

2017 ECONOMIC CENSUS CENSUS OF GOVERNMENTS IMPROVING CENSUS BUREAU STATISTICS

September 15, 2016

Briefing for
Census Scientific Advisory Committee

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2017 ECONOMIC CENSUS

Overview of the Economic Census

The Economic Census is authorized under Title 13 U.S.C., Section 131 to take, compile, and publish censuses of manufacturers, of mineral industries and of other businesses every fifth year.

- Provides the most comprehensive, detailed and authoritative facts about the structure and functionality of the U.S. economy
- Informs policies and programs that promote business vitality and job creation
- Provides the foundation for the National Income and Product Accounts and most of our current survey frames, and samples and benchmarks for GDP estimates

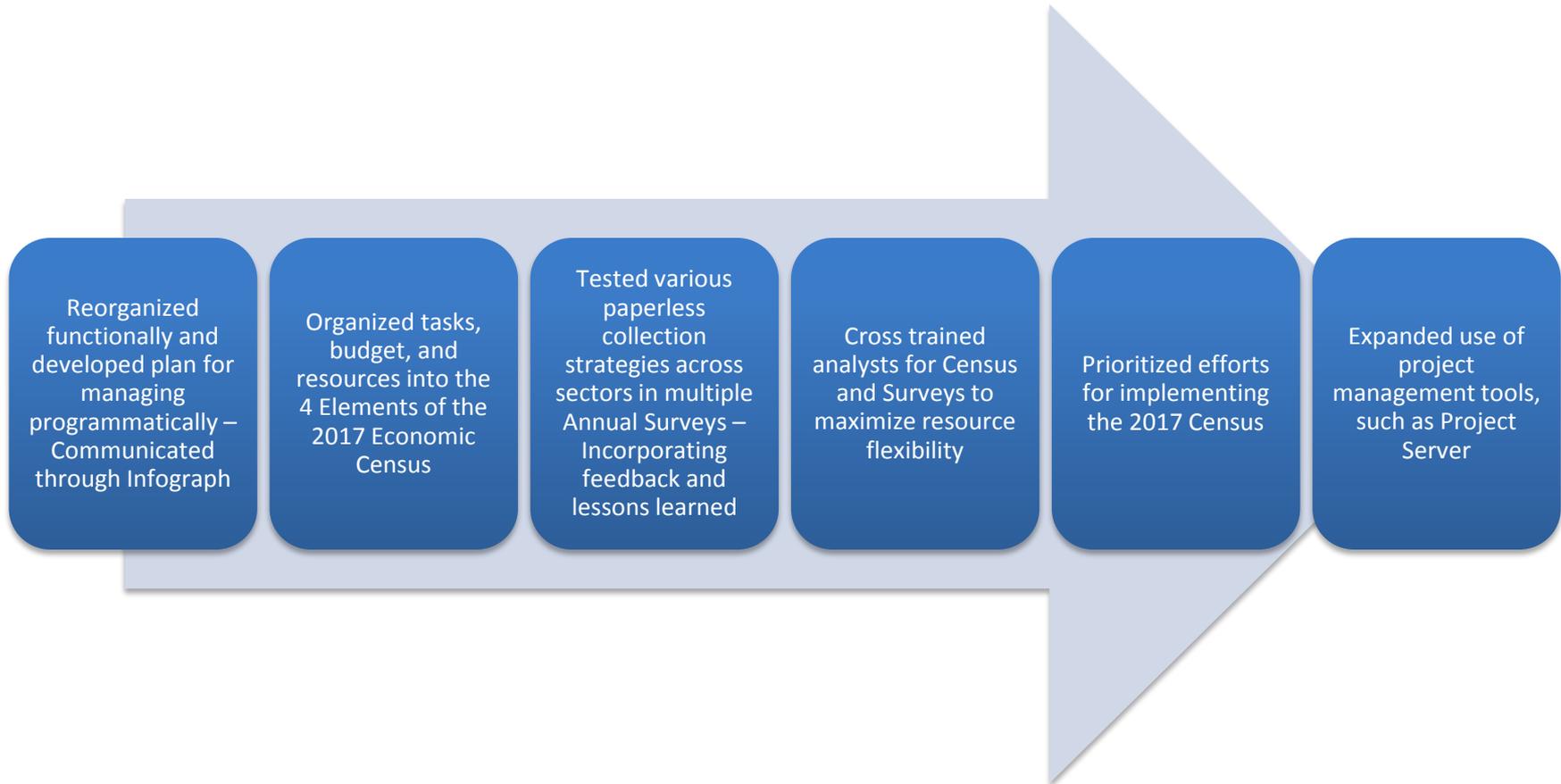
Overview of the Economic Census

- **Economic Census Core Programs**
 - Statistics on key economic data items, such as number of establishments, payroll, employment and sales/revenue
 - Coverage of 18 Industrial Sectors
 - Coverage of 50 States and the District of Columbia
- **Economic Census of Island Areas**
 - Statistics on key economic data items, such as number of establishments, payroll, employment and sales/revenue
 - Coverage of Puerto Rico, American Samoa, The Commonwealth of the Northern Mariana Islands, Guam, and The U.S. Virgin Islands

