

National Advisory Committee

Spring 2023 Meeting

Deputy director's remarks as prepared for delivery

May 4, 2023

INTRODUCTION

- Hello everyone. Like Rob, I'm also thrilled we're able to meet in person! It's nice to see everyone again.
- We've got quite a bit to catch up on—I'm happy to fill you in on what we've been working on at the U.S. Census Bureau.
- We are looking forward to the releases of some exciting data products:

2020 Census

- Later this month, we are set to release the **2020 Census Apportionment Brief**, which covers 2020 Census population results used to determine each state's share of congressional seats for the next decade until the 2030 Census. This report provides context of trends in congressional apportionment, makeup of the apportionment population, distribution of seats among the states, and the method used for calculation.
- We will also be releasing the **Demographic and Housing Characteristics File (DHC) and Demographic Profile**. These 2020 Census data products provide demographic and housing characteristics of local communities. The final list of tables, table shells, and lowest level of geography by table for the DHC and Demographic Profile are available in the 2020 Census DHC and Demographic Profile Data Table Guide. The technical documentation is available on the Decennial Census Technical Documentation webpage. These are scheduled to be released to the public on May 25.

2022 Economic Census

- Though the March 15 deadline has passed, we are still collecting responses on the **2022 Economic Census**. We understand this is a busy time of year for many businesses and those that received the economic census may not have had a chance to respond yet. The window to complete the 2022 Economic Census is still open and businesses that require an extension can do so.
- Current status:
 - Economic census response rate as of May 2, 2023: Mailed over 4 million establishments, check in 39.03 percent, compared to 40.57 percent for 2017 at the same number of days past mailout.
 - Multiple telephone operation improvements are paying off, call volumes have been below what was estimated and below 2017 levels. The Interactive Voice Response (IVR) system is handling around 50 percent of calls, compared to 30 percent handled rate in 2017. Call answer rates have been high with very low wait times.
 - Account managers are dedicated to the largest companies, which account for approximately a one-third of multiunit establishments. These cases account for approximately 35 percent of total receipts. This program increases response for large companies.

- A new adaptive collection instrument with machine learning searches for North American Industry Classification System (NAICS) and North American Product Classification System is performing well. The referral rate from write-ins has shown a substantial decrease compared to 2017 (7.8 percent compared to 29.4 percent), which can be attributed to the new machine-learning NAICS search in the instrument.

Annual Business Survey

- **2022 Annual Business Survey (ABS)**—On March 14, the Census Bureau released preliminary data from ABS showing the impact of the coronavirus pandemic on businesses. The data include percentage of firms classified by sex, ethnicity, race, and veteran status of the business for specific COVID-19-related concerns. Final 2022 ABS data tables are scheduled to be released in fall 2023.
- **2023 ABS**—The 2023 ABS collection period is scheduled for July 2023–December 2023. As part of the 2023 ABS, the Census Bureau is planning to include the proposed combined race and ethnicity questions from the Federal Interagency Technical Working Group on Race and Ethnicity Standards. This information will answer key research questions to help improve the quality and usefulness of measuring race and ethnicity that better reflects a diverse America. For the first time, the Census Bureau is testing the impact of proposed revisions on the collection of demographics from the business population to provide valuable input in updating the Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity. Results of the testing are expected in 2024.

Nonemployer Statistics by Demographics (NES-D)

- The Census Bureau plans to release the 2019 NES-D. This annual series provides subnational data on demographics of business owners for businesses that have no paid employees or payroll, are subject to federal income tax, and have receipts of \$1,000 or more. The NES-D statistics are the accompanying dataset to the ABS, and when combined with the ABS, provide a complete picture of business owner demographics such as sex, race, ethnicity, and veteran status. (Scheduled for release May 11.)

Business Formation Statistics (BFS)

- The next monthly BFS will include April 2023 data. BFS provide timely and high-frequency data on business applications and employer business formations monthly. The data are available at the state, regional, and national levels and by industry sector at the national level.
 - **Business Applications** for March 2023, adjusted for seasonal variation, were 451,752, an increase of 4.5 percent compared to February 2023.
 - **Projected Business Formations** (within four quarters) for March 2023, adjusted for seasonal variation, were 33,663—an increase of 5.4 percent compared to February 2023.
- The projected business formations are forward-looking, providing an estimate of the number of new business startups that will appear from the cohort of business applications in each month. It does not provide an estimate of the total number of business startups that appeared within a specific month. In other words, we are projecting that 33,663 new business startups with payroll tax liabilities will form within four quarters of application from all the business applications filed during March 2023.
- The 5.4 percent increase indicates that for March 2023 there will be 5.4 percent more businesses projected to form within four quarters of application, compared to the analogous projections for February 2023.

