., Federal and entities across the United States. It was developed by OMB, Statistics Canada and Mexico's statistical agency. It helps ensure fiscal comparability across North American countries. It was adopted in 1997 and it is updated every five years. There's a link there that is embedded for the 2017 NAICS manual.

On the next few slides I'll end up going through different types of NAICS changes you can expect on the 2017 Economic Census. In blue, we have one-to-one recodes. In green, we have many-to-one for a combination types of

changes, and many-to-many in salmon color. I'm going to go through the details of what each of those means and some examples in the next few slides.

For example, for mining, for NAICS Sector 21, we have crude petroleum and natural gas extractions, or NAICS 211111, which changed to crude petroleum extraction or NAICS code 211120.

In the manufacturing sector, or NAICS 31-to-33, on the right-hand side you can see in the green color, we have pump and pumping equipment manufacturing, and measuring dispensing pump manufacturing. These have merged to become measuring, dispensing, and other pumping and equipment manufacturing.

For retail trade, we have warehouse clubs and supercenters has a NAICS change of 452910 to 452311 in warehouse clubs and supercenters. These are a few of the couple changes you can expect for the 2017 Economic Census.

Again, you can visit the NAICS Web site in the red box for more information about some of these NAICS changes.

Going through some other examples of NAICS changes for the 2017 Economic Census and NAICS Sector 51 or information, we have record production and integrated record production and class distribution. It's merged into record production and distribution or NAICS 512250. And you can see the two NAICS codes from 2012 they've merged into one NAICS code for 2017.

For real estate and rental and leasing for Sector 53, we have some examples of ones that have just changed NAICS codes with the same NAICS description.

For example, videotape and disc rental, where it was previously 532230 is also the same NAICS description on videotape and disk rental, but is now under NAICS code of 532280.

And lastly, for professional, scientific and technical services sector, or Sector 54, you can see that research and development in biotechnology is split into two different NAICS codes for 2017. And this is 541713, research and development in nanotechnology as well as 541714, research and development in biotechnology, except nanobiotechnology.

These are some of the data dissemination platforms that we have for looking at the 2017 Economic Census data.

Click back on the top left; you will have the Quickfacts data tool. One of them on the bottom, data.census.gov already has Economic Census data in that platform, which is our main dissemination platform. Census business builder 3.1, or CBB, will have Economic Census business data in our August release.

These are some examples of an ongoing shows of Fun Facts that each of our release states. Each Fun Fact focuses on a NAICS sector of interest or an update, meeting the official quarter deadline from the U.S. Mint.

On the upper right-hand side, you can see a box for measuring a changing America. This is an America Counts article that was written based on some of these Fun Facts. Also you can look at the majority of the Fun Facts at our main visualizations page of the Economic Census at this link that's on the bottom left.

These are some selected findings for the State of Kentucky. You can go through the value of sales shipments in this week's revenue or businesses done

for 2017.

Taking a look at the wholesale trade sector, which is one of the top published sectors so far. And you can see this is at \$125.9 billion of sales or revenue.

We're going to take a look at other things that are on that graph. The N/A is just a point of note on that is that the revenue data is not available at the State level for utilities information in finance and insurance sectors.

The blank areas, for example, construction and manufacturing, have yet to be released for the Economic Census. That's the reason why they don't have N/As but they are blank for those particular sectors.

Wholesale also saw its largest increase in revenue between 2012 and 2017 of public sectors of up to \$25.9 billion, which you can see on the right-hand side, represents a change in value of 2012 to 2017 data.

This is just a taste of the data you can experience while looking at the 2017 Economic Census data. If you were to take a look at wholesale trade in Kentucky by going down to near the county level, you might begin to see more detail and more information about how this actual sector appears in multiple different counties in Kentucky.

Now, let's take a look at Ohio. Much like Kentucky, wholesale trade was a top sector in 2017 and for the public sector. As I said, 276.2 - excuse me, \$276.3 billion worth of value.

If we were to compare the wholesale trade from 2012 to 2017, for revenues for this one, we can see that it has \$24.1 billion worth of change of revenue from 2012 to 2017, comparing the two Economic Censuses.

And again, just another point in note: N/As are just the revenue values are not available at the State level for utilities information and finance region sectors. The blank areas, again, have yet to be published.

So, what's coming next? We're going to be taking a look at North American product classification system. So, the product lines provide a breakout of the products made and sold and services provided by businesses.