Overview of the Economic Census

- **Commodity Flow Survey**
 - Statistics on the shipment of commodities in the manufacturing, mining, and wholesale trade sectors and in selected industries in the retail trade and services sectors
- **Business Expenses Supplement**
 - Statistics on total and detailed operating expenses for businesses in wholesale trade, retail trade, and accommodation and food services sectors (through annual business surveys that cover these sectors – AWTS, ARTS, and SAS)
- **Survey of Business Owners**
 - Selected economic and demographic characteristics of businesses and business owners classified by gender, ethnicity, race, and veteran status

Program Summary: Recent Accomplishments



Four Elements of an Efficient 2017 Economic Census

- Move to 100% Internet Collection
- Reduce the Burden for Businesses
- Automate Operations to Increase Efficiency and Productivity
- Improve and Accelerate Release of Data Products to Reflect Our Ever-Changing U.S. Economy

Element 1: Move to 100% Internet Collection

What are we talking about?

- Giving businesses easier ways to respond

What are the intended outcomes?

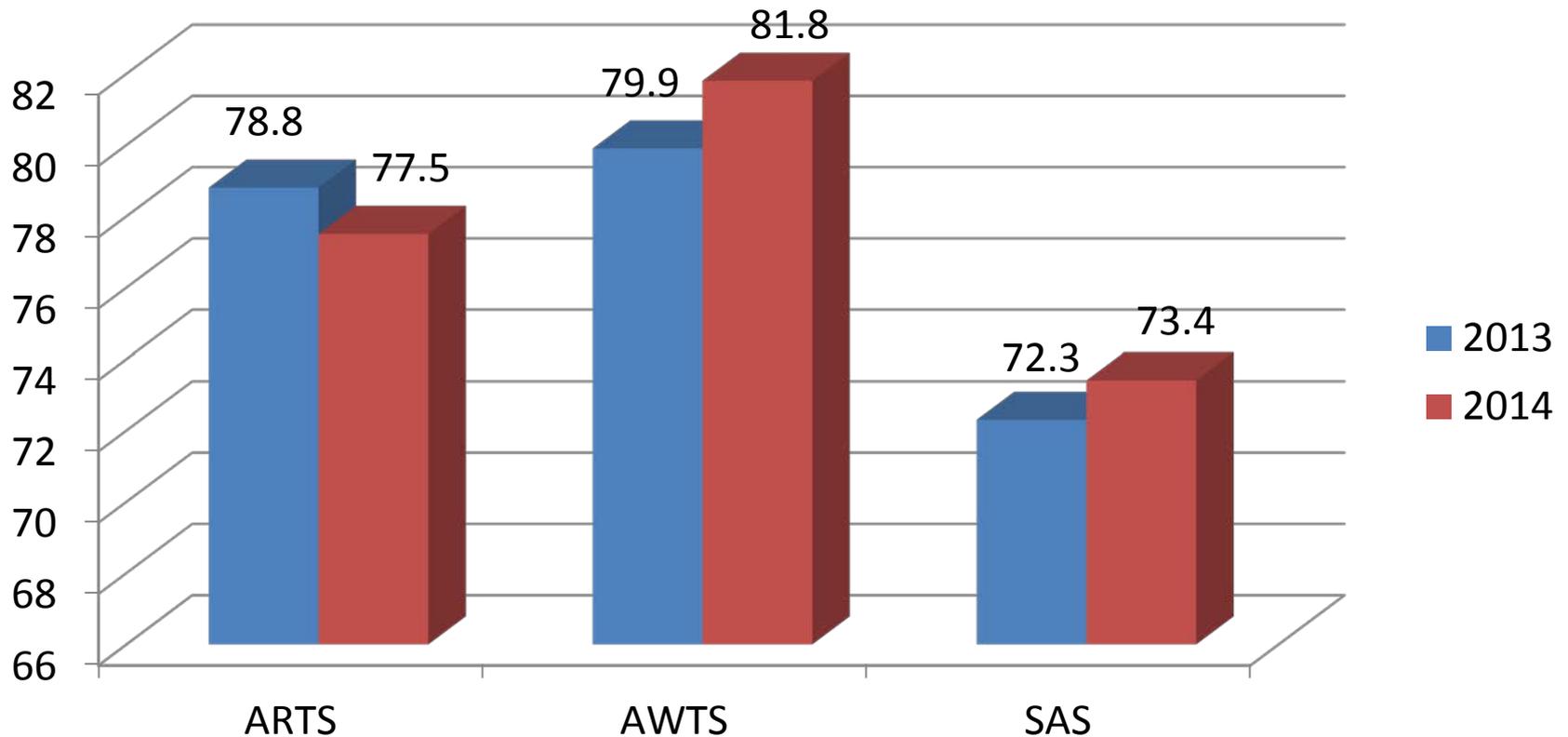
- 100% Internet response for Economic Census (EC) core program and the Survey of Business Owners (SBO)
- More self-response
- Speedier business response
- Improve coverage and data quality