Management and Organizational Practices Survey (MOPS)

- We also have new 2021 data from the MOPS. According to MOPS, manufacturing establishments in the South and Midwest utilize more structured management practices than their counterparts in the West and Northeast.
- Although not statistically different from each other, the South and Midwest had the highest average structured management scores of 0.546 and 0.542, respectively. The West had an estimated score of 0.510 and the Northeast had an estimated score of 0.506, both of which are lower than the South and Midwest, though not statistically different from each other.
- Highlights include:
 - Structured management practices differ across subsectors. For example, apparel manufacturing establishments had an average structured management score of 0.366, while primary metal manufacturing establishments had an average score of 0.642.
 - Typically, establishments with more employees had higher levels of structured management adoption than smaller establishments. Except for the two lowest employment size classes with estimated structured management scores not statistically different from each other, the average structured management score increased as the employment size class increased.
 - More than 80 percent of establishments tracked three or more key performance indicators that include metrics on production, cost, waste, quality, inventory, energy, absenteeism, and deliveries on time. Almost 32 percent of establishments tracked ten or more key performance indicators. Almost 50 percent of U.S. manufacturing establishments set a combination of short-term (less than 1 year) and long-term (more than 1 year) production targets on these metrics. For less than 2 percent of establishments, the main focus was on long-term production targets.
 - U.S. manufacturing establishments also implemented structured management practices related to personnel. Approximately two-thirds of establishments promoted managers and nonmanagers based solely on performance and ability, while very few promoted workers based primarily on factors other than performance and ability. Just under 40 percent of surveyed establishments reported that they reassigned or dismissed underperforming nonmanagers within 6 months of identifying underperformance.

American Community Survey

- Next week on May 8th, we **will release a new report about persistent poverty** at both county and subcounty geographies. To identify counties in persistent poverty, this report incorporates poverty estimates from the 1990 and 2000 Censuses and the 2005–2009 and 2015–2019 American Community Survey 5-year estimates.
- Persistent poverty is different from, and should not be confused with, chronic poverty.
 - Chronic poverty identifies individuals and families consistently in poverty over time; persistent poverty in this report focuses on geographic locations that had high poverty rates for an extended time.
- And later this summer we will release an updated table package, **Employment and Labor Force Characteristics for Same-Sex and Opposite-Sex Married Householders and Their Spouses**, with statistics from the 2021 American Community Survey. Data are available at the national and state levels and for 15 selected metropolitan areas. Statistics include key employment, labor force, and work status statistics broken down by race and Hispanic origin for same-sex and opposite-sex spouses.

Budget

- **FY 2023:**

- The FY 2023 appropriation totals \$1.485 billion.
- The budget enables the Census Bureau to continue its efforts to transform its organization and operations from a survey-centric model to a data-centric model.
- Highlights include:
 - The appropriation will enable the Census Bureau to finish 2020 Census final evaluations and assessments, complete the transition of the 2020 Census systems to their post-2020 Census state, and support the continued data releases from the Decennial Census. It also enables work to continue on 2030 Census research and planning efforts.
 - The appropriation also supports major data collection, check-in, and data capture operations for the 2022 Economic Census and continued data collection activities for the Census of Governments.
 - The appropriation provides much-needed resources to the Current Population Survey (CPS) to maintain its sample, while also supporting the development of an internet self-response capability for the CPS.
 - It also enables investments in data collection improvements for sexual orientation and gender minority populations, continued geospatial innovations, and data linkage infrastructure to advance assessment of equity.
 - Finally, the appropriation continues investments in common enterprise systems and methods for data collection, management, and release, while honoring our commitment to American households and businesses to keep data they provide us confidential.

- **FY 2024:**

- The FY 2024 budget, which the President released in March, totals just over \$1.606 billion for the Census Bureau, approximately \$121 million over FY 2023. Investments in the FY 2024 budget:
 - Continue research and testing centered around the 2030 Census design.
 - Support follow-up with nonresponding businesses for the 2022 Economic Census and the release of the “First Look” report, which provides national-level economic census data by major economic sector, next March.
 - In addition to completing data releases for the 2020 Census, planning for 2030, and conducting the beginning data releases for the economic census, the budget develops new data products for use by researchers, policymakers, and the public, improves data collection methods and quality, invests in new data and crosscutting research and capabilities, and continues investments and enterprise technology. Highlights include:
 - Establishing an annual Puerto Rico Economic Survey, resolving a longstanding gap in date on Puerto Rico’s economy, expanding coverage data on Post-Secondary Educational Outcomes, and initiating a new annual program to measure the production of advances and emerging technologies and their use by U.S. businesses.
 - Supporting improvements to intercensal population estimates, including the estimates’ base.

- Investing in new E-health data, linking electronic health records with Census Bureau data to provide new insights on healthcare providers, and on health outcomes in the population.
- Supporting development of an online panel to support timely and efficient collection of high-quality data for research and production purposes.
- Enhancing CPS data on small populations, advancing engineering and computing for data science research, and building the infrastructure to measure the impact of the environment and natural disasters on people and the economy.
- Finally, the budget invests in expertise in customer experience to help understand the needs of our data users and drive improvements to our website and data tools.