



Quarterly Services Survey

For Information Call:
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For Immediate Release

New Economic Indicator

U.S. Department of Commerce will release First Results of
Quarterly Services Survey on Sept. 13, 2004, at 10:00 ET

The U.S. Census Bureau's new Quarterly Services Survey (QSS) is the Census Bureau's first new economic indicator in nearly 40 years. The new quarterly survey is the centerpiece of a multifaceted statistical initiative to address long-standing deficiencies in federal statistics covering the services sector. Other components of this initiative will provide annual data on the product composition of service output and source data for computing better measures of value added for services.

Why do we need this new indicator survey?

The Census Bureau currently conducts 12 indicator surveys, including monthly series covering retail and wholesale trade; manufacturers' shipments, inventories and orders; residential construction; and merchandise trade; and a quarterly series on corporate profits. These indicator series track current economic activity, and are closely followed and widely used by policy makers in the public and private sectors.

Until now, no economic indicator existed for the services sector despite its importance and increasing share of total economic activity. Excluding retail and wholesale trade, nearly 55 percent of all economic activity is accounted for by services. Measures of service industry output previously were available only from the five-year economic census and on an annual basis from the Service Annual Survey (SAS).

Reliable measures of current economic activity are essential to an objective assessment of the need for, and impact of, a wide range of public policy decisions. These more up-to-date estimates of service industry output will improve those measures.

Why has it taken so long to develop a services indicator survey?

Service data have traditionally been far less available in terms of coverage and frequency of collection than data for the goods-producing sector of the economy. This imbalance dates from a period when goods production was the larger and more rapidly growing part of the non farm economy.

Here's what people are saying about the new Quarterly Services Survey:

"The Census Bureau's new Quarterly Services Survey will give the nation valuable data and will help ensure that our economic statistics continue to support private sector decision making and public policy." –
**Alan Greenspan, Chairman,
Federal Reserve Board of
Governors**

"The Census Bureau's new survey of the services sector is an extremely important step in a much needed, ongoing effort to get a clearer picture of the role services play in the US economy. We know that services account for 80% of US employment and about the same for GDP, but we need to know much more about how services are contributing to our economic life, and the Bureau's new survey helps do that." –
**Bob Vastine, President,
Coalition of Service Industries**



**Here's what people are saying
about the new Quarterly
Services Survey:**

“The Quarterly Services Survey is one of the most important improvements in economic statistics in decades. For the first time, BEA and other users will have current information on the state of the Nation’s service sectors.” – **J. Steven Landefeld, Director, Bureau of Economic Analysis**

“Given the dynamic growth of services, it's great to have more timely measurement of this sector. The quarterly services data will be extremely helpful to my marketing colleagues.” – **Sybil Stershic, President, Quality Service Marketing**

“Change in services, from employment services to newspaper advertising, will provide important measures of how the economy is progressing. It is gratifying to see the developing and producing this important data series.” – **Edward J. Spar, Executive Director, Council of Professional Associations on Federal Statistics**

To keep U.S. statistical programs in step with an evolving economy, the Census Bureau has made significant progress in the last 20 years in improving the coverage of service-sector industries. Having largely accomplished the objectives of more comprehensive service industry coverage, attention can now be given to the provision of more frequent statistics on key service industries.

How will the data be used?

The survey will be used by the Bureau of Economic Analysis (BEA) to significantly improve its quarterly GDP and GDP by industry accounts, as well as estimates of both personal consumption expenditures and private fixed investment. It also will provide the Federal Reserve Board and the Council of Economic Advisers with timely information to assess current economic performance. Other government and private stakeholders also will benefit from a better understanding of important cyclical components of our economy.

What industries will be covered by this indicator survey?

Our initial focus is to cover information and technology-related service industries. We will include information; professional, scientific and technical services; and administrative and support and waste management and remediation services (NAICS sectors 51, 54 and 56, respectively).

Why are these industries important?

These industries are of vital importance in fueling productivity gains in all sectors of the economy. They include growth areas and industries sensitive to changes in the business cycle such as telecommunications, software publishing, computer systems design and related services, advertising, broadcasting and employment services. Combined, these three sectors account for about 15 percent of GDP.



Are there plans to expand this survey?

In 2005, we will expand the QSS to include hospitals and nursing and residential-care facilities. We have further plans to cover the remainder of health care and social assistance; transportation and warehousing; finance and insurance; real estate and rental and leasing; arts, entertainment and recreation services; and other services as funding permits.

What data will be produced for these industries?

The QSS will produce quarterly estimates of total operating revenue and the percentage of revenue by class of customer. In addition, we will provide estimates of total operating expenses from tax-exempt firms in industries that have a large not-for-profit component.

When will the data be released?

Data will be released 75 days after the end of the calendar quarter. We will release the first series of data for the fourth quarter 2003, and the first and second quarters 2004 on Sept. 13, 2004, at 10 ET. The following release is scheduled for Dec. 14, 2004, at 10 ET, and will include third quarter 2004.

What has been the public and private sectors' reaction to this survey?

The public and private sectors have overwhelmingly supported this survey. Other federal statistical and policy-making agencies are on record as recognizing the importance and need of this survey and have offered advice during its development. The private-sector response has been equally encouraging. In fact, the response by survey participants has been unprecedented for a new voluntary survey, achieving an approximate 80 percent level of response in the initial quarter. We think this confirms that there is a keen appetite for these data, even among companies that are asked to provide information.

Here's what people are saying about the new Quarterly Services Survey :

“While so much attention has been focused on manufacturing, the growth in our economy has long depended on the service sector – about which we know relatively little.

The new service sector report represents a major improvement in the quality and quantity of information about a hugely important and growing part of our economy. The information sector in particular is new and crucial to future growth.

We welcome this new source of information about these sectors of the economy.” –

William Dunkelberg,
Chief Economist, National
Federation of Independent
Business



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Where can I get more information?

More information about the Quarterly Services Survey, along with future news releases can be obtained from our Internet site <http://www.census.gov/qss/>. In addition, data not available in the printed report, including the percentage of revenue by class of customer, can be obtained at this URL.

Who can I contact regarding this survey?

Address inquiries concerning this survey to Service Sector Statistics Division, U.S. Census Bureau, Washington, DC 20233, e-mail sssd.qss@census.gov, or telephone David Lassman, Branch Chief, Services Indicator Branch, on (301) 763-2960.