Program Milestones Element 1: Move to 100% Internet Collection

Deliverable	Planned Date
Test paperless strategy using annual and classification surveys	2015-2017
<ul style="list-style-type: none"> 2014 Annual Wholesale Trade Survey 	2015
<ul style="list-style-type: none"> 2014 Annual Retail Trade Survey 	2015
<ul style="list-style-type: none"> 2014 Services Annual Survey 	2015
<ul style="list-style-type: none"> 2016 Annual Survey of Manufactures/ Company Organization Survey 	2016-2017
<ul style="list-style-type: none"> 2017 Economic Census Industry Classification Report 	2016-2017

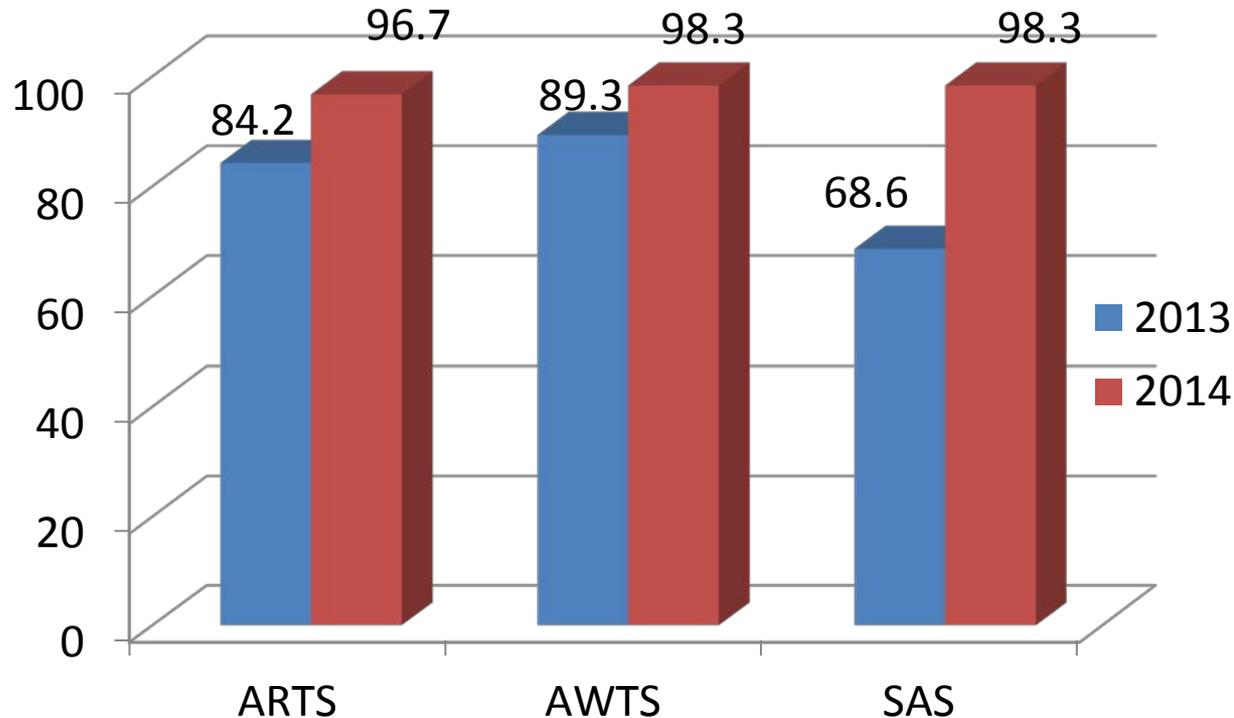
Element 1: Move to 100% Internet Collection

- Impact of strategy – Unit Response Rates



Element 1: Move to 100% Internet Collection

- Impact of strategy – Percent Check-in from Internet Reporting



Element 2: Reduce the Burden for Businesses

What are we talking about?

- Relying more on data sharing with other agencies
- Relying on administration data more for the construction sector
- Researching the use of data from third party sources
- Researching the collection of data from businesses in its existing format
- Changing the mailout strategy
- Adding a due date reminder letter

What are the intended outcomes?

