Introduction

Frederick T. Knickerbocker*

Federal Reserve Chairman Alan Greenspan has called the Economic Census "indispensable to understanding the American economy." Economic censuses provide unsurpassed statistical data: Countless public and private decision-makers find Economic Census statistics more complete, more specific, more reliable, and more useful than any other single source of economic information.

The U.S. Census Bureau conducts an Economic Census every five years. Statistics from the 1997 Economic Census will feature the first-ever use of completely revised industry classifications. The release of initial census reports, early in 1999, will provide economy-wide statistics far earlier than for any previous census. Data products will be more comparable across industry sectors than ever before.

The articles in this special volume showcase the 1997 Economic Census, including its innovations, components, and history.

"Determining 1997 Economic Census Content," by Judy M. Dodds, addresses the questions of *what* we measure and *why* we measure it. This article highlights the steps and explores complexities of deciding what information the census collects and in what formats. Considerations that the Census Bureau weighs include (but are not limited to) these: gathering data to meet the chief purposes that Economic Census data are meant to serve, such as providing benchmarks and sample frames for monthly quarterly, and annual surveys; balancing the need to capture changing economic conditions with the need for minimizing the burden on businesses of reporting census information; determining the availability of data that can be gathered from administrative records, rather than by canvassing directly every U.S. business establishment; and taking account of the additional costs associated with including additional census questions, the responses to which require

** Direct all correspondence to: Frederick T. Knickerbocker, Associate Director for Economic Programs, Office of the Director, U.S. Census Bureau, Washington, D.C. 20233-0160*

Government Information Quarterly, Volume 15, Number 3, pages 243-245.
 ISSN: 0740-624X

substantial processing. The article also emphasizes the lengths to which the Census Bureau goes to gather the input of federal agencies which use the data, in addition to obtaining the recommendations of trade associations, accounting organizations, and other data users and suppliers.

"Introducing the North American Industry Classification System," by Carole A. Ambler and James E. Kristoff, describes the all-new North American Industry Classification System (NAICS). The data gathered, and the reports issued, from the 1997 Economic Census will be the first to provide official statistics on a NAICS basis. Introducing a consistent, production-based economic concept, NAICS replaces the Standard Industrial Classification (SIC)—a system used in the U.S. since the 1930s—to classify business establishments by industrial sector. This article shows how NAICS recognizes hundreds of new industries that have emerged in our highly technological, increasingly service-oriented economy, and why NAICS provides a clearer basis than the old SIC for the classification of economic activity that will continue to evolve in both the U.S. and North America in the 21st century. In cooperation with Canada and Mexico, the U.S. developed this system in the early 1990s, and officially adopted the system in 1997.

"Conducting the 1997 Economic Census," by Shirin A. Ahmed, Lawrence A. Blum, and Mark E. Wallace, details the carefully-managed multi-year actions needed to prepare for, collect, process, and tabulate information for over 20 million business locations. This account begins with the thorough evaluation, in 1994, of previous census data processing techniques. The purpose was to seek major technological improvements for conducting the 1997 Economic Census. Described here are the substantial innovations for the multi-establishment, company mailout process. Also detailed are census subject matter analysis and quality review steps; fundamental changes in table design and layout, as well as in the product dissemination system; and the effects of those changes in supporting greatly increased data product standardization, comparability, and usefulness.

"Disseminating Economic Census Data," by Paul T. Zeisset, describes the ways that 1997 Economic Census data will be reported—in terms of industries, scope, geographic areas, types of reports, and timing. CD-ROM and the Internet are described as comprehensive sources for published data from the census—in both database and page image formats—while less data will appear in hardcopy than for previous Economic Censuses. The article discusses the challenges of assembling time series data, particularly in view of the conversion from the SIC system to the NAICS. After reviewing other sources of information, the article closes by recommending the Economic Census web site <www.census.gov/econ97> as the most comprehensive and up-to-date source of information about census data.

"Public and Private Sector Uses of Economic Census Data," by Mark E. Wallace, uses a construction metaphor to show how Economic Census statistics provide essential building blocks for the analysis of specific businesses, industries, and geographic areas. These building blocks also form the secure foundation for economic surveys, performance estimates, and analyses done by countless public agencies and private entities. Illustrated in this article are the variety of ways in which Economic Census statistics are applied to practical matters by federal, state, and local officials, by private business planners and managers, and by academic and professional researchers. The article is organized around five major categories of uses for Economic Census data: as a framework and benchmark for

current economic surveys; as source data for calculating composite measures of the national economy; for planning and monitoring economic policies and programs; for research, marketing, and management in the private business sector; and to measure and track changes in economic activity.

"Evolution of the U.S. Economic Census: The Nineteenth and Twentieth Centuries," by William F. Micarelli, portrays the path of Economic Census data collection from the first instance—as part of the 1810 Decennial Census—to full electronic data availability in the 1997 Economic Census. Recounted here are the many historical events that have had an impact on the Economic Census. These include the Civil War, formation of trade societies, westward expansion of the nation, extensive use of administrative records in lieu of data collection, and the acquisition of UNIVAC I. "Over the past 187 years," Micarelli observes, "the importance of the Economic Census has grown in direct proportion to the growing complexity of the nation's economy."

The 1997 Economic Census will provide uniquely relevant, timely, and useful statistics (on our nonfarm economy), including statistics that will be comparable to those of other North American countries. For the first time in the history of economic census-taking, all census results will be accessible electronically. Read this special issue to learn how and why these data can enhance our nation's competitiveness, the public effectiveness of our policy makers, and the vitality of U.S. business activity.