

**Frequently Asked Questions (FAQs)**  
**COVID-19's Effect on the Second Quarter of 2020 Quarterly Financial Report**

**Data Collection**

**How has the collection of the Quarterly Financial Report data been affected?**

Many businesses are operating in a limited capacity or have ceased operations completely. As a result, their ability to provide accurate, timely information to Census may be limited.

For the second quarter of 2020 Quarterly Financial Report, processing and data quality were monitored throughout the quarter. Quality metrics, such as response rate standards for publication, were continuously monitored and evaluated throughout the data collection period for the published industries.

**Did the Census Bureau change its data collection procedures this quarter?**

Yes. The Census Bureau utilizes a wide variety of collection methods for its surveys. Data, particularly from businesses, are collected on paper, online, and fax. Our National Processing Center (NPC) is responsible for mailing, faxing, data capture, and handling inbound/outbound calls. Services offered by NPC have been limited to ensure employee safety but are starting to come back online. As a result, data collection is now occurring primarily via online reporting. During the second quarter we began leveraging email as a mode to contact companies.

**Methodology**

**Were there any estimates withheld or delayed because of data collection problems?**

No. Second quarter estimates were released as scheduled.

**Did the Census Bureau modify its usual weighting or estimation methods used to produce first quarter estimates?**

No. Standard weighting and estimation methods were used to produce all indicator estimates for the second quarter of 2020.

**Has the reliability of the estimates changed?**

No. The reliability of the estimates as measured by the coefficient of variation for quarterly totals and the standard error for quarter-to-quarter change has not changed substantially. For the published industries, reported data exhibited variation similar to that for prior quarters.

## **Seasonal Adjustment**

### **Did the Census Bureau alter the procedures for developing the seasonally adjusted estimates for the Quarterly Financial Report?**

Yes. Like was done in the first quarter of 2020, an alteration was made in an option in the Census Bureau's X-13ARIMA-SEATS seasonal adjustment software (the "additive outlier adjustment" option) for the second quarter of 2020 for some QFR data series. This was done in an effort to ensure that the published seasonally adjusted values fully include any immediate effects. These effects are not typical second quarter effects and so should not be permitted to influence the seasonal factors for the second quarter and surrounding quarters. The altered option was applied to each data series whose second quarter unadjusted value was found to be statistically untypical, as indicated by the appropriate t-statistic having a magnitude larger than a commonly used "critical value," and for which there were independent indications of an impact. Such indications confirm that a second quarter survey value has an unusual potential to be untypical and justify the use of a standard critical value. In a usual quarter, every survey value is "blindly" tested, therefore a higher critical value is used, making it more difficult for the survey value to be classified as untypical.

### **What was the impact of altering the seasonal adjustment option (additive outlier adjustment) for the first quarter of 2020?**

For the impacted QFR data series, if the second quarter value had been treated as typical, the program would have taken part of the impact to be a seasonal effect and would have adjusted the data in a way that would have brought the adjusted percent change from the first quarter of 2020 to the second quarter of 2020 closer to zero. The altered option we used determined the impact to the second quarter 2020 survey value to be out of the ordinary. As a result, the first quarter 2020 to second quarter 2020 percent change in the adjusted value was left further from zero.

### **How was the survey value for a QFR data series determined to be out of the ordinary?**

Each quarter, independent indications of how corporations performed are researched as part of our normal review of the estimates to detect reporting errors. This research includes, but is not restricted to, conversations with corporations in our survey, a review of publicly available press releases from both corporations and industry associations, and a review of other economic indicators.

This quarter, the second quarter 2020 value of a QFR data series was considered to be out of the ordinary if it was found to be statistically untypical (as indicated by the appropriate t-statistic having a magnitude larger than a "standard" critical value) and independent sources indicated an impact.

## **Additional Information**

### **Are there additional Census Bureau resources available on the COVID-19 Pandemic?**

Yes. The Census Bureau has created a [COVID-19 reference page](#) which includes links to relevant Census data sources. There is also a more general [FAQ on the impact of COVID-19 on operations](#).

Source: U. S. Census Bureau  
Economic Indicators Division

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