- Reduce respondent burden
- Maintain or reduce cost from 2012 levels

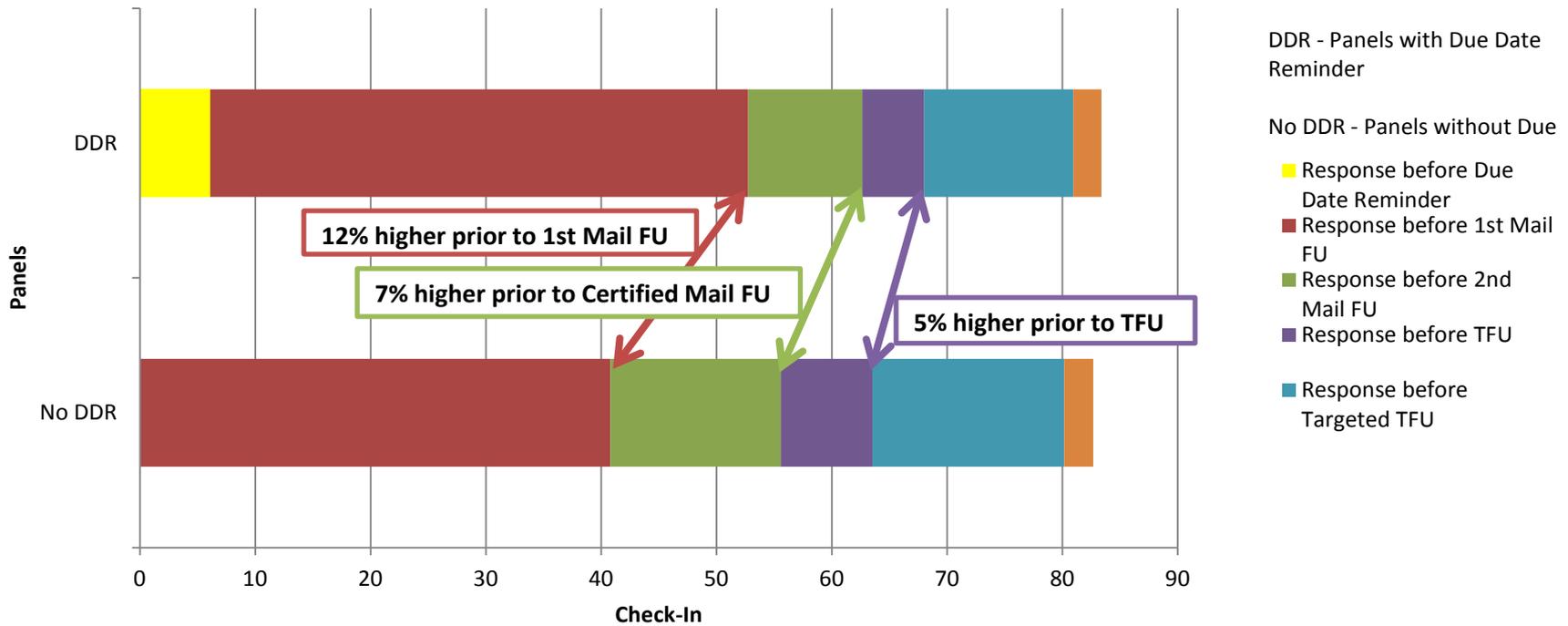
Program Milestones Element 2: Reduce the Burden for Businesses

Deliverable	Planned Date
Test later mailout and due date	2016-2017
<ul style="list-style-type: none"> 2015 Annual Survey of Manufactures/ Company Organization Survey – Jan Mailout; May due date for large MUs, March due date for others 	2016
<ul style="list-style-type: none"> 2016 Annual Survey of Manufactures/ Company Organization Survey – Jan Mailout; March due date for everyone 	2017

Element 2: Move to 100% Internet Collection

- Impact of Due Date Reminder – Check-in Rates prior to each Follow-up

2014 ARTS Panel Check-in Rates by Follow-up



Element 3: Automate Operations to Increase Efficiency

What are we talking about?

- Using Census Bureau-wide data collection and dissemination solutions to increase productivity and reduce costs

What are the intended outcomes?

- Eliminate duplicate systems and processes
- Increase efficiency and productivity
- Better allocate staff resources
- Enable users to combine Economic Statistics with other information

Program Milestones Element 3:

Automate Operations to Increase Efficiency and Productivity

Deliverable	Planned Date
Pilot Para data Application/Management Information System for monitoring response for 2015 COS/ASM	1/2016
Render 2016 COS/ASM single and multi unit instruments using data collection instrument repository application/electronic data collection instrument	8/2016-9/2016
Render 2017 Econ Census single and multiunit instruments using data collection instrument repository application/electronic data collection instrument	11/2016
Deploy updated business help site/secure messaging system for 2017 Econ Census	9/2017
Deploy para data application for 2017 Econ Census	9/2017
Deploy bureau-wide dissemination system for Economic Census	12/2018

Element 3: Automate Operations to Increase Efficiency and Productivity

- Aggressive schedule for instrument design, testing, and implementation
 - Loading content in the collection instrument repository
 - Rendering instrument in the electronic reporting instrument
 - Testing instrument for single and multi reporting units
 - Testing functionality for the collection of products from the North American Product Classification System

Element 4: Improve Data Products to Reflect Our Ever-Changing U.S. Economy

What are we talking about?

- Updating content to reflect the changing economy
- Disseminating more timely and relevant results

What are the intended outcomes?

- Capture the most accurate picture of our changing economy
- Make information more accessible to make data-driven decisions
- Accelerate 2017 data products

Element 4: Improve Data Products to Reflect Our Ever-Changing U.S. Economy

- Conducted respondent outreach in preparation of content
- Accomplished through several approaches:
 - Federal Register Notice
 - Formal meetings with other federal agencies (such as BEA, BLS, USDA)
 - State Data Center User Conferences
 - Trade and Professional Association outreach
 - Trade shows
 - Company visits

Element 4: Improve Data Products to Reflect Our Ever-Changing U.S. Economy

- Feedback resulted in,
 - Testing of requested **new** questions per OMB guidelines, such as:
 - Water Use question for manufacturing industries
 - New Business Cooperatives question
 - Restaurant seating question for Food and Accommodations industries
 - Testing of requested **change** to existing content, such as:
 - Factoryless Goods Providers (FGP) question change to more economically relevant and understandable language
 - Proposals to **drop** questions due to:
 - Unreliable and unpublishable historical data
 - More economically relevant and understandable language
 - Move to North American Product Classification System (NAPCS) based product collection