For example, in 2012, Economic Census data from mining and manufacturing construction and other sectors were released separately. For establishment of firm size releases, which is going to be conducted from November 2020 through September '21, they have consolidated into 7 different tables. Seven tables from the old comparability 2012 Economic Census data, and these size categories are standardized.

From these main subject tables, we have 38 tables dropped and 7 tables added.

For some of the examples of what I have explained here, you could visit the NAPCS or NAICS Web site, the concordant tables for more information on the bottom right, which is the box that shows the differences between understanding the different breakdowns we have up here.

And at the top right again is an example of the schedule from November 2020 until September 2021 of when to expect each of these different things to release.

So, in summary, Economic Census provides a wealth of business data. By staying in tune to the main website, which you see here, on the first link, you can take a look at all the updates that have come out for Economic Census.

The data are continuously released on a flow basis. Again, all States and sectors will be completed by roughly August 2020. And more data is coming.

The geographic area changes periodically, so making sure that these data are comparable. You can take a look at the geography section of the Economic Census by going to the link in the middle.

And the 2017 Economic Census data provides on the 2017 NAICS spaces. The data are now being released on data.census.gov of our new data dissemination platform. And as I mentioned before, you can stay tuned via the data coming out by taking a look at that infographic that I shared you just previously.

So, I want to thank everyone for attending today's Webinar. My contact information is on the slide here. Feel free to reach out to me for any other questions you might have.

At this time, I'm going to open up the Chat feature that my colleague, Andy has been monitoring to see what questions you may have for me and my colleague, Andy on this topic.

(Andy): Great. Thanks so much, Adam. So, we'll take a couple of questions via the Chat. A couple of the questions we take will be in Chat. And then we'll open it up to you all for the phone questions.

So, one of the questions - well, maybe I'll say both of the questions - that I want to particularly address in the Chat is based upon the - or it centers around the place-level data changes that Adam has talked about.

So, as Adam was explaining, the boundaries of cities and towns and counties are constantly changing. And when we publish data for the Economic Census, we want to make sure that users, Number One, are aware of those boundary changes so that when they're making comparisons of the data between 2017 and the 2012 Economic Census, they are making a good comparison.

The second reason why we provide these kinds of materials is to help users who are even using data outside of the Census Bureau. Whether you're using Census Bureau data or data from other sources, it's important to know that the data that you're comparing is in fact comparable.

So, when Adam was talking about this concept of adds versus dropped places, what he's referring to are places that are now being recognized in the Economic Census that weren't recognized in previous years - those are what we think of as an add - versus places that used to be recognized in the 2012 Economic Census and are now not being recognized for the 2017 Economic Census.

And the biggest reason for those changes there is because of population change. As Adam mentioned, we recognize all incorporated and unincorporated areas that have at least 2500 population.

So, very small towns that had below 2500 population for the 2012 Economic Census but now have more than 2500 population in time for the 2017 Economic Census, those are places that now qualify, and for the first time will be published in the data for those small communities.

In the past, the businesses that were located in those small communities were, in fact, published; they just weren't separately published in data just for the town. They had been published in something called the "Balance of County,"

which essentially is the remainder of a county after you take out the places that we do publish.

Similarly, a town that is losing population and now they've dropped below that 2500 criteria that would be a dropped place where we would have qualified that place for the 2012 Economic Census and now we don't.

The other question that we got was talking about boundary change. So, not only do we have information about those adds and dropped places, but we also have information on places whose boundaries have significantly changed. And there's a number of different reasons why the boundaries of a geography can change.

For incorporated cities, for municipalities, boundary change often happens because of annexation or de-annexation. A town annexes some land from a neighboring community or a neighboring area that was not previously included in the boundaries of that town, and now the boundaries of that town have grown. That's an area gain.

Similarly, a town can de-annex a piece of land. Maybe says we're not going to actually include this piece of land that used to be in the boundaries of our town that now it's going to be in a neighboring area. That would be an area loss.

Sometimes boundary change occurs because of physical phenomenon. If a river changes its course - you have a major flood event and the river actually relocates itself because of that flood - that river change, the boundary of that river could be the boundary of the town.

The town that I actually live in, the southern edge of the town that I live in in

Maryland is bordered by a river. And if that river were to become flooded and were to move its boundaries, the boundaries of Crofton, Maryland would change.

So, we actually recognize those boundary changes for not only incorporated cities but also for unincorporated areas, or what we call a census-designated place.

