Frequently Asked Questions (FAQs)
COVID-19’s Effect on Quarterly Reports on the Quarterly Financial Report

Data Collection

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

The 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 had been limited to ensure employee safety but are now mostly 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. All 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.

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. Consistent with our approach since 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 current quarter 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 effects for the quarter and so should not be permitted to influence the seasonal factors for the current quarter and surrounding quarters. The altered
option was applied to each data series whose unadjusted value for the quarter 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 survey value for the quarter 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 impacted QFR data series, if the value for the current quarter 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 prior quarter to the current quarter closer to zero. The altered option we used determined the impact to the current quarter survey value to be out of the ordinary. As a result, the prior to current quarter 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.

Beginning with the first quarter of 2020, 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](https://www.census.gov) which includes links to relevant Census data sources. There is also a more general [FAQ on the impact of COVID-19 on operations](https://www.census.gov/programs-surveys/sda/covid19-faq.html).

Source: U. S. Census Bureau
Economic Indicators Division

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