Element 4: Improve Data Products to Reflect Our Ever-Changing U.S. Economy

- Criteria Considered for New Questionnaire Content
 - Measurement of important trends in the economy
 - Data not available from other sources
 - Reportable at the 'establishment' level
 - Need for sub-national detail
 - Consideration of timing of publication in benchmark program

Element 4: Improve Data Products to Reflect Our Ever-Changing U.S. Economy

- Applied research associated with the behavioral aspects of data collection, such as:
 - Cognitive testing of new content
 - Research of reportability of existing content
 - Analysis of existing products
 - Cognitive and usability testing of electronic testing instrument
 - Respondent debriefings

Element 4: Improve Data Products to Reflect Our Ever-Changing U.S. Economy

- **NAPCS – Major Change to Product Collection in 2017**
 - Trilateral effort among the U.S., Canada and Mexico to create a comprehensive product line system
 - Collection: 2-level system for the Economic Census
 - Broad lines collected for all industries
 - Detail lines targeted to specific industries
 - Publication
 - Release data sooner
 - Product lines by NAICS industry (legacy approach)
 - Economy-wide product lines presentation (new, comprehensive look at products across all sectors)

Provide More Timely and Relevant Data: Improvements from 2012

Advanced data available in the collection/processing year.

U.S. statistics available at the 2 through 6 digit NAICS levels for all sectors up to 9 months earlier than 2012.

State statistics available at 2-3 or 2-4 digit NAICS levels for all sectors up to 18 months earlier than 2012.

All Geographic Area Statistics out 8 months earlier than 2012.

First time we will publish economy-wide establishment and firm size tables.

All other data out 6 months earlier than 2012.

Program Summary: Upcoming Major Milestones

Milestone	Planned Date
Finalize content	November 2016
Deploy updated business help site/secure messaging system for Classification (Refile) Survey	November 2016
Mailout Classification Survey (Refile)	November 2016
Finalize collection instruments for 2017 Economic Census	January 2017
Submit OMB clearance package	March 2017
Receive OMB approval	June 2017
Mail out 2017 Economic Census	January 2018

2017 CENSUS OF GOVERNMENTS

Overview of the Census of Governments

- The only comprehensive source of uniform statistics on economic activity of state and local governments
- Follows the activity of governments over time
- Provides the public sector counterpart to retail, wholesale, manufacturing, and services sectors data

Overview of the Census of Governments: Key Components

- Organization
 - Number and characteristics of governments
- Employment
 - Number of employees and payroll by function for state and local governments
- Finance
 - Revenues, expenditures, debt, cash and securities, and public pensions data for local and state governments

Goals for 2017 Census of Governments

- Move towards 100 percent electronic collection to reduce cost and increase efficiency
- Reduce respondent burden for state and local governments through customized data collection
- Automate operations to increase productivity
- Improve data products to reflect the ever-changing public sector activity within the U.S. economy

Element 1: Move to 100% Internet Collection

What are we talking about?

- Reducing reliance on paper processing
- Streamlining the way governments respond

What are the intended outcomes?

- Increase electronic reporting
- Improve response time
- Improve data quality
- Increase efficiency and reduce processing costs

Element 2: Reduce the Burden for Governments

What are we talking about?

- Relying more on administrative records (more specifically, audited financial reports and centrally collected data)

What are the intended outcomes?

- Reduce respondent burden
- Maintain or reduce costs
- Improve coverage and data quality

Element 3: Automate Operations to Increase Efficiency

What are we talking about?

- Using Census Bureau-wide data collection and dissemination solutions to increase productivity and reduce costs

What are the intended outcomes?

- Eliminate legacy and/or duplicate systems and processes
- Increase efficiency and productivity
- Better allocate staff resources
- Enable users to combine Census of Governments with other information

Element 4: Improve Data Products to Reflect Our Ever-Changing U.S. Economy

What are we talking about?

- Updating content to reflect the changing public sector activity
- Disseminating more timely and relevant data products

What are the intended outcomes?

- Provide the most accurate picture of the ever-changing public sector of the economy
- Help users find better information to make data-driven decisions
- Improve relationships with all key stakeholders and data users

2017 Census of Governments High-Level Milestones

Deliverable	Planned Date
Census of Governments - Overall	2016
<ul style="list-style-type: none"> Stakeholder Conference 	September 2016
Census of Governments - Organization	2016-2017
<ul style="list-style-type: none"> Initial mail Preliminary publication 	February 2016 August 2018
Census of Governments – Employment	2017-2018
<ul style="list-style-type: none"> Test 100% Electronic Internet Collection Initial mail Preliminary publication 	March 2016 March 2017 November 2018
Census of Governments – Finance	2017-2019
<ul style="list-style-type: none"> Test 100% Electronic Internet Collection Initial mail Preliminary publication 	October 2015 October 2017 June 2019