Often, the boundaries of a particular town may change because of development. But that town is not a municipality. It's not an incorporated place, but the Census Bureau recognizes that people who live in that particular area might want to actually have data for that town, even though it's not an incorporated city.

So, when we talk about those boundary changes, it's important to understand those changes because sometimes those boundary changes can impact that "countability" of the data that we have available that you're trying to compare.

I'll give you a personal example. The town that I live in annexed, if you will, a neighboring land on the west side of the main road that passes through our town in that area of land were a number of businesses that had been there for years - decades, probably. But those businesses previously were not included in the boundaries of the town that I live in.

Well, in annexing - if, in adding those businesses to the boundaries of my town, the economy of my town has now grown. Those businesses are now being included in my town's data.

But in fact, that change was a figment that business rose; was a figment of the boundaries change. It wasn't like there was real geographic or real economic

growth. The growth that occurred was because those businesses are now included in my town that previously were not included.

So, one of the key points that Adam's making in our end-space presentation is that any time you're using data over time and you're comparing data over time, you want to make sure that the thing that you're comparing is in fact comparable. And the Census Bureau provides detailed information both for geographic change and for industry change. Those made changes that Adam was talking about.

If you are making a comparison of the professional, scientific, and technical services sector over time, knowing that there's a brand new industry that we're opening out for nanobiotechnology would be a good thing for you to know that the definition of that old industry again has now changed. So, we have those materials available.

So, I think those answered two of the questions. Let's see, Operator, if we have any other questions over the phone.

Coordinator: Thank you, Sir. At this time, if you would like to ask a question via your phone line, please unmute your phone, press Star-1, and briefly state your name when prompted.

You may withdraw your request by pressing Star-2. Once again, for questions from the phone line, please press Star-1.

One moment please for questions to queue.

Our first question, (Patrick O'Malia).

(Patrick): Good afternoon. I can appreciate how some cities' boundaries have changed. Mine have not. They've remained static for a long time. And so has my population.

In the past, as an economic developer, have used the manufacturing shipments and data to show how strong my city is in the industrial sector because we're a far-flung suburb of the Cleveland, Ohio metropolitan area where people think, "Hey, you're too far out there. You're too country." And I use that to show, "Hey, you know, of all cities in Ohio between 10 and 20,000, I'm Number 4. I'm doing well. Come check me out."

You guys are no longer releasing those manufacturing shipments by zip code level, which has been a, kind of harmed my industrial recruitment process.

Is there any other way that you can think of for me to show those data, or at least to compare, ideally, not only to show the data but also to show the growth that I've had between the 2012 release and the 2017 release?

(Andy): Adam, do you want to take that one, or do you want me to?

Adam Grundy: Sure. You can go with that, and I'll see if I can chime in with that, Andy.

(Andy): Sure. So, thanks for the question. And I guess I'll say I'll apologize for the fact that we are dropping the place-level data, that city and town-level data available for the manufacturing sector.

As Adam mentioned, one of the changes that we are implementing in the 2017 Economic Census is a change to how we do privacy protection. How we do disclosure analysis in our program.

Because this Bureau is committed to protecting the privacy of the users who respond to our programs - so let's say you and I own the only two gas stations in our town. The Census Bureau couldn't publish data for gas stations in our little town because if we did so, you could easily subtract your data from the published total and know exactly how many employees I have, what my payrolls are, what my sales are, et cetera.

For the 2017 Economic Census, we had a fairly substantial change in the disclosure rules that we are implementing for this Census. And the result of those disclosure rules will result in some data being suppressed that previously would have been published under the old protection rules.

Unfortunately, when you think about the manufacturing sector, in many, many towns, and not just in the smaller towns, but even in the larger cities, there may only be one or two or a fairly small number of big manufacturers in that community or in that particular industry.

So because of the new rules, we would have had to suppress over 80% of the place-level data that we would have normally have been able to publish, we would have now had to suppress.

So, the decision was made to simply not publish an entire table of manufacturing table with the numbers suppressed, all shown as a "D" in the table, but instead just drop it completely.

To your question about what can you do then in place, our zip code business patterns program, which is one of our related annual programs, does publish data and will continue to publish data by zip code.

And there will still be manufacturing data available by zip code. And you may

be wondering how the heck can you guys be doing it that way by zip code, and not publishing in the Economic Census by place.

The reason why we can is because all we publish in zip code business patterns is numbers of businesses. There's no employment and payroll and revenue data in zip code business patterns. So, at least you will be able to see the relative importance of manufacturing in comparison to other sectors of the economy in the zip code data.