Standard Data Products

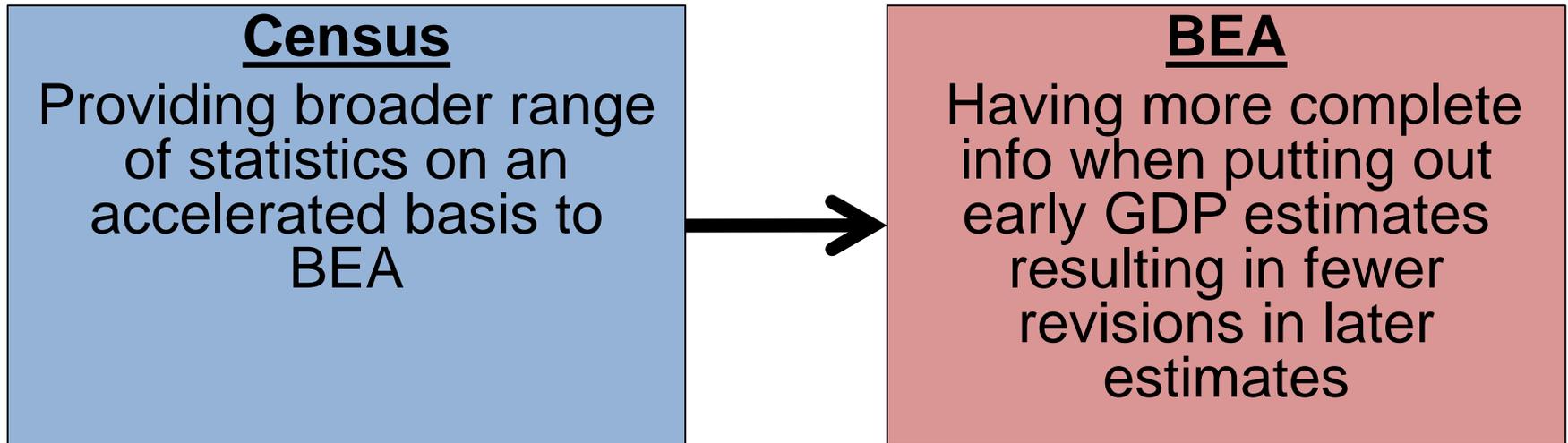
- Data tables in American Fact Finder
- Data available through the Census API
- Individual unit files
- Summary articles
- List and structure of governments

Additional Data Products

- Preliminary data releases to federal partner agencies (Bureau of Economic Analysis, Federal Reserve Board)
- Infographics/Data Visualizations
- Social media

Five Year Plan: Improving Census Bureau Statistics

Collaborative effort underway to improve economic statistics



**Research, testing, and implementation to achieve this
is on-going and a priority for both agencies.**

Facing a balancing act

Increasing costs with steady or declining budgets

Demands from data users for high quality data that is:

- Timelier
- More granular geography
- Linkable with data from multiple sources



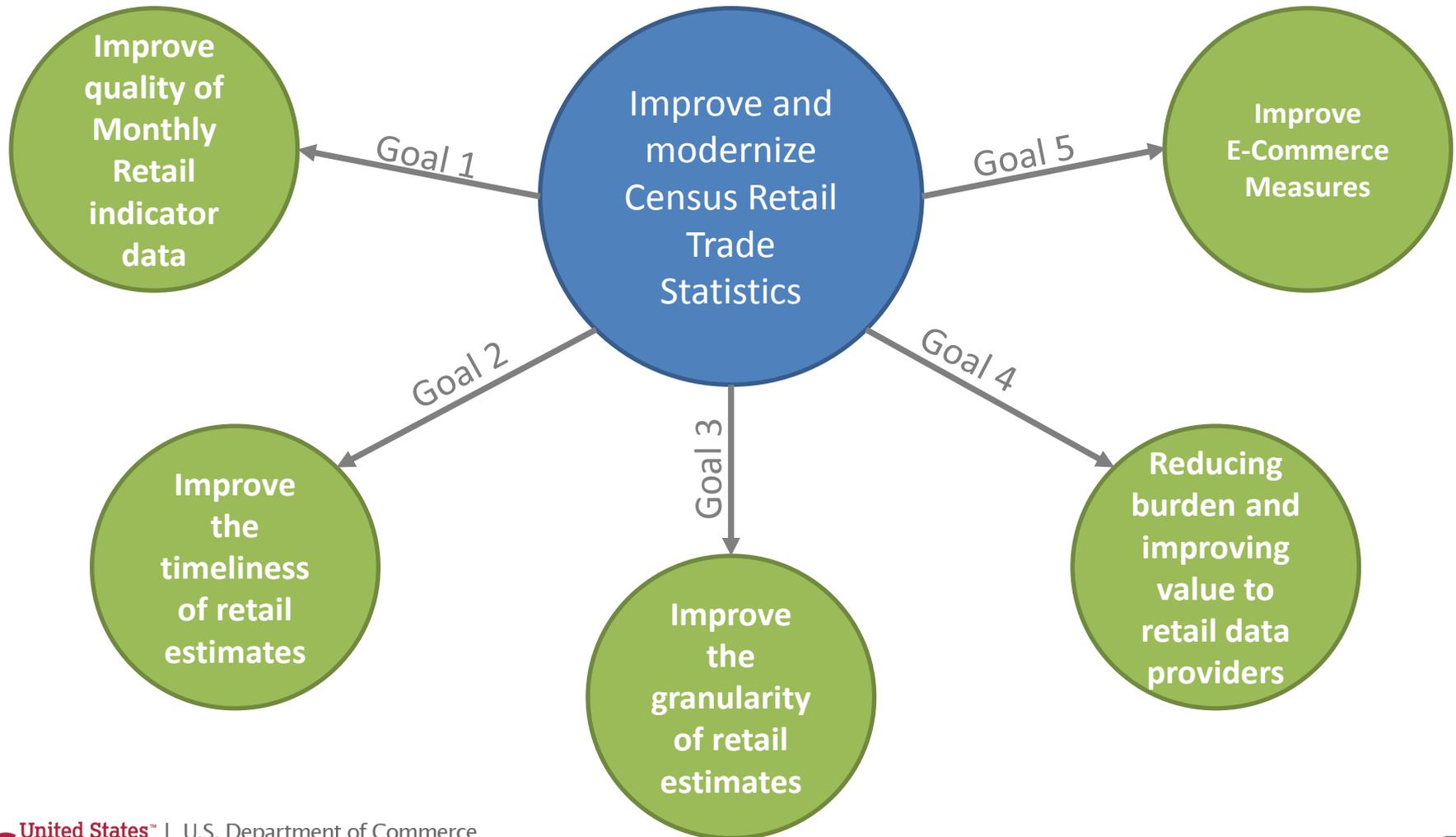
Econ Hub's guiding principles can help with this effort

- Content Harmonization – Use common concepts, terms, and definitions across programs, to the greatest extent possible without sacrificing data quality
- Data Coherence – Have the ability to combine data across programs to show a complete picture of the economy
- Process Alignment – Standardize processes, and support them through shared services
- Innovative Methods– Research and apply innovative methods to produce quality, timely and relevant data

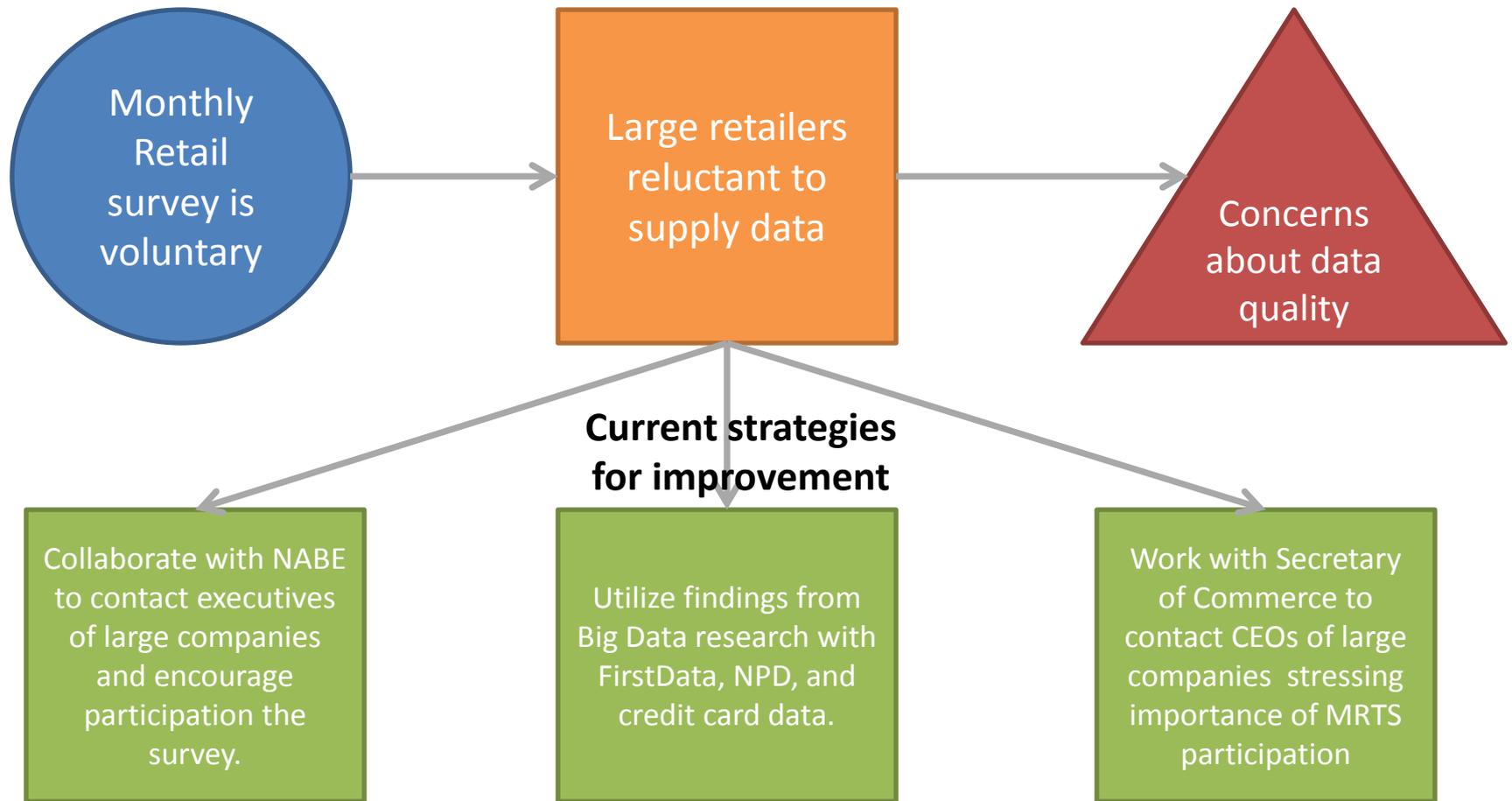
Retail Trade is our first focus

- Sector is changing and requires new ways to measure and collect data.
- Retail sector current surveys provide critical input to
 - Monthly indicators for economic activity
 - Personal consumption expenditures
 - Key inputs to GDP, benchmarked industry and I/O accounts, and industry productivity statistics