I will also openly say that there are other data providers out there that don't have those same privacy protections that we do at the Census Bureau, and as much as it might pain me to recommend you go look somewhere else, that is though the reality. You may want to check one of those other third-party data providers that have information that don't have those privacy protections.

What I always tell folks when I make that recommendation is please, please, please, read the fine print. Understand about how those programs conduct their surveys, what type of analysis and reviews they do of the data that has been reported or that they are publishing, and if you read all that fine print, there is some things that you'll find out that we would never do that they do; and vice versa.

So, I always just suggest data is very powerful. Just make sure, you know, what you're looking at. So, yes. And it's a great question. Manufacturing is probably one of the sectors that is being most impacted by these new disclosure rules, but other sectors of the U.S. economy with its similarly small number of businesses of companies in that industry will also be impacted by these new suppression rules.

So, that was a great question. Thanks.

Coordinator: As a reminder, for questions, it is Star-1.

Our next question, (Robert).

(Robert): Right. I would like to know the statistics; I've been in the last three Censuses in the past, every ten years, until this one.

Does the statistics directly reflect on how it used, say, in Congress, with other entities that someone might be able to use?

Adam Grundy: Okay, if I'm understanding, your question is how people use the data in order to better make economic decisions?

(Robert): That sounds fairly accurate.

Adam Grundy: Okay. So, to speak a little bit to that, what businesses put into the data is basically what they're going to get out of it. Think about it like a little restaurant business that's just using the data from the Economic Census.

It may be able to provide some data on their sales and number of establishments that they have in the restaurant business. And they would be able to see how their businesses have grown and how they can stay competitive with other businesses that are like theirs in those different geographic areas.

So, by using our data, they can actually look to expand their business, and we use that in our data tool Census Business Builder, a lot to help businesses use this type of data in order to make informed decisions.

So, the economic planners' portion of that, they would be able to use this type of data in order to make informed decisions for economic planners and things like that along that same line of thinking.

Andy, is there anything that you would like to chime in with that?

(Robert): Yes, well, it was attached directly to a business which I am; you know, I would appreciate your time already.

(Andy): Sure. So, one thing I will add to what Adam just said. This is often used, our information, to compare themselves to other businesses like them. So, let's say you are operating a particular business in a pertinent industry, and you are concerned that maybe your sales are not as high as you think they could be, or perhaps you're moving employees, or shedding employees. You bring people in, and you train them, but then they leave.

Often, when you use our data to compare your business's operating ratios to the operating data for other businesses like you, you then find opportunities for products that maybe you don't currently provide or services that you don't currently provide in your business that other businesses like you are providing.

And similarly, you could find cases where maybe the reason why your employees are not staying is because you're paying them 20%, let's say, less than what the going - quote/unquote going rate is for other employees in your same industry, in your same geography.

So, certainly, those types of comparisons can be done. Businesses often use our data also to grow their business; to decide where new locations to build to open their business locations based upon the demographic data that we have at

the Census Bureau are, from businesses whose customers are the general public as well as businesses who cater to other businesses, “B-2-B”.

We have a lot of our data users that use our information, our business data, to identify potential customers for their B-2-B business, and even suppliers for their business.

So, let's say I was opening an auto parts wholesale business. Knowing something about where the auto repair facilities and the new and used-car dealerships and the auto parts resale businesses are located; that might help me decide where to locate my wholesale business to better serve those customers. So, like I said, a lot of times our data is used to sort of identify those sort of business opportunities.

(Robert): They'll be able to look at it on a sheet of paper in order to see the visible reality of what decision-making can be done?

(Andy): Yes. So, certainly, we have our data available in tabular format in a number of our data tools. Adam mentioned the data tool called Census Business Builder that primarily displays our data in a map-based interface.

So, for example, you might be able to look at the average added-in payroll per employee for each of the counties in a region and to say, "Oh, okay, in this one county, businesses in my industry pay their employees X number of dollars, whereas, in this neighboring country, they pay them a lower amount of money. And then sort of then using that data to understand maybe is that's a good place to locate my business. Often times a map is a nice way to be able to visualize that data.

(Robert): Yes, right, in so many words. I appreciate it, thank you.

(Andy): You're welcome.

Coordinator: I'm showing no further questions from the phone lines at this time.

Adam Grundy: Okay, well I want to thank everyone again for attending today's Webinar. We appreciate your questions and your interest in Census Bureau data. Thank you, everyone.

Coordinator: This concludes today's conference.

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