Five year plan to meet these challenges



Goal 1: Improve quality of Monthly Retail indicator data



Goal 2: Improve the timeliness of retail estimates

New product released based upon research on providing some retail data earlier.

On July 28, the first Advance Economic Indicator Report was published to include Inventories for Retail and Wholes along with international trade data on goods and services.

This advance report will help improve quarterly GDP estimates.

FOR RELEASE AT 8:30 AM EDT, THURSDAY, JULY 28, 2016
MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, JUNE 2016
 Release Number: CB16-130

July 28, 2016 — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for June 2016:

	 ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT	 ADVANCE WHOLESALE INVENTORIES	 ADVANCE RETAIL INVENTORIES
JUNE 2016	\$63.3 Billion +3.7%*	\$589.3 Billion +0.0%*	\$604.2 Billion +0.5%
MAY 2016	\$61.1 Billion	\$589.1 Billion (R)	\$601.2 Billion (R)

Advance International Trade in Goods
 The international trade deficit was \$63.3 billion in June, up \$2.2 billion from \$61.1 billion in May. Exports of goods for June were \$120.2 billion, \$1.1 billion more than May exports. Imports of goods for June were \$183.5 billion, \$3.3 billion more than May imports.

Advance Wholesale Inventories
 Wholesale inventories for June, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$589.3 billion, virtually unchanged (± 0.4 percent)* from May 2016, and virtually unchanged (± 1.6 percent)* from June 2015. The April 2016 to May 2016 percent change was unrevised at up 0.1 percent (± 0.2 percent)*.

Advance Retail Inventories
 Retail inventories for June, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$604.2 billion, an increase of 0.5 percent (± 0.2 percent) from May 2016, and were up 5.6 percent (± 0.7 percent) from June 2015. The April 2016 to May 2016 percent change was unrevised at up 0.5 percent (± 0.2 percent).

Next release: August 26, 2016. View the full schedule in the Economic Briefing Room: www.census.gov/economic-indicators/.

EXPLANATORY NOTES
International Trade in Goods
 Goods (Census Basis)
 Data for goods on a Census basis are compiled from the documents collected by the U.S. Customs and Border Protection and reflect the movement of goods between foreign countries and the 50 states, the

Data Inquiries:
 International Trade Indicator Branch: 301-763-2311 eid.international.trade.data@census.gov
 Retail Indicator Branch: 301-763-2713 eid.retail.indicator.branch@census.gov
 Wholesale Indicator Branch: 301-763-6856 eid.wholesale.indicator.branch@census.gov

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 301-763-3030
pio@census.gov

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 Economics and Statistics Administration
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Improve
the
timeliness
of retail
estimates

What's next?

- Credit card and other data sources from Goal #1 could be used to create weekly estimates of retail sales.
- Collaborative research underway between Census and BEA is studying the feasibility of an Advance QSS and its usefulness to BEA.

Goal 3: Improve the granularity of retail estimates

Data users more granular data especially geographically. Small area estimation work with new data sources is helping to answers the questions:

- Can we produce sub-national retail estimates?
- If we can, at what levels can we produce quality sub-national estimates: state, MSA, and/or county?

Goal 4: Reducing the burden and improving the value to retail data providers

Potential survey burden of a company in the Monthly Retail Trade Survey.

Monthly

Quarterly

Annually

Every Five Years



Reducing
burden and
improving
value to
retail data
providers

Current Deliberations

We DO NOT envision eliminating surveys as a tool for building retail sales estimates in the foreseeable future.

- Can we reduce burden by obtaining data from other sources?
- Can we increase the value added of our data products to entire companies to participate?

Goal 6: Improve E-Commerce Measures

In the short term, Census is exploring ways to repackage the existing retail e-commerce data.

- Proposals are being vetted internally for leveraging existing e-commerce data from the Annual Retail Trade Survey (ARTS).
- Determine what steps would need to be taken to implement a similar approach on the Quarterly Retail e-commerce Sales Report in an ongoing fashion.

Results should be delivered within the next 6-8 months.

What's next?

In the long term, Census will explore new ways to improve the retail e-commerce measurement including:

- Explore acceleration options for the data product including an earlier annual release and the additional of monthly e-commerce.
- Research alternate sources (third party and/or data feeds) of e-commerce data that could assist with either the granularity or the timeliness of data products.
- Address any measurement issues not only in retail, but in other e-commerce estimates collected by Census.

Resources are directed to the short-term e-commerce improvement goal. Once that is completed, focus will shift to the long term goals.